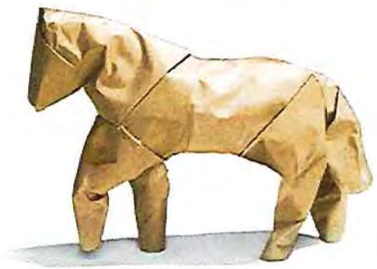
The joy of receiving

ANNUAL AND SUSTAINABILITY REPORT 2013

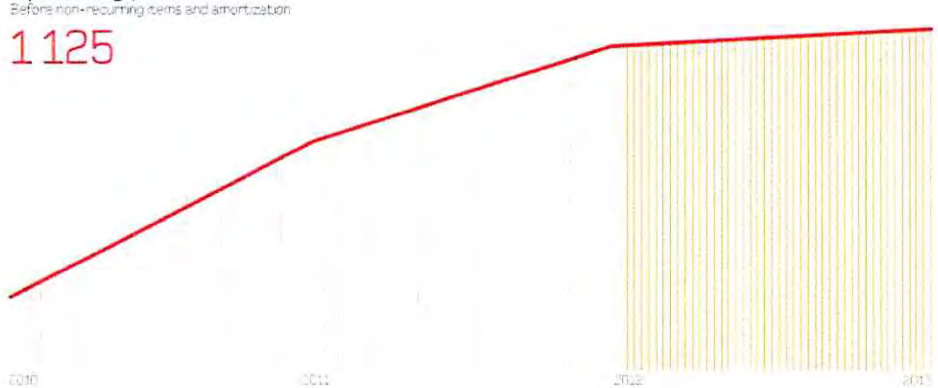
Results



Hanne and the rest of the population are making more and more purchases online. This is one of the reasons why Posten Norge reported profits for the sixth consecutive year.

Operating profit
Before non-recurring items and amortization

1 125



« We shall appear as one supplier. Wherever we can make it simpler for the customer, we will.

CEO Dag Mejdell

Key figures

Key figures, the Group

		2013	2012	2011	2010	2009
Operating revenues	MNOK	23 557	22 925	22 981	22 451	22 613
EBIT	MNOK	641	632	956	1638	269
Government procurements	MNOK	453	219	345	116	211
Share of revenue from monopoly area	percent	14.3	14.6	14.8	14.7	15.3
Revenue from foreign subsidiaries	MNOK	7189	6434	6443	5959	5855
Total parcel volume, Posten Norge AS	mill. units	37.8	37.3	38.7	36.6	34.9
Total letter volume, Posten Norge AS	mill. units	2074	2219	2337	2289	2284
Development A and B mail	percent	-5.7	-8.2	-6.1	-7.2	-10.1
Delivery quality for A mail (proportion delivered overnight)	percent	86.0	85.3	85.3	83.5	88.3
Proportion of machine-sorted, all letters	percent	81.2	79.6	79.2	73.7	72
Employees (full-time equivalents) as at 31 December		19 022	19 388	19 622	19 884	20 555
Number of sales outlets (post office/Post in Shops)		1412	1407	1413	1434	1443
Norway Post's reputation (proportion with a 'good impression')	percent	64	57	69	63	61
Absence due to sickness, Group	percent	6.6	6.9	7.1	7.8	8.1

Important events in 2013

January

146 contracts for Post in Shops are assigned in January following a tender process.170 new Post in Shops will be opened across the country in the course of 2013–2014 in order to accommodate new customer needs. The sales network will eventually consist of 30 post offices and around 1,400 Post in Shops.

Posten receives the Grønn Bil Award for its comprehensive focus on alternative vehicles.

Posten and Bring conduct skid training for their foreign drivers to make them safer on winter roads.

February

Posten marks the 150th anniversary of Edvard Munch's birth by issuing stamps featuring «The Scream» and three of his other works.

EVRY and HP are selected as IT suppliers after a competitive tender process by Posten Norge's IT operational services.

March

Capgemini and Tata Consultancy Services (TCS) are selected as suppliers for operation and management of the group's applications.

Posten and Brings new Fredrikstad terminal opens. Most of the parcel and logistics operations in Østfold are gathered here.

April

Posten Norge acquires 34 per cent of the shares in Denmark's leading logistics company, Danske Fragtmænd AS, strengthening its position in Denmark. The intention is to take over all shares in the company in 2015.

H.R.H. Crown Prince Haakon visits Posten Norge on Wednesday 17 April to get to know the business better and meet employees.

May

18 new stores are assigned by Post in Shops.

Posten Norge and DNB extend their agreement regarding the delivery of banking services in post offices and Post in Shops.

NetOnNet wins Posten Norge's award «The People's Favourite Webshop».

Posten Norge hosts the annual conference of the International Post Corporation. H.R.H. Crown Prince Haakon Magnus attends the opening ceremony.

June

The campaign «Norway's finest parcel» is a success. The campaign buzzwords are e-commerce and the pleasure of receiving. 3,000 nominations stream in between June and September.

Posten issues stamps featuring HRH Crown Prince Haakon and his family to mark the prince's 40th birthday.

Postmen all over Norway participate in Posten's campaign for better labelling of mailboxes, so that the post arrives at the right mailbox at the right time.

July

Posten Norge awards Kragerø the title of Norway's most popular holiday destination. No other municipality in Norway has so much mail forwarded during the holidays.

August

Posten climbs an impressive 20 places – from 39th to 19th position – in Ipsos MMI's annual reputation survey. This makes Posten the company that has made the most progress in the survey compared with the previous year.

September

Stormberg wins Posten and Bring's «Online store of the year» award.

Posten's advertising film for «Norway's finest parcel» wins the «Silver Fish» award.

October

The new Conservative-FRP government calls for an effective and consistent postal service across the country, and wants to give Posten Norge greater opportunities to adapt to increased competition and evolving user needs.

Posten shuts down ticket sales at Post in Shops and post offices, since most people buy tickets online.

Vestre Viken Hospital Trust starts using Digipost to communicate electronically with patients, as the first public hospital trust in Norway.

November

Posten Norge launches a new improved tracking app that notifies customers when a parcel is en route.

Posten Norge acquires West Cargo Vårgårda, thereby strengthening its position in the Swedish logistics market.

The Kjell Aukrust characters Solan Gundersen and Nabonissen feature on this year's Christmas stamps. At the same time «Jul i Flåklypa» («Christmas in Flåklypa») is a hit on cinemas all over the country – with a postman on the list of characters.

December

Posten Norge and DNB enter into an agreement regarding continued delivery of banking services via Posten's national delivery network.

Bring Citymail joins forces with the Swedish newspapers Svenska Dagbladet and Dagens Nyheter to provide joint postal and newspaper distribution services in the Stockholm region.

Posten Norge enters into an agreement with CargoLink AS to secure rail transport of goods on the Oslo–Åndalsnes route.

The Minister for Simplification

Norway Post has been evolving constantly for 367 years. Now, the President and CEO Dag Mejdell has embarked on a change journey that is greater and more important than ever before.

This journey is called New Norway Post and Bring and is primarily about becoming the most customer-oriented company in the industry. After a decade of acquiring a number of different logistics companies in the Nordic region, there is a need to coordinate Posten and Bring's customer services and production even more – to simplify and standardise all parts of the business in order to make the Group more competitive.

"We've implemented many excellent measures to meet our customers' needs. But we can't stop there. The steadily tougher competition means we must continue to develop. We have to be a one-stop supplier. If we can make things simpler for the customer, we must do so," says Dag Mejdell.

Common IT systems are a necessity

One of the most important prerequisites for implementing New Norway Post and Bring is common IT systems. Mr Mejdell realised there was no point in further developing the current IT structure and has therefore drawn up a completely new IT chart for the Group.

"That's necessary for integration and industrialisation. Because we've acquired a number of companies, we have many IT systems that don't communicate with each other. The best and most cost-effective way of resolving this is to have common systems throughout the Group," says Mr Mejdell.

Programme lasting for several years

When New Norway Post and Bring is completed in 2016-17, Mr Mejdell believes customers will notice the difference.

"We're logistics specialists. That's something our customers don't have to be. We must be able to explain to customers in a simple manner how we can meet their logistics needs. Otherwise, they won't choose our services in the future," he says.

Fewer value chains

Norway Post's acquisitions have led to there being many value chains in the Group. Mr Mejdell believes there is a large potential to make our production more efficient.

"We've bought value chains that are not coordinated with Norway Post's original value chains. For a customer with both part-loads and parcels, our way of defining the world is rather illogical. In the postal world, everything under 35kg is a parcel. Everything above this is cargo. But customers don't distinguish between these weight limits. We must change our production so that we can co-produce and coordinate instead of using several operations," he explains.

Weaker results

New Norway Post and Bring is about making the Group as competitive as possible and thus as profitable as possible. This is necessary because the Logistics segment's results have not been satisfactory since the financial crisis arose in 2008.

"The mail operations are doing well and prove yet again our great ability to reorganise in time. But I'm not satisfied with our logistics results. Our costs are too high in several areas. The fact that we have not managed to increase our revenues as much as we aimed for means that the results are below par," says Mr Mejdell.

World champion in reorganisation

Despite annual declines in letter volume of six per cent – more than 40 per cent in total since the peak in around 2000 – the Mail segment is doing better than expected. The reason for this is the continuous reorganisation and improvement of its operations. At the end of 2014, there will be 30 post offices left in Norway and around 1,400 Post in Shops. This has resulted in more satisfied customers and greater profitability.

"So far, we are on the offensive and ahead of the need for changes, so I think the Mail segment will continue to deliver good results in the future," says Mr Mejdell.

A new Postal Services Act in 2014

One of the topics that caused most postal policy discussion in 2013 was the need for letters to be delivered on Saturdays. With a letter volume that is less than a quarter of that during the rest of the week, Saturday deliveries cost MNOK 300-400 million each year. The new government in Norway has announced amendments to the Postal Services Act which mean there will be no mail deliveries on Saturdays. In the longer term, Mr Mejdell believes that even greater changes are necessary because there are no indications that the decline in letter volume will come to a halt.

"I think that at some time it will be expedient to merge the A and B mail. Gradually, as more and more mail is sent digitally, most of the material sent physically in the post will not be time-critical. So customers will choose a solution that takes a bit longer. And then we'll have express services for those who require speedy deliveries. This must naturally be dealt with by the politicians and will not take place for some years," he says.

A more profitable Logistics segment

Due to the shrinking revenue in the Mail segment, which is thus making a smaller contribution to the Group's bottom line, Mr Mejdell is very concerned about improving the profitability of the Logistics segment.

"We must make sure that logistics more than compensates for the decline in the mail volumes. I think we saw positive developments in 2013. The first half-year was weak, while the second half-year improved. That makes me optimistic about the logistics results this year," he says.

New terminals

One of the measures to improve the profitability of the Logistics segment is a completely new terminal structure. In 2013, three new terminals were opened in Norway. The co-localisation of parcel and goods operations is extremely important when new terminals are to be built. In 2013, work started on Norway's largest logistics centre at Alnabru in Oslo – an investment of more than NOK 1.5bn. This is an important prerequisite for operating profitably in an industry with margins of two to three per cent.

"Alnabru will be important for goods and parcel deliveries throughout Norway. It's located right beside the railway, allowing environmentally friendly transport. We are now building terminals for current and future needs and not for the needs that existed in 1950. These investments will pay for themselves. Operating costs will be cut and we'll achieve economies of scale but it will take time before we see the full effect. The new terminal structure for parcels and goods in Norway will be completed in three to four years' time," says Mr Mejdell.

E-commerce just keeps on growing

The fact that e-commerce is growing is not news any more. This has been one of the Group's focus areas for a long time, but this focus was intensified in 2012 when a separate e-commerce division was established.

"I think this has gone well. I'm very pleased to hear that customers say they finally perceive us as a one-stop company," Mr Mejdell points out.

He believes that the growth of e-commerce means it is valuable to be able to deliver goods to people's mailboxes at home. This has become increasingly important.

"I think B2C parcels will be a considerable growth area in the future, quite simply because people will increasingly shop online. We must have home deliveries, deliveries in shops and deliveries to mailboxes. Consumers must be able to choose how they want goods delivered. This is taking place throughout the Nordic region so we must provide competitive delivery solutions in Sweden and Denmark too," says Mr Mejdell.

Mail and newspapers in Sweden

Over the past decade, Norway Post has developed into a Nordic player. One of its first acquisitions was that of Bring Citymail in Sweden, a competitor to the Swedish national mail company. Since the financial crisis, it has been difficult to make a profit in a declining letter market. For this reason, Bring Citymail joined together with Bonnier and Schibsted last year to establish a common distribution company in Stockholm for mail, newspapers and small parcels.

"We had to decide whether to continue to invest in mail distribution outside Norway. We chose to act dynamically but the reduction in letter volumes means we have to expand our range of services. That's why we've joined together with the newspapers. We can now distribute mail, parcels and newspapers at the same time and share delivery personnel, premises, vehicles and systems," says Mr Mejdell.

More healthy employees

Ever since Mr Mejdell took over as CEO of the Norway Post Group eight years ago, he has had a constant focus on health, safety and the environment (HSE). During these years, the sickness absence rate has fallen from above 10 per cent to 6.6 per cent – the best result ever.

"This is the only area where we want to achieve an 'all time low'. I'm very proud that we have managed to lower the sickness absence rate so much. It's taken many years to do this. However, the fact that too many people are injured at work is disappointing. That's one of the reasons why we will focus even more strongly on that issue this year," he says.

Straight to the bottom line

A lower sickness absence rate means money straight into the coffers of both Norway Post and society at large. The Group's insurance premiums have also fallen considerably due to the good HSE results.

"I think it's possible to reduce the sickness absence rate even more. My short-term goal is for us to be below the average sickness absence rate in Norway. We're very close to achieving this now," says an optimistic Mr Mejdell.

Environmental leadership

The Norway Post Group aims to cut its CO2 emissions by 30 per cent by 2015. We have reached 26 per cent by 2013. Many measures have been implemented to reach this goal, including massive investments in alternative vehicles that run on electricity and biofuel. In the post distribution network we will soon have 1,000 such vehicles.

"Now we're looking ahead to 2020 and have decided to cut 40 per cent CO2 emissions by 2020," says Mr Mejdell.

The future:

2013-2014

- Posten Norge will open 170 new Post in Shops in 2013 and 2014.

- Posten Norge is entering into new IT agreements that shall ensure greater competitiveness.

- Develop a Bring organisation in the Nordic region and gather management for the Nordic logistics activities in Stockholm.

- The Group is coordinating the value chains in order to make logistics more efficient and less harmful to the environment. Establish common terminals for parcels and freight.

- Posten Norge is participating in a tendering process regarding the digitalisation of public sector mail with the Digipost service.

- Posten Norge is integrating Ekdahls Åkeri with Bring and establishing a national freight and parcels distribution network in Sweden.

- Bring will deliver more than 1 million home deliveries of furniture and interior products, food, electronics and other products to consumers across the Nordic region.

- Bring is opening a new common logistics terminal for freight, parcels and home deliveries, as well as warehousing services in Västberga in Stockholm.

- Posten Norge will publish its annual e-commerce report with analyses of the Nordic development and assessments from the world's leading e-commerce experts.

- Bring will inaugurate a new freezer terminal at Flatholmen in Ålesund for the export of fish.

- Bring is opening a new common logistics terminal for freight, parcels and home deliveries, as well as warehousing services in Malmö. The terminal will also function as the main terminal for the export and import of goods in Sweden and the Nordic region.

- Bring is opening a new warehouse with expanded capacity in Jönköping as a hub for Nordic distribution solutions.

The Board of Directors

Geir Løland

Born: 1958

Employee representative (since 2012)

Union Leader in Postal Employees Union

Employee of Norway Post since 1979

Paul Magnus Gamlemshaug

Born: 1953

Employee representative (since 2004)

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

Employee of Norway Post since 1974

Ann Elisabeth Wirgeness

Born: 1961

Employee representative (since 2012)

Deputy union representative for the Logistics Division, Member of the National Executive Committee of the Norwegian Postal and Communications Workers' Union (Postkom)

Employee of Norway Post since 1985

Sigrid Hjørnegård

Born: 1965

Board member (since 2012)

Director for renewable energy, climate and the environment at Energy Norway

Education: Master of Science

Positions of trust: Board member of Energi21 (OED), board member of the Norwegian Forest and Landscape Institute at UMB (LMD), represents Energy Norway in the Environment and Sustainability Committee in Eurelectric (the European energy organization).

Randi B. Sætershagen

Born: 1958

Vice-chairman (since 2010)

CEO, Medi 3 Innlandet AS

Education: Master of Economics and Business Administration

Positions of trust: Board member of Grid Design AS, Elsikkerhet Norge AS, Briskeby Eiendom 1 AS

Jørgen Randers

Born: 1945

Board member (since 2011)

Professor of Climate Strategy, Norwegian Business School (BI)

Education: PhD in Management

Board memberships: Chairman of the Board of yA Bank ASA, Chairman of the Board 21st Venture AS, member of "sustainability board "The Dow Chemical Company (USA)

Idar Kreutzer

Born: 1962

Chairman of the Board (since 2012)

CEO, Finance Norway

Education: Master of Economics and Business Administration

Positions of trust: Chairman of the Nomination Committee of Orkla, vice-chairman of the corporate assembly of Statoil, member of the corporate assembly of Hydro, chairman of the Norwegian Refugee Council, board member of the University of Oslo, member of Advisory Board NHH

Odd Christian Øverland

Born: 1957

Employee representative (since 2000)

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

Employee of Norway Post since 1979

Gøril Hannås

Born: 1968

Board member (since 2010)

Risk Manager, National Oilwell Varco Norway AS

Education: Master of Economics and Business Administration and PhD Logistics

Positions of trust: Board member Sigtor AS, Seamless AS, Smart Engineering AS, Agder Energi AS

Terje Wold

Born: 1963

Board member (since 2010)

CEO of Invenia AS

Education: Master of Science and Master of Management

Positions of trust: Board Member of VERDIKT (Research Committee), Tromsø International Film Festival, member of the Supervisory Board of Gjensidige

Report of the Board of Directors 2013

The Posten Norge Group had earnings before non-recurring items and write-downs of MNOK 1,125 in 2013. This is an improvement of MNOK 9 compared to 2012 and the sixth year of growth in income.
Delivery quality improved and the health-promoting programme has lowered the sickness absence rate among employees. The Group is continuously transforming itself to meet the changing needs of users, increased competition and new framework conditions.

Introduction

Increasing rate of change

Digitisation is influencing society and changing postal customers' needs and demands. As of 2014, official mail will generally be sent digitally. Soon, most letters and documents will be sent electronically, while growing e-commerce means more and more parcels and goods to be transported and distributed.

In the past ten years, Posten Norge has implemented one of the largest transformations in the Norwegian business sector. The Group has gone from being a traditional mail distributor to developing logistics as its core operations. At the same time, the Group has built new Nordic positions in the logistics market. The changes were implemented rapidly and in cooperation with the employee organisations.

Good position

The total operating revenues in 2013 were MNOK 23,557, an increase of MNOK 633, or 2.8 per cent, from the previous year. A higher growth rate and solid number of new contracts at the end of last year put the Group in a good position at the beginning of 2014.

Growth in the Group was strongest outside of Norway, and 32.8 per cent of the turnover came from operations outside of Norway, primarily Sweden, compared to 30.1 per cent in 2012. Southern Sweden is an important base for distribution to the entire Nordic region and several Norwegian businesses have moved their warehousing functions to Sweden. A high percentage of Bring's customers request Nordic services and buy several types of mail and logistics services.

Increased competition

The postal market in Europe has been liberalised and there is more competition. In Norway, the Conservative/Progress Party Government has stated it will introduce free competition within mail and parcel services and abolish the reservation against the EU's third Postal Directive. Furthermore, the Government's political platform is that Norway Post is to be given more room to adapt to increased competition and changed user needs, and that an effective and equal postal service is to be ensured throughout the country. A new Postal Services Act is expected to be presented in 2014.

Posten places emphasis on accepting responsibility for how its operations affect people, the environment and society. One of its main focuses is 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.

Revenue and portfolio development

Posten Norge consists of two segments: mail and logistics. The total operating revenues in 2013 were MNOK 23,557, which was 2.8 per cent higher than the previous year. The Group's operations outside Norway had combined revenues of MNOK 7,189, which is 11.7 per cent higher than in 2012.

Logistics segment

Logistics is the Group's biggest segment and accounted for 59 per cent of revenues in 2013, with a turnover of MNOK 14,960, an increase of 4.7 per cent from 2012. Higher parcel volumes from e-commerce together with acquisitions and high levels of activity in Offshore and Energy contributed to revenue growth. Adjusted for acquisitions, revenue grew by 1.3 per cent compared to 2012. Logistics sales outside of Norway were MNOK 6,131 in 2013, an increase of 12 per cent compared to the previous year.

The Group's parcel volumes grew by around 7 per cent in 2013 compared to 2012. Growth in e-commerce, particularly relating to imported goods, was the main driver behind this increase.

Acquisitions strengthen market positions

The Group expanded its customer services and strengthened its market positions through acquisitions of logistics operations. In 2013, the Group acquired 34 per cent of the shares in Danske Fragtmænd AS. In January 2014, Norway Post acquired Swedish logistics company West Cargo Vårgårda AB, whose domestic cargo network in Sweden strengthens the Group's network.

Decreasing volumes of mail

The Mail segment's revenue increased by MNOK 76 in 2013 to MNOK 10,485. This segment accounted for 41 per cent of the Group's external revenues in 2013. The increase in turnover was mainly due to the retroactive payment of government procurements in 2012. Increases in the prices of letter products compensated for around 40 per cent of the decrease in the volume of addressed and unaddressed mail.

The transition from physical to digital communication continued. Addressed mail decreased by 5.7 per cent in 2013 and unaddressed mail by 7.3 per cent. In 2013, 14.3 per cent of Norway Post's revenue came from business areas in which the Group has a monopoly.

More customers, particularly within banking and finance, moved to digital solutions. The number of magazine and periodicals customers also fell sharply as a result of both reduced print runs and increased competition.

At the end of the year, 270,000 Norwegians had registered to use Norway Post's digital mailbox, Digipost. Around 500 customers entered into agreements to send mail via the solution and 3 million letters were sent via Digipost in 2013. Posten Norge's digital mail system functions well in Norway and allows users to receive and archive all digital mail in a single mailbox. With its 367 years of experience and high level of public trust, Posten Norge has the best qualifications for continuing to deliver both digital and physical mail in the future.

The number of bank transactions carried out via Posten Norge's sales outlets fell by 10.1 per cent in 2013. A new agreement with DNB to offer banking services in Posten Norge's sales outlets entered into force on 1 June 2013, while a corresponding agreement for the rural postal network entered into force on 1 January 2014.

In Sweden, Bring Citymail increased its volumes by 3 per cent in 2013 as a result of new customers. In January 2014, Bring Citymail established a joint venture with the Swedish newspapers' distribution organisation, Pressens Morgontjänst (Premo). This company will distribute morning newspapers, letters, small parcels and promotional flyers in the Greater Stockholm region. In practice, this entails a merger between Premo's and Bring Citymail's operations in the Stockholm area.

Social mission and position in Norway

Posten Norge is a prominent member of society in Norway and undertakes an important social responsibility by ensuring nationwide, high-quality and cost-effective postal services.

The overnight delivery quality for A-mail was 86 per cent in 2013. This is an improvement of 0.7 percentage points from the previous year and 1 percentage point above the licence requirement. Norway Post also fulfilled the other licence requirements relating to delivery quality by a good margin.

The plans for the conversion of 149 post offices to 170 Post in Shops, which began in 2012, are on schedule. At the end of 2013, 79 post offices had been replaced with 91 Post in Shops. Once the conversion is completed, it will represent combined extended opening hours for customers of 1,000 hours a day. In total, Posten has around 3,000 delivery points in the form of post offices, Post in Shops and rural postmen/women. No other company has such a fine-meshed delivery network in Norway.

Posten's more than 20,000 red post boxes are not being used as much as before since fewer letters are being sent and they will be reduced to around 15,000 in 2014. At the same time, it will become possible to post letters in the rural postal network via mail recipients' own, green mailboxes.

Reputation

Posten climbed an impressive 20 places in 2013, from 39th to 19th place, in Ipsos MMI's annual reputation survey. Among Norway's 116 largest businesses, the Group was the one that improved the most compared to 2012. Of the respondents, 64 per cent said they had a positive impression of Posten, compared with 57 per cent the previous year.

Overall customer satisfaction was 69 (on a scale from 1 to 100 where 100 is best) in 2013 compared to 70 in 2012.

Profitability

The Group's operating profit (EBIT) before non-recurring items and write-downs was MNOK 1,125 in 2013, which was MNOK 9, or 0.8 per cent, better than in 2012. The Group's EBIT margin before non-recurring items and write-downs for 2013 was 4.8 per cent, compared with 4.9 per cent in 2012.

The return on invested capital before non-recurring items and write-downs (ROIC) for 2013 was 17.5 per cent for the past 12 months, which is a decrease of 0.8 percentage points compared to 2012.

The Group's operating profit after non-recurring items and write-downs was MNOK 641 in 2013, which was MNOK 9 higher than the previous year. The largest non-recurring items in 2013 were related to write-downs of goodwill and intangible assets totalling MNOK 239 and provisions for costs relating to the market regulation of leases totalling MNOK 187, both of which are in the Logistics segment.

The pre-tax earnings on ordinary operations amounted to MNOK 619 in 2013 compared with MNOK 547 in 2012. In October 2013, the tax authorities dropped a case regarding tax deductions for bad debts from the 2009 tax year and as a result reserves of MNOK 140 were reversed and led to a corresponding reduction in the tax for 2013.

The earnings after tax on ordinary operations amounted to MNOK 512 in 2013 compared with MNOK 398 in 2012.

Logistics segment

The logistics segment's operating profit before depreciation and amortisation (EBITDA) and non-recurring items was MNOK 505 in 2013, which was MNOK 120 or 19.2 per cent lower than the previous year. Earnings were affected by weak volume growth, price pressure and a transition toward services with lower margins.

The Group has achieved significant synergies which resulted in increased cost efficiency in 2013, but this has not been sufficient to counteract the effect of lower prices and the transition toward services with lower margins. The markets in Sweden and Denmark continue to be challenging, particularly in freight and thermo operations. The Spinnaker Logistics efficiency programme that was implemented to take advantage of economies of scale and improve profitability had realised effects of MNOK 745 at the end of 2013.

Coordination, the simplification of transport routes and common IT systems are important investment areas for the Group. A new terminal structure is being established to gather parcel and freight production under fewer and larger units, both in and outside Norway. For example, Poste and Bringn are going to build Norway's biggest logistics centre at Alnabru in Oslo. The project investment of over NOK 1.5bn will provide customers with improved, more efficient logistics services and the co-localisation will simultaneously result in significant environmental benefits.

Mail segment

The Mail segment's operating profit before depreciation and amortisation (EBITDA) and non-recurring items was MNOK 1,485, which is MNOK 143 or 10.7 per cent better than in 2012. The profit was positively affected by cost-reducing measures, a new bank agreement, effects of the conversion to Post in Shops and the retroactive payment of MNOK 123 for government procurements in 2012.

Posten has successfully implemented a major transformation of its post office network by making changes in time and keeping employees informed. The two-year plan for opening 170 new Post in Shops to replace 149 post offices is proceeding according to schedule. This has resulted in cost savings of MNOK 60, including from a reduction in staff of almost 400 full-time equivalents.

The additional costs that Posten incurs through providing commercially unprofitable statutory postal services are covered by government procurements. In 2013, the Norwegian Parliament granted MNOK 353 for this. Under the government procurement scheme, Norway Post recalculates requirements the following year in connection with the submission of its annual product accounts to the Norwegian Post and Telecommunications Authority. In accordance with the recalculation rules, the Norwegian Parliament granted MNOK 123 in 2013 for under-compensation in 2012.

Parliament has allocated MNOK 270 for government procurements in 2014. This is MNOK 50 less than Posten's advance estimates and presumes that Posten can realise cost effects from the discontinuation of post delivery on Saturdays as early as in 2014 and that the conversion of 149 post offices to Post in Shops will be completed in 2014.

Bring Citymail in Sweden made a 2013 profit that was weak but slightly better than the previous year.

Associated companies

Posten owns 40 per cent of Evry ASA and 34 per cent of Danske Fragtmænd AS. The Group's EBIT includes a share of the profits/losses of associated companies. For Evry ASA, this share was

MNOK -31, compared to MNOK 78 in 2012. For Danske Fragtmænd AS, the Group reported a share of MNOK 7 as income. (See Note 10.)

Goodwill

The Group recorded a total of MNOK 2,331 as goodwill from previous acquisitions in the balance sheet as at 31 December 2013. An evaluation of the present value of cash flows related to the acquired entities compared to the amounts recognised in the balance sheet in

2013 resulted in a total impairment loss of MNOK 117, which referred in its entirety to the Logistics segment.

Investments

Total investments, excluding acquisitions, were MNOK 1,092 in 2013, an increase of MNOK 499 compared to 2012. The majority were investments in IT systems and the purchase of land and vehicles. Cash flows from operating and investing activities in 2013 were MNOK 303 lower than in 2012. This was primarily due to the investment in the associated company Danske Fragtmænd and to increased operating investments.

Financial flexibility

In 2013, the Group had net financial expenses of MNOK 21 compared with MNOK 84 the previous year. The Group had long-term liquidity reserves of MNOK 3,851 on 31 December 2013, compared with MNOK 3,403 the previous year. These reserves consisted of invested funds and available credit facilities. The Group places emphasis on financial flexibility and the ability to take advantage of opportunities in the market.

Risk

Risk management and internal controls are integrated into the Group's business processes and are central elements of Norway Post's corporate governance. When developing goals, strategies and business plans, the aim is to create value by balancing growth against profitability targets and the risks involved in Norway Post's activities.

As part of its corporate governance, the Board of Directors emphasises good risk management and internal controls. Every six months, the Board of Directors reviews risk analyses that evaluate the Group's total risk. The risk analysis is carried out as a comprehensive process in which all divisions and major businesses actively participate in and are part of the Group's analyses. Risk-mitigating measures are implemented to ensure that the business achieves its goals and an evaluation is conducted on a regular basis to ensure that the measures are having the desired effect or to determine if new risk factors have arisen. Norway Post actively monitors its risk exposure with a focus on areas such as strategic acquisitions or the sale of businesses, regulatory conditions, competitive conditions, operational conditions, the execution of major projects, available competence and resources as well as developments in sick leave, safety and incapacity for work. The follow-up of information security and integrity will be enhanced.

Risk management and internal control processes are described in more detail in the company's corporate governance report.

Reduced financial risk

In 2013, Norway Post continued the measures started in 2009/10 to reduce its financial risk and increase its financial freedom. Discipline in the use of capital, goal-oriented acquisitions and a focus on cost-reducing and revenue-increasing measures gave satisfactory results despite the decline in the volume of postal services. The Logistics segment increased its sales, but its profit decreased due to a pressure on margins.

The Group's equity is stronger, which has increased the Group's ability to make strategically important investments.

A long-term loan of MNOK 400 fell due in 2013 and was partly refinanced. Another loan of MNOK 750 was extended in conjunction with an interest rate regulation. The credit and counterparty risk relating to investments of surplus liquidity is deemed to be limited as Norway Post's counterparties generally have high ratings.

Debt covenants

Some of Norway Post's loan agreements contain debt covenants that limit the ratio of net interest-bearing liabilities to EBITDA to 3.5 and require a minimum equity ratio of 20 per cent. As at 31 December 2013, the ratio of net interest-bearing liabilities to EBITDA was 0.8 (up from 0.6 in 2012) and the equity ratio was 38.7 per cent (up from 37.5 per cent in 2012). Three of the Group's loan agreements also include a covenant stipulating a minimum equity ratio of 20 per cent, while another loan agreement requires a minimum equity ratio of 25 per cent.

Norway Post uses financial instruments to manage the risk associated with interest rate changes, exchange rate changes, diesel prices and aviation fuel (see Note 22).

Claims for compensation

The logistics company Schenker has made a claim for compensation against Posten in connection with the ESA case regarding exclusivity clauses in the Post in Shops agreements for the period 2000-2006. Oslo District Court has adjourned the case until other legal proceedings have been completed. Posten maintains that the claim for compensation is baseless.

Allocation of profit

In 2013, Posten Norge AS made an after-tax profit of MNOK 512.

The Norwegian government's dividend policy states that 50 per cent of the Group's after-tax profit may be paid as dividends. Before the annual dividend is determined, an independent assessment of the Group's financial situation and future prospects is to be carried out.

The Board of Directors proposes that dividend of MNOK 256 be paid from this year's profit, which corresponds to 50 per cent of the Group's profit for the year. The other half of the profits for the year is to be transferred to other equity to ensure that the Group's equity is reasonable given the risk and scope of the business. The state budget for 2014 includes a dividend of MNOK 217 from Posten for the 2013 fiscal year. The actual dividend will be determined at the 2014 general meeting.

The annual accounts have been prepared under the assumption that the Group is a going concern. The Board of Directors confirms that this assumption is valid.

Corporate social responsibility

Posten works systematically to ensure that the Group's activities contribute to sustainable developments in line with the customer expectations and the Government's ownership policy. In addition to being based on the Group's value system, the corporate culture in the Group must be characterised by an active attitude to taking social responsibility. A good reputation will help attract and motivate employees, strengthen competitiveness and provide increased freedom to further develop the Group's business.

The Group has specifically chosen to focus its corporate social responsibility initiatives on the environment, diversity and integration. In the Board of Director's opinion, Posten is among the leading businesses in these corporate social responsibility areas.

In Ipsos MMI's reputation survey for 2013, Posten was ranked 5th in environmental awareness and 7th in social responsibility and morality out of Norway's 116 largest businesses.

Posten participates in the Global Compact, which is a UN initiative for cooperation with businesses to ensure sustainable development. As a member, the Group is obligated to integrate human rights, workers' rights and social conditions, the external environment and anti-corruption measures into its business strategies, daily operations and relationships with stakeholders. The Group uses the Global Reporting Initiative (GRI) framework for its reports. The sustainability report is in accordance with sections 3-3c of the Norwegian Accounting Act and the related regulations entitled "Transition rules for changes in the Norwegian Accounting Act and some other legislation".

Social conditions

Employees are the Group's most important resource. Health-promoting activities are therefore a high priority and the Group's vision is for nobody to be injured or become ill as a result of their work. Systematic and goal-oriented efforts to reduce sickness absences, new cases of incapacity for work and work injuries have generated very good results.

Posten's head office is located in Oslo and most of the Group's operations are conducted in Norway, but the operations outside of Norway are growing steadily, particularly in Sweden and other Scandinavian countries.

Posten is constantly being reorganised and this has a major effect on its employees. The reorganisation processes are based on involving employees through a well-functioning, tripartite collaboration between the management, trade unions and safety representatives. In downsizing situations, it is important for the employees to be given time and to be well-informed about the situation so that events are as predictable as possible. The Group endeavours to provide redundant employees with support and assistance with the goal of helping them to gain new employment within or outside the Group.

As part of its efforts to develop new operational solutions and co-locate operations, the Group tries to maintain a high percentage of full-time positions and plenty of variation in work tasks.

The Group's workforce decreased by 366 full-time equivalents in 2013. Most of the job losses were related to the conversion of post offices in the parent company. At the end of 2013, the Group had 19,022 full-time equivalents. Posten reflects the diversity of today's society and, in the Norwegian part of the Group, 13 per cent of the employees had immigrant backgrounds. More than 70 nationalities are represented among the Group's employees.

The Group has a goal of continuing to develop the diversity within the Group. Everyone should have equal opportunities for work and a career. Active efforts are made to promote integration in the operations and increase the proportion of employees with immigrant backgrounds in the corporate staff units and management positions. Language tuition is a vital part of this work. A development and internship programme is offered to selected employees. The Group is a racism-free zone in accordance with an agreement between Norwegian People's Aid and the Norwegian Postal and Communications Workers' Union (Postkom) that was initially signed in 2001. This means that everyone is welcome at Norway Post regardless of skin colour, religion or cultural background.

Satisfied employees

In 2013, the organisation survey showed high levels of satisfaction amongst Group employees. The overall employee satisfaction was 78 points (on a scale of 1 to 100, where 100 is best), which is the same as in the previous year.

The Group has successfully reduced its sickness absence rate. This was 6.6 per cent in 2013, which is a decrease of 0.3 percentage points from the previous year. The long-term sickness absence rate decreased the most. In the past eight years, the sickness absence rate has fallen from 9.2 to 6.6 per cent. This means that every day there are almost 500 more employees at work. To a large extent, the Group has focused on individual follow-up and has introduced a good system and structure for its work related to sickness absences. In recent years, efforts have targeted preventive measures and healthy employees have been given more attention. In 2013, 2,200 employees had a medical check-up as part of the Group's health-promoting programme and 200 employees were trained as health motivators.

Nobody should be injured at work

Efforts to reduce personal injuries have been a central part of the work to build a safety culture. The Group's safety standard is followed up through both announced and unannounced safety audits and by other units conducting self-evaluations. The increased reporting of near-accidents has raised awareness of risk areas and strengthened preventive work.

There were 481 personal injuries in 2013, which was the same level as in the previous year and corresponds to an H2 value (number of personal injuries per million hours worked) of 15.1. There were 157 injuries requiring medical treatment. This corresponds to an H1 value (number of personal injuries requiring medical treatment) of 4.9, which was 0.4 lower than in the previous year.

The Group works systematically on the most common causes of injuries to learn about them and therefore prevent new serious injuries by implementing goal-oriented measures. Examples include awareness campaigns relating to transport and traffic safety, safety audits of terminals, the use of shoe crampons and spiked shoes by postal delivery staff in the winter and reviews of the most serious accidents.

Pay and equality

Posten Norge AS's main principle is that management pay should be competitive but not leading compared to equivalent types of companies. Employment terms for senior executives at Posten Norge AS are well within the government's guidelines for salary policies in state-owned enterprises. The Board prepares a statement every year regarding the salaries and other benefits of senior executives of Posten Norge AS. This statement is included as Note 2 in the annual report and is presented at the ordinary general meeting. Salaries, other remuneration and accrued pensions for senior executives totalled MNOK 28.7 in 2013, compared with MNOK 27.4 the year before.

Posten's recruitment policy requires moderate gender quotas to increase the number of female managers and employees in male-dominated job categories. Posten is concerned about equality on all levels.

A review of the pay differential between women and men has not shown any significant pay differences that can be attributed to gender.

Half of Posten's Group management are female. Women make up 37 per cent of Group employees and 31 per cent of managers.

Management development

Posten makes efforts to continuously improve its leadership by systematically developing its managers. Using the Plus meeting and management evaluations as a basis, managers are objectively evaluated on their performance and potential in parallel with the identification of development needs. Posten has management development programmes that focus on executive, middle and first-line managers. During 2013, 220 managers completed a management programme and all managers completed the obligatory HSE training course. The management programmes aim to contribute to the Group's ability to deliver and goal achievement as well as to result in lower sickness absence rates and a high level of employee satisfaction. In 2013, the Group's strategy has been a central theme in the development programmes.

Employee development

Skills development is a major focus of both internal and external course offerings and workplace-based training. The use of e-learning modules is rising and employees completed around 9,000 courses in 2013. Several new internal company courses have been developed using this method of learning, for example, "The Health Coach", which raises awareness about a person's responsibility for their own health, and "Step by Step", which teaches employees how they can help reduce the Group's and society's negative impact on the external environment.

In addition, 215 employees took part in courses on fundamental reading, writing, maths or computer skills that were sponsored by public funds. As a supplement to other internal company training, online apprenticeships are offered to increase the number of employees with a certificate of apprenticeship. The Group's scholarship programme distributes around MNOK 1.5 every year to employees who would like to improve their formal competence.

Integrity programme

The Group's integrity programme aims to ensure that everyone who represents the Group behaves in accordance with the Group's ethical guidelines. The aim is to ensure a high ethical standard relating to anti-corruption, competitive practices, social dumping and the handling of information. The programme also includes its own ethical standard and a system for following up suppliers and business partners.

Prevention of crime

The level of crime against Posten is considered to be moderate. In 2013, there were two robberies/attempted robberies of postal delivery employees and one robbery of a Post in Shops. The number of reports of criminal activity in the Group increased. This increase is primarily due to a stronger focus on reporting, but also to an actual increase, particularly with regard to parcel theft. The Group has a zero-tolerance policy for internal fraud. In 2013, 24 persons (employees or subcontractors and other parties related to the Group's services) were dismissed with or without notice due to criminal offences, compared to 19 in the previous year.

Posten focuses on all types of crime and works actively to prevent and solve cases. An increasing number of customers are falling victim to Internet fraud, which in some instances starts with the theft of personal information from letters in mailboxes. Posten helps reduce the customer's losses in such situations. The Group conducts risk assessments of areas that are particularly prone to crime.

The Digipost digital mail system is based on a high level of security so users can receive and send important mail and sensitive documents such as health information and PIN codes. To meet the high security requirements, the Group has established strict information-security and risk-assessment management systems. In addition, security reviews are held with external security experts.

Given the conclusions of the 22 July Report, the risk management activities are followed up on an annual basis. The safety level and contingency plans are viewed in the context of, for example, the government's threat assessments and international work and prioritisations, for example by the Universal Postal Union (UPU) and the International Civil Aviation Organization (ICAO).

Wider enivornment

As one of the Nordic region's biggest transport operators, the Group takes particular responsibility for reducing its environmental impact and increasing environmental efficiency in its own operations. The most important measures to reduce the impact on the climate include the use of alternative vehicles and fuel, transport optimisation, the transfer of freight from air to ground and from road to sea and rail, the efficient use of space and improvements to the competence of managers and employees.

Posten was ranked 5th in the International Post Corporation (IPC) environmental programme in which postal companies from 23 countries participated.

Reduced CO2 emissions

The Group reduced its CO2 emissions by 46,000 tonnes in 2013. This corresponds to a 26 per cent reduction compared to 2008 levels and the Group is well on its way to achieving its goal of a 30 per cent reduction by 2015. In the future, Posten will also increase the scope of its environmental work by including acquired companies in the surveys and it will extend the target period to 2020.

The environmental accounts that are part of the sustainability report provide more detail about the type and volume of the pollution produced by the Group.

Posten has made the indisputably greatest investment in environmentally efficient vehicles in Norway. The vehicle fleet consists primarily of electric vehicles, but also contains a significant number of biogas delivery vans and trucks as well as Norway's first hybrid truck. In Sweden, the Group started to use the world's first biogas truck to meet Euro 6 emission requirements in 2013. In total, the Group has 1,068 vehicles that use low emission fuel. Posten has established CO2-free zones for mail distribution in several Norwegian towns .

The Group offers "Climate-Neutral Service Parcels" and "Climate-Neutral Postal Distribution". These services were developed in accordance with the Consumer Ombudsman's specifications for environmental labelling, which entail that Posten carries out specific measures to reduce greenhouse gas emissions and that climate accounts are prepared for the entire value chain and audited by CO2focus. To compensate for the remaining emissions, Norway Post purchases climate quotas through CO2focus.

Corporate governance

The Board of Directors emphasises the importance of establishing and further developing a high corporate governance standard equivalent to the Norwegian standards for best practice (Norwegian Code of Practice for Corporate Governance, NUES). As a limited company wholly owned by the Government, the Group's corporate governance is based on Norwegian law and the Norwegian Government's prevailing ownership policy.

Each year, the Board issues a statement on the company's corporate governance which forms part of the annual and sustainability report . The goal of this declaration is to give Posten's stakeholders confidence in the company's management system.

There were no changes to the composition of the Board of Directors in 2013. Women make up 40 per cent of Posten's Board of Directors. The Board held nine meetings in 2013.

The Board's audit committee supports the Board in carrying out its responsibility for financial reporting, risk management, internal controls and external auditing. The audit committee held six meetings in 2013.

The Board's remuneration committee prepares and recommends proposals to the Board related to the remuneration of the President and CEO. The committee also contributes to the thorough and independent handling of issues relating to the remuneration of senior executives.

Shared values

Posten has established Group-wide core values, governing principles for the Group and central disciplines, management principles and ethical guidelines. Posten also has a Group-wide whistleblowers' channel, the Warning Institute. No serious whistleblowing cases were reported in 2013.

The Board of Director's evaluation of own work

The Board carries out an annual evaluation of its work, competence and working methods as well as of the content of the instructions for the Board of Directors and the company's corporate governance principles.

In addition to being a decision-making and control body, the Board wishes to contribute to the Group's development by being a valuable discussion partner for the company's management and owner, based on its good insight into Posten's strategies, value chain and processes combined with its relevant external expertise.

Future prospects

Posten's markets are developing rapidly due to globalisation and technological developments which change customer behaviour and increase competition. Digitisation and e-commerce, market consolidation and regionalisation, liberalisation and an increased focus on the environment will affect developments and the Group's strategic opportunities in the future.

The market outlook for 2014 is less growth in the Norwegian economy, while growth in Norway's most important trade partners is expected to increase slightly. The Board of Directors believes that the Group will achieve moderate organic growth and supplement this growth with acquisitions in the logistics segment, while the Mail segment's revenue will decline.

The Group finds itself in a major reorganisation phase with a vision to become "the world's most future-oriented mail and logistics group". The main challenges are to adapt costs to the persistent decline in the volume of letters and to increase profitability in the logistics operations through closer integration and the realisation of synergies. The operations will continue to be reorganised and streamlined at the same level and the improvement programmes will be maintained, with a number of small and large measures intended to improve efficiency and profitability in all areas of the operations.

New Posten and Bring

The Group's strategy is to develop a customer-oriented, Nordic, integrated and industrialised group. A three-year programme, "New Posten and Bring", is intended to help achieve the visions of a single customer interface, standardised IT solutions and industrialised production in the Group. It is to be easier to be a customer of Posten and business customers are to meet a Bring with an integrated and harmonised range of services.

The Group's strategy is based on mutual synergies between the letter, parcel and freight operations. The Group will take advantage of economies of scale by standardising operating models and coordinating the value chains in each country with the goal of achieving one distribution and terminal network and a coordinated customer interface. In this way, the Group will create greater customer value and become more competitive.

Physical and digital mail

In March, Digipost won the contract to deliver digital mail to the general public after the Government decided in February that the public sector as a rule is to communicate digitally with the country's inhabitants and businesses. At the same time, Posten was chosen to deliver the message router, which is the connection and distribution point for public senders of digital mail. The Board of Directors is very pleased that Posten won the contracts and believes this lays a good foundation for the Group being the distributor of mail to the entire Norwegian population in the digital future too. Increased efforts will be made to recruit more users of and senders to Digipost.

In the coming years, the volumes of addressed mail are expected to fall by 7-8 per cent per year, which means that in 2020 Posten will have lost around 70 per cent of its volume of physical letters since 2000. This will require continued major reorganisations and the regulatory framework conditions will have to change in line with the different use of Posten's services.

Posten is focused on developing and adapting services to new customer and user requirements and on helping to ensure that the mailbox will continue to be the preferred channel for delivering small items bought online and an important channel for communications and advertising in the future.

Growth in e-commerce

E-commerce is growing by around 15 per cent annually and is the Group's most important growth area. The goal is to take part in this strong growth by developing new solutions and concepts that will make the Group the preferred supplier for both recipients and senders.

Responsible development

The Group will maintain its continuous, long-term and systematic work in the sustainability areas with a particular focus on health, safety and the environment (HSE) as well as on the external environment and diversity.

The Board thanks all of the Group's employees for their cooperation and joint responsibility for Posten's and Bring's developments.

Statement of the board of directors

We confirm that, to the best of our knowledge, 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.

The Board also confirms 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.

26. mars 2014

Dag Mejdell (konsernsjef)

Idar Kreutzer (leder)

Randi Sætershagen (nestleder)

Geir Løland

Jørgen Randers

Odd Christian Øverland

Terje Wold

Sigrid Hjørnegård

Ann-Elisabeth Wirgeness

Gøril Hannås

Paul Magnus Gamlemshaug

Accounts

Accounts

Key figures

		2013	2012	2011
Results				
Operating revenues	MNOK	23 557	22 925	22 981
Earnings before interest and taxes (EBIT)	MNOK	641	632	956
Net income before taxes	MNOK	619	547	800
Profitability and return on equity				
Calculated key figures incl. non-recurring items*, write-downs and share of profit from associated companies:				
EBIT margin [1]	%	2,7	2,8	4,2
Profit margin [2]	%	2,6	2,4	3,5
Return on invested capital [3]	%	10,0	10,3	16,6
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	1 125	1 116	1 051
EBIT margin	%	4,8	4,9	4,6
Profit margin	%	4,6	4,9	4,3
Return on invested capital	%	17,5	18,3	18,3
Capital and liquidity				
Cash flow from operations	MNOK	1 324	906	1 418
Investments excl. acquisitions	MNOK	1 092	593	458
Equity ratio [5]	%	38,6	37,5	35,9
Net debt ratio [6]		0,2	0,2	0,2

** Non-recurring items consist of restructuring costs, gains/losses 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, restructuring expenses, write-downs and share of net income 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 2011	2012	2013		Group Note	2013	2012	2011
12 203	**12 498**	**12 826**	**Operating revenues**	1	**23 557**	**22 925**	**22 981**
			Operating expenses				
1 659	1 642	1 713	Cost of goods and services		8 212	8 142	8 281
6 479	6 894	6 981	Payroll expenses	2	9 631	9 237	9 078
429	443	437	Depreciation and amortisation	8 , 9	750	719	696
25	80	105	Write-downs	8 , 9	245	199	173
2 651	2 717	2 689	Other operating expenses	4	3 840	3 712	3 874
(1)	342	21	Other (income) / costs	5	218	366	20
			Share of net income from associated companies	10	22	(81)	(98)
961	**381**	**879**	**Earnings before interest and taxes**		**641**	**632**	**956**
351	462	462	Financial income	6	450	412	284
625	580	830	Financial expenses	6	472	496	440
686	**263**	**511**	**Income before taxes**		**619**	**547**	**800**
395	105	43	Taxes	7	108	150	427
291	**157**	**468**	**Net income for the year**		**512**	**398**	**373**
			Net income attributable to controlling interests		510	397	372
			Net income attributable to non - controlling interests		2	1	1
			Proposed transfers and allocations				
(186)	(199)	(256)	Dividends				
(84)	(20)		Group contributions				

Comprehensive income

AMOUNTS IN MNOK

Posten Norge AS 2011	2012	2013		Group 2013	2012	2011
291	**157**	**468**	**Net income for the year**	**512**	**398**	**373**
			Items which will not be reclassified over profit and loss			
			Pension			
(114)	151	(65)	Changes in estimates	(45)	174	(138)
32	(42)	18	Tax	14	(49)	39
		(20)	Changes in tax rate	(20)		
(82)	**109**	**(67)**	**Total items which will not be reclassified over profit and loss**	**(51)**	**125**	**(99)**
			Items which will be reclassified over profit and loss			
			Translation differences:			
			Result of hedging of investments in foreign entities	(142)	19	
			Tax	38	(5)	
			Translation differences from the hedging of investments in foreign entities	190	(42)	(1)
			Cash-flow hedging:			
(26)	(17)	(28)	Changes in value	(28)	(17)	(26)
4	12	34	Transferred to income	34	12	4
6	1	(2)	Tax	(2)	1	6
(16)	**(4)**	**4**	**Total items which will not be reclassified over profit and loss**	**91**	**(32)**	**(17)**
			Other income/(cost) assosiated companies	43	(17)	(6)
(98)	**105**	**(63)**	**Other income/(costs)**	**83**	**76**	**(122)**
193	**262**	**405**	**Comprehensive income**	**594**	**474**	**251**
			Comprehensive income is distributed as follows:			
			Controlling interests	592	473	250
			Non-controlling interests	2	1	1
				594	**474**	**251**

Balance sheet

AMOUNTS IN MNOK

Posten Norge AS 31.12.11	31.12.12	31.12.13		Note	Group 31.12.13	31.12.12	31.12.11
			ASSETS				
920	731	586	Intangible assets	8	2 973	3 136	3 270
339	385	395	Deferred tax asset	7	490	446	435
954	942	985	Tangible fixed assets	9	4 615	4 178	4 025
3 624	3 744	3 749	Investments in shares	10 , 21	2	1	4
1 462	1 462	1 780	Investments in associated companies	10	1 851	1 551	1 538
2 018	2 239	1 835	Interest-bearing non-current receivables	11	7	2	13
18	18	18	Other non-current receivables	12	43	24	25
9 335	**9 523**	**9 348**	**Fixed assets**		**9 981**	**9 338**	**9 311**
25	23	16	Inventories	13	28	34	32
1 342	1 389	1 541	Interest-free current receivables	14	3 657	3 459	3 435
897	816	1 179	Interest-bearing current receivables	11	224	292	353
2 093	1 923	1 690	Liquid assets	15	1 791	2 089	2 238
4 357	**4 151**	**4 426**	**Current assets**		**5 699**	**5 874**	**6 059**
	8		**Assets held for sale**	16	**6**	**15**	
13 692	**13 682**	**13 773**	**Assets**		**15 686**	**15 227**	**15 370**
			EQUITY AND LIABILITIES				
3 120	3 120	3 120	Share capital		3 120	3 120	3 120
992	992	992	Share premium		992	992	922
1 221	1 211	1 358	Other equity		1 973	1 631	1 438
(30)	(37)	(33)	Other reserves		(33)	(37)	(30)
			Minority interests		(1)	(3)	(2)
5 303	**5 286**	**5 438**	**Equity**	17	**6 050**	**5 703**	**5 517**
1 106	**1 152**	**1 074**	**Provisions for liabilities**	18	**1 493**	**1 426**	**1 400**
2 208	1 805	1 926	Interest-bearing non-current liabilities	19	1 973	1 870	2 261
35	1	61	Interest-free non-current liabilities	20	61	1	35
2 243	**1 806**	**1 987**	**Non-current liabilities**		**2 034**	**1 871**	**2 295**
1 609	2 320	2 202	Interest-bearing current liabilities	19	1 232	1 339	829
2 978	2 814	2 878	Interest-free current liabilities	20	4 627	4 524	4 862
454	304	194	Taxes payable	7	249	358	467
5 041	**5 438**	**5 274**	**Current liabilities**		**6 108**	**6 221**	**6 158**
			Liabilities held for sale	16		**7**	
13 692	**13 682**	**13 773**	**Equity and liabilities**		**15 686**	**15 227**	**15 370**
			Guarantees/mortgages	24			

Cash-flow statement

AMOUNTS IN MNOK

Posten Norge AS 2011	2012	2013		Notes	Group 2013	2012	2011
			Cash flow from operating activities				
1 315	668	1 201	Provided by the year's operations *)		1 455	1 083	1 541
(167)	21	(861)	Changes in working capital		(115)	(390)	(196)
80	245	(34)	Changes in other receivables and provisions		(16)	214	72
1 228	**934**	**307**	**Net cash flow from operating activities**		**1 324**	**906**	**1 418**
			Cash flow from investing activities				
(49)	(172)	(21)	Investments in subsidiaries, excl. cash holdings on acquisition date	26	(3)	(126)	(153)
(278)	(322)	(428)	Investments in tangible fixed assets/IT development, etc	8 , 9	(1 092)	(593)	(458)
		(317)	Investments in associated companies		(317)		
		8	Sales of subsidiaries, excl. cash holdings on sale date	2 6			
		9	Sales of tangible fixed assets		10	24	116
125	(220)	405	Changes in other fixed assets		15	51	30
(201)	**(713)**	**(345)**	**Net cash flow from investing activities**		**(1 387)**	**(644)**	**(464)**
			Cash flow from financing activities				
1 300		535	New non-current and current debt raised	19	589		1 324
(2 099)	(1)	(451)	Repayment of non-current and current debt		(570)	(137)	(2 132)
			Group contributions/dividends received			2	
(182)	(389)	(279)	Group contributions/dividends paid	17	(254)	(277)	(139)
(981)	**(390)**	**(195)**	**Net cash flow from financing activities**		**(235)**	**(412)**	**(948)**
46	**(170)**	**(233)**	**Total change in cash and cash equivalents**		**(289)**	**(149)**	**6**
2 047	2 093	1 923	Cash and cash equivalents at start of period		2 089	2 238	2 232
2 093	**1 923**	**1 690**	**Cash and cash equivalents at end of period**	15	**1 791**	**2 089**	**2 238**

			*) This figure is made up of:				
686	263	511	Earnings before tax		619	547	800
454	523	543	+ Depreciation and write-downs intangible and tangible assets	8 , 9	995	918	869
208	125	262	+ Write-down shares	10			
			+/- Share of net income of associated companies	10	22	(81)	(98)
(3)	7	10	+/- Unrealised financial items			42	4
11	40	16	+/- Net interest expenses/(income)	6	5	38	92
(24)	(316)	(166)	- Tax paid		(216)	(344)	(51)
151	161	140	+ Interest received		74	77	79
(173)	(133)	(111)	- Interest paid		(116)	(120)	(167)
7	(2)	(9)	-/+ Other unrealised operating expenses/(income)		175	15	25
(1)		5	- Loss/(gain) on sale of fixed assets		1	(9)	(10)
1 315	**668**	**1 201**	**= Provided by the year's operations**		**1 455**	**1 083**	**1 541**

Changes of equity

Posten Norge AS

Amounts in MNOK

	Share capital	Share premium	Other reserves	Other equity	Total equity
Equity as at 01.01.2011	3 102	992	(14)	1 151	5 248
Net income for the year for Posten Norge AS				291	291
Other comprehensive income			(16)	(82)	(98)
Total comprehensive income			(16)	209	193
Dividend paid				(138)	(138)
Equity as at 31.12.2011	3 120	992	(30)	1 221	5 303
Equity as at 01.01.2012	3 120	992	(30)	1 221	5 303
Net income for the year for Posten Norge AS				157	157
Other comprehensive income			(4)	109	105
Total comprehensive income			(4)	266	262
Dividend paid				(276)	(276)
Other changes in equity			(3)		(3)
Equity as at 31.12.2012	3 120	992	(37)	1 211	5 286
Equity as at 01.01.2013	3 120	992	(37)	1 211	5 286
Net income for the year for Posten Norge AS				468	468
Other comprehensive income			4	(67)	(63)
Total comprehensive income			4	401	405
Dividend paid				(254)	(254)
Equity as at 31.12.2013	3 120	992	(33)	1 358	5 438

Group

Amounts in MNOK

	Controlling interests						
	Share capital	Share premium	Other reserves	Other equity	Total	Non-controlling interests	Total equity
Equity as at 01.01.2011	3 120	992	(14)	1 322	5 420	(2)	5 418
Net income for the year for the Group				372	372	1	373
Other comprehensive income			(16)	(107)	(123)		(123)
Total comprehensive income			(16)	265	249	1	250
Dividend paid				(138)	(138)	(1)	(139)
Other changes in equity				(12)	(12)		(12)
Equity as at 31.12.2011	3 120	992	(30)	1 438	5 520	(2)	5 517
Equity as at 01.01.2012	3 120	992	(30)	1 438	5 520	(2)	5 517
Net income for the year for the Group				397	397	1	398
Other comprehensive income			(4)	80	76		76
Total comprehensive income			(4)	477	473	1	474
Dividend paid				(276)	(276)	(1)	(277)
Other changes in equity			(3)	(7)	(10)		(10)
Equity as at 31.12.2012	3 120	992	(37)	1 631	5 706	(3)	5 703
Equity as at 01.01.2013	3 120	992	(37)	1 631	5 706	(3)	5 703
Net income for the year for the Group				510	510	2	512
Other comprehensive income			4	79	83		83
Total comprehensive income			4	588	592	2	594
Dividend paid				(254)	(254)		(254)
Other changes in equity				7	7		7
Equity as at 31.12.2013	3 120	992	(33)	1 973	6 051	(1)	6 050

See note 17 for further details.

Statement of the Board of Directors

Statement of the Board of Directors regarding the annual report

We confirm that, to the best of our knowledge, 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 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.

22. mars 2013

Idar Kreutzer (leder)

Randi Sætershagen (nestleder)

Gøril Hannås

Sigrid Hjørnegård

Jørgen Randers

Terje Wold

Odd Christian Øverland

Paul Magnus Gamlemshaug

Ann-Elisabeth Wirgeness

Geir Løland

Dag Mejdell (konsernsjef)

Auditor's report

LINK

To the Annual Shareholders' Meeting of Posten Norge AS

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Posten Norge AS, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company and the Group comprise the statement of financial position as at 31 December 2012, the statements of income, comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Group President and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Group President and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and Group President and 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 in order 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.

Opinion

In our opinion, the financial statements of Posten Norge AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Parent Company and the Group as at 31 December 2012 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report and the statement on corporate governance

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and the statement on corporate governance 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 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 President and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 22 March 2013
ERNST & YOUNG AS

Jan Wellum Svensen
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

Notes

Notes

Accounting principles

Posten Norge AS was established as a company on 01.12.1996 and is now a limited company with the Norwegian Government (represented by the Ministry of Transport) as the only shareholder. Posten Norge's address is Biskop Gunnerus gt. 14, 0001 Oslo.

The consolidated financial statements and financial statements of Posten Norge 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 cost. Financial instruments that are classified as "fair value through profit or loss" or "available for sale" are assessed at their fair value. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the groups accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in bullet point 3.

The financial statements are presented in NOK, rounded to the nearest million, unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

1. Changes in accounting principles and note disclosures
The accounting policies applied are consistent with previous years. In addition the Group implemented the following relevant, new and revised accounting standards and interpretations published by the IASB and approved by EU, with effective date 1 January 2013.

1.1. IAS 19 *Employee Benefit:*
In 2011, the Group made use of the opportunity to apply the option in IAS 19 *Employee Benefits* to recognise unrecorded actuarial gains and losses as other income or expense directly in equity. This option was required under IFRS from 2013. The Group uses the same rate for its return on pension funds as the discount rate for its pension obligations.

1.2. IAS 1 *Presentation of Financial Statements:*
The Group has implemented the requirements in IAS 1 *Presentation of Financial Statements.* The amendments to IAS 1 require that the items in the statement of other comprehensive income be grouped into two categories. Items that can be transferred to the income statement at a future date shall be presented separately from items that will never be transferred (such as actuarial gains and losses related to defined benefit plans). The changes affect only the presentation and have no impact on the financial position or the financial income.

1.3. IFRS 7 *Financial instruments – Disclosure:*
The Group has implemented the requirements in IFRS 7 *Financial instruments – Disclosure.*

1.4. IFRS 13 *Fair Value Measurement:*
The standard specifies principles and guidance for fair value measurements of assets and liabilities where other standards require or permit measurement at fair value. The standard does not have any material effect on the Groups financial statements.

2. Adopted standards that are not yet effective or lacked approval by the 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 2013 financial year.

2.1. IAS 32 *Financial Instruments - Presentation*
IAS 32 is changed to clarify the content of counterpart measurement. The change is effective for fiscal years beginning 1 January 2014. The change is not expected to have a material impact on the Group.

2.2. IFRS 9 *Financial Instruments*
IFRS 9 as it has been published to date reflects the first phase of the IASB's effort to replace the current IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. Initially the standard should have taken effect for fiscal years beginning 1 January 2013 or later, but changes in IFRS 9 adopted in December 2011 delayed the effective date until 1 January 2017. Later phases for this project are related to the accounting for hedging and write-downs of financial assets. The Group

will evaluate the effects of IFRS 9 as soon as the final standard, including all phases is published.

2.3. IFRS 10 *Consolidated Financial Statements* and IAS 27 *Separate Financial Statements*
IFRS 10 replaces the parts regarding consolidated financial statements in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Special Purpose Entities. IFRS 10 is based on a single control model to be applied to all units. The changes introduced in IFRS 10 require management to exercise a significant degree of discretion to determine which entities are controlled by the the parent, where all entities controlled are to be consolidated. This has led to the Group evaluating which entities are to be consolidated under IFRS 10, compared with the current IAS 27. The content of the control concept is somewhat changed from IAS 27. Within the EU / EEA IFRS 10 will be effective for fiscal years beginning 1 January 2014. The amendments are not expected to affect which entities are consolidated in the Group's financial statements.

2.4. IFRS 11 *Joint Arrangements*
This standard replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities - Non-Monetary Contributions by Venturers. IFRS 11 removes the opportunity to recognise common business using the proportionate method. All entities that meet the definition of common business shall be recognised in accordance with the equity method. Within the EU / EAA IFRS 11 applies effective for fiscal years beginning 1 January 2014. The standard is not expected to affect the Group.

2.5. IFRS 12 *Disclosure of Interests in Other Entities*
IFRS 12 applies to entities that have interests in subsidiaries, joint ventures, associates or unconsolidated structured entities. IFRS 12 replaces the disclosure requirements previously followed by IAS 27 Consolidated and Separate Financial Statements, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures. In addition, the standard introduces a number of new requirements for disclosures. The changes do not affect the financial position or results, but will require more extensive disclosures. Within the EU / EEA IFRS 12 applies for fiscal years beginning 1 January 2014.

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, income, expenses and information on potential liabilities. Areas in which such estimates are significant include pensions, goodwill, other intangible assets, tangible fixed assets, investments in associates, 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. The same applies to evaluations regarding write-down of fixed assets and investments in associated companies.

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. Provisions for restructuring 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 Norwegian kroner, 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 17). 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, Posten Norge AS, and the companies in which Posten Norge AS has a controlling interest. Control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the parent company owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.

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 deconsolidation 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 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.

Share of equity due to non-controlling interests is shown in a separate line in the Group's equity. Non-controlling 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. Use of alternative assessment methods for non-controlling interests under IFRS 3 has not been relevant. The share of net income after taxes and total comprehensive income from non-controlling interests is shown in the income statement.

5.2. Consolidation principles: Associated companies

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 percent of the voting capital. Shares in associated companies are recognised according to the equity method. The Group's share of the result is classified as an operating item.

5.3. 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 twelve months 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 Group defines the Norway Post Board as the chief operating decision maker.

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 payment for the sale of postal services, and recognised 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 is 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 payments 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 profits.

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. 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 the 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 for 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. In 2011 the group changed its policy for accounting for changes in liabilities and pension funds that were due to changes in actuarial gains and losses. These changes were previously allocated over the estimated average remaining working lives of the employees for the part that exceeded 10% of the highest of the defined benefit obligation or plan asset at the beginning of the year ("corridor"). Since 2011 the unrecognised actuarial gains or losses have been booked as pension liabilities and future changes to actuarial gains and losses have been recognised in other comprehensive income directly in equity. Actuarial gains and losses are recognized in Other Comprehensive Income (OCI) in the period they occur, and will not be recycled through profit and loss in future periods.

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 are 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 arising from initial recognition of tax non-depreciable goodwill
- 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.

If previous year's tax return is announced changed by the authorities, the cost will be recognised in this year's tax expense.

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 includes expenditures that are directly attributable to the acquisition, construction or installation of the items. 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.

Land is not depreciated. 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 ready for its intended use. Depreciation takes the fixed asset's residual value into account. The assets residual values, if any, depreciation method and useful lives are reviewed at least annually.

11. 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.

11.1. Intangible assets: Development costs

The Group's development costs mainly relate to the development of IT systems intended for use in the Group. 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.

Once 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.

11.2. Intangible assets: Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets at the date of the acquisition. With investments in associated companies, goodwill is included in the cost price of the investment.

12. Shares in subsidiaries

Norway Post's annual financial statements apply the cost method to shares in subsidiaries.

13. 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 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.

13.1. Financial instruments: Hedging

Before a hedging transaction is carried out, an assessment is made as to whether the 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.

13.1.1. 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.

13.1.2. Hedging: Cash flows
Changes in the fair value of a hedging instrument in a qualifying cash flow hedge 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 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.

13.1.3. 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.

13.2. 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.

14. 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 (forecasts and long-term plans) 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.

14.1. Impairments: Goodwill and other assets with an indefinite life
Goodwill, intangible assets with an indefinite economic life and intangible assets that are currently being developed are subject to an impairment test annually, irrespective of whether or not there are any indications of a fall in value.

14.2. 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 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 to other financial assets.

14.3. Impairments: Other assets with a specific economic life
The write-down of other assets with a specific economic life is considered when there are indications of a fall in value.

15. 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.

16. Accounts receivable
Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost, less provisions for impairment. 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.

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

18. Other equity
In accordance with IAS 1 Norway Post has chosen to present comprehensive income as a separate statement.

18.1. 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.

18.2. Equity: Hedging reserves
Hedging reserve includes the total net change in the fair value of the hedging instrument in the cash-flow hedges until the hedged cash flow arises or is no longer expected to arise.

18.3. 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.

19. Provisions
Provisions are recognised when the company has a present obligation (legal or assumed) as a result of a past event, it is 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 are assessed on an ongoing basis. Changes in fair value are recognised in the income statement.

19.1. Provisions: Restructuring
Restructuring costs are costs incurred by the company based on a decision that entails a significant change in the company's defined business areas, either in terms of the scope of the activities, or in how the company is operated. 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.

19.1. Provisions: Loss contracts
Costs related to loss contracts concern contracts where the costs of meeting the obligations under the contract exceed the economic benefits expected to be received over the contract period.

20. 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.

21. Loans
Loans are recognised initially at fair value, net of transaction costs incurred. 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.

22. 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.

23. 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 provided for. Significant contingent liabilities are stated, apart from those where the likelihood of the liability arising is slight.

Contingent assets are not recognised in the annual financial statements, but information on them is provided if it is probable that a benefit will accrue to the Group.

24. 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.

25. Cash flow statement
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.

Note 1 Segments

The division of reporting segments has been prepared in accordance with areas whose operating results are reviewed regularly by the 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 reporting 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 Norway and Logistics Norden divisions and the subsidiaries operating in these areas - Bring Cargo, Bring Linehaul, Bring Warehousing, Bring Frigo, Bring Express, Bring Parcels, Bring Cargo East, Bring Cargo West and Bring Supply Services.

Group administration and overheads 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, public affairs, strategy and group information.

Breakdown by activity

2013	Mail	Logistics	Other/eliminations	Group
External revenues	9 613	13 944		23 557
Internal revenues	872	1 016	(1 888)	
Total operating revenues	**10 485**	**14 960**	**(1 888)**	**23 557**
External expenses including depreciation	7 651	13 169	1 612	22 432
Internal expenses	1 742	1 585	(3 326)	
Operating expenses	**9 393**	**14 754**	**(1 715)**	**22 432**
Write-downs	2	242		245
Reorganisation expenses	14	23		30
(Gains)/losses on the sale of fixed assets and subsidiaries	2	(1)		1
Other non-recurring items		188		187
Share of net income (losses) of associated companies	2	7	(31)	(22)
Earnings before interest and taxes	**1 075**	**(238)**	**(196)**	**641**
Net financial items	(50)	28		(21)
Taxes				108
Net income for the year				**512**

2012	Mail	Logistics	Other/eliminations	Group
External revenues	9 546	13 378		22 925
Internal revenues	863	939	(1 802)	
Total operating revenues	**10 409**	**14 317**	**(1 802)**	**22 925**

External expenses including depreciation	7 816	12 476	1 517	21 809
Internal expenses	1 687	1 511	(3 198)	
Operating expenses	**9 503**	**13 987**	**(1 682)**	**21 809**
Write-downs	2	197		199
Reorganisation expenses	345	16		361
(Gains)/losses on the sale of fixed assets and subsidiaries		(9)		(9)
Other non-recurring items		15		14
Share of net income (losses) of associated companies	2	1	79	81
Earnings before interest and taxes	**561**	**112**	**(42)**	**632**
Net financial items	(66)	(26)	8	(84)
Taxes				150
Net income for the year				**398**

2011	Mail	Logistics	Other/eliminations	Group
External revenues	9 745	13 235		22 981
Internal revenues	861	1 013	(1 873)	
Total operating revenues	**10 607**	**14 248**	**(1 873)**	**22 981**
External expenses including depreciation	7 948	12 816	1 167	21 929
Internal expenses	1 715	1 156	(2 870)	
Operating expenses	**9 662**	**13 971**	**(1 704)**	**21 929**
Write-downs	13	158	1	173
Reorganisation expenses	(6)	7	4	5
(Gains)/losses on the sale of fixed assets and subsidiaries		(10)		(10)
Other non-recurring items		25		25
Share of net income (losses) of associated companies	2	1	95	98
Earnings before interest and taxes	**940**	**96**	**(80)**	**956**
Net financial items	(104)	(30)	(22)	(156)
Taxes				427
Net income for the year				**373**

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 overheads that are defined as owner-related costs, as well as eliminations.

2013	Mail	Logistics	Other/eliminations	Group
Segment assets	4 572	9 131	(298)	13 405
Non-allocated assets				2 281
Total assets				**15 686**
Segment liabilities	3 032	3 509	(111)	6 430
Non-allocated liabilities				3 205
Total liabilities				**9 636**

2012	Mail	Logistics	Other/eliminations	Group
Segment assets	5 028	7 588	77	12 693
Non-allocated assets				2 534
Total assets				**15 227**
Segment liabilities	3 185	2 871	268	6 324
Non-allocated liabilities				3 200
Total liabilities				**9 524**

2011	**Mail**	**Logistics**	**Other/eliminations**	**Group**
Segment assets	5 166	6 846	684	12 696
Non-allocated assets				2 674
Total assets				**15 370**
Segment liabilities	3 556	3 280	(72)	6 763
Non-allocated liabilities				3 090
Total liabilities				**9 853**

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

Breakdown by activity

2013	Mail	Logistics	Other	Group

Investments in fixed assets [1]	106	827	159	1 092
Depreciation	435	318	(3)	750
Write-downs	2	242		245

2012	Mail	Logistics	Other	Group
Investments in fixed assets [1]	120	351	123	593
Depreciation	435	295	(11)	719
Write-downs	2	197		199

2011	**Mail**	**Logistics**	**Other**	**Group**
Investments in fixed assets [1]	143	232	82	458
Depreciation	448	295	(11)	696
Write-downs	13	158	1	173

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

Geographic information	**2013**	**2012**	**2011**
External revenues			
Norway	15 840	16 015	16 791
Abroad [1]	7 717	6 910	6 190
Total revenues	**23 557**	**22 925**	**22 981**
Assets			
Norway	13 160	13 213	13 611
Abroad [1]	2 525	2 014	1 759
Total assets	**15 685**	**15 227**	**15 370**
Investments during the period			
Norway	823	493	382
Abroad [1]	269	100	76
Total investments	**1 092**	**593**	**458**

[1] *Abroad mainly comprises other Nordic countries.*

Note 2 Payroll Expenses and other remuneration

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
			(All amounts in MNOK)			
5 305	5 625	5 710	Salaries	7 738	7 424	7 305
697	742	752	National insurance contributions	1 173	1 097	1 075
335	350	346	Pension expenses	476	464	470
142	177	173	Other contributions	244	252	229
6 479	**6 894**	**6 981**	**Payroll expenses**	**9 631**	**9 237**	**9 078**
			(All amounts in TNOK)			
2 085	2 185	2 242	Board remuneration	2 423	2 312	2 247
1 309	1 309	1 309	Fee for financial audit	7 857	6 559	6 400
406	110	262	Fee for extended financial audit	413	362	605
521	969	720	Fee for other attestation services	943	1 253	636
990	467	616	Fee for tax advisory services	1 874	1 247	1 683
2 932	1 671	611	Fee for other non-audit services	1 787	2 130	3 246
13 441	13 297	12 918	Number of full-time equivalent positions	19 022	19 388	19 621
14 938	14 872	14 348	Number of employees 31.12	20 676	20 060	19 674

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

Remuneration and fees

Fees to the auditors in 2013 related mainly to the auditors Ernst & Young.

Board of Directors

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 Annual General Meeting determines the remuneration to the Board of Directors of Posten Norge AS. Fees paid to the Board of Directors for 2014 were approved by the Annual General Meeting on 14.06.2013 and the members of the Board received the following remuneration in 2014.

(all amounts in NOK, excluding payroll tax)

Board of Directors	Remuneration		Remuneration
Idar Kreutzer, chairman of the board	386 001	Odd Christian Øverland, employee representative 1)	192 252
Randi B. Sætershagen, vice chairman of the board	288 255	Paul Gamlemshaug, employee representative 1)	189 750
Terje Wold	189 750	Geir Løland, employee representative 1)	189 750
Gøril Hannås	224 499	Ann Elisabeth Wirgeness, employee representative 1)	189 750
Jørgen Randers	192 252	Judit Olafsen, employee representative (deputy) 1)	9 500
Sigrid Hjørnegård	189 750		

Sum 2 241 509

1) For employee representatives only compensation for the board position is given.

An audit committee was established in December 2008 for Posten Norge AS. Vice chairman of the board Randi Sætershagen and board member Gøril Hannås have taken part in the audit committee in 2013 and received NOK 57 750 and NOK 34 749 respectively in fees for their participation. A compensation committee was established in June 2013 for Posten Norge AS. Chairman of the board Idar Kreutzer and board members Jørgen Randers and Odd Christian Øverland, took part in the compensation committee in 2013 and received NOK 5 001, NOK 2 502 and NOK 2 502 respectively in fees for their participation. Fees for 2013 are included in the remuneration specified above.

Statement on salaries and other remuneration to senior executives in Posten Norge AS
(Adopted by the Board 13.02.2014)

1. The basis for the remuneration policy of the company
This statement is based on Guidelines for the employment conditions of managers in state enterprises and companies (established by the Stoltenberg Government 31.03.2011) and is prepared by the Board in accordance with the Articles of Association § 8, last paragraph.

The declaration will be reviewed in Norway Post's annual general meeting. The declaration applies until either the board repeals it or adopts a new declaration.

2. To whom the statement applies
The declaration applies to the CEO and executive vice presidents reporting to the CEO (Group management). This group is known as "senior management".

3. The main principles for executive remuneration policy
The total remuneration, which in the following is referred to as executive pay in Norway Post, is to be competitive but not leading compared with similar companies. The Board shall have an overview of the total value of the compensation for each executive.

4. Elements of executive pay
4.1 Base salary
The main element of executive pay will be the fixed salary. The objective of Norway Post is to have competitive salaries without being a salary leader for the same type of positions.

To support the ongoing reviews of wages, market information about executive compensation is collected annually from a recognized international company with satisfactory statistics from Norway.

4.2 Variable pay
Individual agreements on variable pay can be entered into with senior management based on performance, with an economic framework of up to six months wages. A system of variable remuneration must be transparent and clearly understandable.

The individual goals are set for one year and should always be described and based on objective, definable and measurable criteria that the manager can actually affect.

Within the economic framework of six months the board may establish a long-term incentive plan that measures the value over time.

4.3 Other benefits
Senior managers may have benefits in kind which are usual for comparable positions.

4.4 Insurance
Senior managers shall have insurance coverage at the same level as other employees.

4.5 Severance
Total severance compensation should not exceed 12 months' salary. Severance pay should be reduced proportionately with the new annual income (calculated from the period of notice). Severance pay is not applicable for voluntary departure.

Agreements to reduce severance pay against other income may be entered into for senior management. Some agreements entered into before 31.03.2011 are different from this statement of severance pay.

5. Options and share programmes
Senior managers shall not have compensation in the form of options or shares in the parent company or subsidiaries, or a cash bonus linked to an assessed value growth of the share.

6. Directorships
Senior managers should not receive special compensation for board positions in other companies within the Group.

7. Pension Benefits
Senior managers are members of the same pension scheme and have the same pension terms as other employees of the company.

Pension benefits for pension base exceeding 12 G are organised as a defined contribution scheme, with the contribution limited to a maximum of 30% of the base exceeding 12G.

Payments of defined contribution shall be made to a separate legal entity, separate from the company on a legally binding basis.

The employer's payments to the contribution scheme shall be made only in the period of employment, so that no costs are incurred after a senior employee has resigned his/her position in the company.

Agreements with senior managers employed in Posten Norge AS prior to 31.03.2011 differ from the statement of pension, see the paragraph below about pension and note 3.

8. Agreements signed in 2013
There were no new agreements for executive pay in 2013. An adjustment has been made regarding pension for two executives (see the paragraph below about pension and note 3). The adjustment will have no material impact on the company or the shareholder.

Group management - compensation
Group management is defined as those persons authorized and responsible for planning, executing and monitoring the enterprise's operations (Group management). Unless otherwise stated the amounts below cover the entire year.

All amounts in NOK, and excluding employers' national insurance contributions.

Group management	Basic pay 1)	Paid bonus	Other benefits 2)	Pension cost	Period of notice	Severance
Dag Mejdell 3)	3 694 752	707 000	7 955	2 117 529	6 months	9 months
Gro Bakstad	2 558 959	435 668	5 951	1 006 175	6 months	No
Elisabeth H. Gjølme	1 914 966	328 024	7 955	452 036	6 months	9 months
Randi Løvland	1 803 847	357 682	92 413	200 940	6 months	9 months
Tore K. Nilsen	3 156 914	617 864	7 955	509 442	6 months	9 months
Tone Wille	1 920 441	309 414	144 726	175 289	6 months	No
Tim Jørnsen 4)	2 543 528	296 095	83 638	836 911	6 months	No
Gunnar Henriksen	1 853 236	248 458	119 402	163 478	6 months	No
Sum	**19 446 645**	**3 300 205**	**469 995**	**5 461 800**		

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

3) CEO Dag Mejdell has a loan with Posten Norge AS which as of 31.12.2013 had an outstanding balance of NOK 900 000. The interest rate as of 31.12.2013 was 2,25% and the loan runs until 27.06.2020.

4) Executive Vice President Tim Jørnsen receives wages in Swedish kroner (SEK). Converted into Norwegian kroner (NOK) using the exchange rate 0,9472.

Bonus programmes
Posten Norge AS has a bonus programme for the CEO and Group management. The scheme has two parts, one element based on the consolidated Group results and one on individual results. A bonus of up to 25% of salary can be achieved. 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 at 31 December.

In addition, Posten Norge AS has bonus programmes 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, and other key personnel also have bonus-based pay, while others pay a productivity bonus to all employees.

Pension schemes
Senior management has the same pension schemes as other employees of the company with the following exceptions. Senior managers who entered the group management before 31.12.2006 have a defined benefit pension scheme of 66%, where retirement age is 65 for the CEO and 64 years for other executives. This scheme was closed at 31.12.2006.

New members of the Group management after 31.12.2006 have a defined contribution scheme with annual contributions limited to 25 % of the salary that exceeds the pensionable income exceeding 12G i Norge and 20 IBB i Sverige (IBB="income basis amount").

Severance
For the CEO there is an agreement to reduce severance pay against other income after 3 months. For members of the Group management who have a severance agreement there is an agreement of reduction against other income.

Note 3 Pensions

Posten Norge AS 2011	Posten Norge AS 2012	Posten Norge AS 2013		Group 2013	Group 2012	Group 2011
			Defined contribution pension plans			
18 626	18 712	18 125	No. of members	23 818	24 404	24 375
5-8%	5-8%	5-8%	Percentage of salary	1-30%	1-30%	1-30%
			Defined benefit pension plans			
			Financial assumptions:			
2,6%	3,9%	4,0%	Discount rate	4,0%	3,9%	2,6%
3,5%	3,5%	3,75%	Expected wage regulation	3,75%	3,5%	3,5%
3,25%	3,25%	3,5%	Expected G regulation	3,5%	3,25%	3,25%
2,5-3,25%	2,5-3,25%	2,5-3,25%	Expected pension regulation	0,6-4,0%	0,2-4,0%	0,1-3,5%
4,1%	4,0%	4,4%	Expected yield	4,0-5,0%	4,0-5,9%	4,1-6,25%
8%	8%	8%	Expected voluntary retirement (under 50 years of age)	2-12,6%	2-12,6%	2-12,6%
2,5%	2,5%	2,5%	Expected voluntary retirement (over 50 years of age)	1,5-2,58%	1,5-2,58%	0,45-2,58%
60%	50%	50%	Expected use of AFP	50%	50%	50-60%
K2005	K2005	K2013	Demographic assumptions on mortality rate	K2013	K2005	K2005
			Net pension costs:			
121	119	119	Present value of the pensions earned for the year	145	140	145
			Administration costs		1	1
28	23	29	Net interest expense on the net liabilities	36	29	33
			Recognised pension plan changes	(5)		
149	**142**	**149**	**Gross pension expenses incl soc sec fee**	**176**	**169**	**178**
(2)	(2)	(2)	Employees' 2% contribution	(2)	(2)	(3)
(25)	(21)	(26)	Interest element reclassified as a financial item	(33)	(26)	(29)
122	**119**	**121**	**Net pension costs incl soc sec fee**	**142**	**138**	**140**
311	333	330	Defined contribution pension plans	445	432	429
(97)	(103)	(105)	Employee contributions to defined contribution pension plans	(110)	(109)	(105)
335	**350**	**346**	**Total pension costs included in earnings for the year**	**476**	**464**	**470**
			Net pension liabilities:			
(27)	(23)	(26)	Estimated accrued secured liabilities	(420)	(412)	(436)
21	21	21	Estimated value of the pension assets	227	221	222
(6)	**(2)**	**(5)**	**Net estimated secured pension assets / (liabilities)**	**(192)**	**(192)**	**(214)**

(964)	(825)	(904)	Estimated accrued unsecured pension liabilities	(924)	(847)	(997)
(970)	**(828)**	**(909)**	**Net estimated pension assets/(liabilities)**	**(1 116)**	**(1 038)**	**(1 211)**
			Changes in liabilities:			
(804)	(970)	(828)	Net assets (liabilities) 01.01	(1 038)	(1 211)	(1 015)
(149)	(142)	(149)	Gross pension expenses	(167)	(164)	(179)
95	131	132	Premium payments and benefits paid	150	153	117
2	2	2	Contributions from members of the pension plan	2	2	2
			Adjustment of previous period's pension liabilities	1	4	2
(114)	151	(65)	Changes in unrecognised actuarial gains (losses)	(45)	174	(138)
			Exchange rate changes	(19)	3	(1)
(970)	**(828)**	**(909)**	**Net pension assets/(liabilities) 31.12.**	**(1 116)**	**(1 038)**	**(1 211)**
			The main categories of pension assets at fair value:			
3	4	2	Equity instruments	90	88	88
14	13	16	Debt instruments	108	104	102
3	3	2	Property	20	20	20
1	1	1	Other assets	10	9	10
21	**21**	**21**	**Total pension assets**	**227**	**221**	**222**

In 2011 the Group changed its policy for accounting for changes in liabilities and pension funds that were due to changes in actuarial gains and losses. The actuarial gains and losses were previously allocated over the expected average remaining working lives of the employees for the part that exceeded the greater of 10% of the defined benefit obligation or plan asset at the beginning of the year ("corridor"). In 2011 the effect of actuarial gains and losses and changes in plans were recognised in other comprehensive income. The effect in 2011 amounted to MNOK 138.

Norway Post's assessment is that covered bonds with effect from 2012 qualify as corporate bonds with a sufficiently high credit rating and market depth for these papers to be the basis for the discount rate under IAS 19. As a result of the Group using the covered bonds as the discount rate for the first time in 2012, the pension liability of the parent company decreased by MNOK 151. Use of government bonds would have given an increase of MNOK 22 that year. The Group had an actuarial gain recognised in comprehensive income in 2012 totalling MNOK 174.

A reduction in the discount rate of 1 percentage point is estimated to give an average increase of the pension liability by around 13%.

A new mortality rate table K2013 has been used when estimating the liability as of 31.12.2013. For Norway Post the change in the table increased the actuarial loss that was taken in other comprehensive income in the equity by MNOK 50, which constituted 76% of net actuarial loss in 2013. For the Group there was an estimated decrease in equity of MNOK 54 as a result of the changed mortality rate table.

The retirement age for the Norwegian employees in general is 67 years.

From 01.01.2011 the parent company and most of the subsidiaries transferred to a new AFP plan (Joint scheme for AFP in the private sector) . The new AFP plan is a multiple company plan which is considered a defined benefit plan. However, there is currently insufficient information to measure the pension obligation in a reliable way so the plan must be treated as a defined contribution plan for accounting purposes until further notice. Employees who remain members of the Norwegian Public Service Fund have kept their rights in accordance with the AFP plan in the public sector.

Norway Post 's defined benefit obligations are in accordance with the law on defined pension schemes, and the pension funds in the schemes are managed by life insurance companies .

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

The group has a defined contribution pension plan for the majority of employees in Norway, Sweden and Denmark under which the premiums are charged as an expense when they occur. In the parent company contribution rates for 2011, 2012 and 2013 were 5.0% for salaries of between 1 and 6 times the National Insurance basic amount (G) and 8% for salaries 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 salaries above 12 G and agreements on early retirement pensions are financed by the company's operations. The defined contribution pension plans 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 56 600 in 2013. Contributions were calculated with a low and high rate of 4.5% and 30% respectively for earnings below and above 7.5 times IBB.

Some companies in the Group's Swedish operations have pension plans 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 was set off against pension assets in accordance with IAS 19.

Note 4 Other operating expenses

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
910	938	936	Cost of premises	1 247	1 222	1 293
251	293	295	Other rental expenses	399	410	373
100	93	95	Tools, fixtures, operating materials	130	126	137
66	68	70	Repair and maintenance of equipment	102	96	106
49	41	41	Accounting and payroll services	48	46	54
670	659	717	IT services	843	760	776
201	230	196	Other external services	361	395	418
35	40	36	Telephone expenses	92	89	94
75	77	81	Travel expenses	169	158	164
137	135	111	Marketing	134	157	166
27	22	37	Insurance, guarantee and compensation costs	86	58	71
130	121	74	Other expenses	229	195	222
2 651	**2 717**	**2 689**	**Totalt operating expenses**	**3 840**	**3 712**	**3 874**

The increase in cost of premises and other rental expenses in the parent company from 2011 to 2012 were related to the transfer of activities from Bring Cargo AS per 01.01.2012. In the same period the Group had a general reduction in property costs. From 2012 to 2013 the costs of premises increased due the acquisition of Bring Cargo Inrikes AB. The increase in IT services was mainly related to costs for IT development and for establishing a new model of governance for IT in the Group.

Note 5 Other income and expenses

Other income and expenses include restructuring charges, gains and losses on disposal of fixed assets and other material income and expenses that are non-recurring.

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
(1)			(Gain) on sale of fixed assets	(6)	(10)	(11)
		5	Loss on sale of fixed assets	7	1	1
	342	16	Restructuring expenses	30	358	5
			Costs related to loss contracts	187	17	25
(1)	**342**	**21**	**Total other income and expenses**	**218**	**366**	**20**

Restructuring expenses are spesified under:

Restructuring expenses

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
(2)	339	14	Restructuring	28	355	3
2	3	2	Severance pay	2	3	2
	342	**16**	**Total restructuring expenses**	**30**	**358**	**5**

In 2013, restructuring charges of MNOK 39 were recognised in Posten Norge AS, and provisions from previous years of MNOK 25 were reversed. Corresponding provisions in 2012 were MNOK 339. Of the provision of MNOK 39, MNOK 24 related to personnel-related measures (MNOK 234 in 2012 and MNOK 11 in 2011) and MNOK 15 related to property (MNOK 85 in 2012). In the category other measures, there were no provisions in 2013 (MNOK 20 in 2012). For severance pay the accruals increased by MNOK 2 on the basis of a new assessment of the estimate per 31.12.2013.

In addition to Posten Norge AS the group recognised total restructuring costs of MNOK 14, of which MNOK 10 were personnel-related measures (MNOK 15 in 2012 and MNOK 4 in 2011), and MNOK 4 were related to property. In the category other measures, there were no provisions in 2013 (MNOK 1 in 2012 and MNOK 2 in 2011). The provisions were mainly made in Bring Parcels AB, Bring Warehousing AS, Bring Cargo AS, Bring Frigo AB, Bring Frigo Norge AS and Bring Cargo East AB. The total provision for restructuring is shown in note 18.

Costs related to loss contracts
Costs relating to loss contracts related to the market regulation of lease contracts for premises in the Logistics segment.

Note 6 Financial income and financial expenses

Posten Norge AS 2011	2012	2013		Group 2013	2012	2011
98	88	69	Interest income from group companies			
66	81	110	Other interest income	128	92	76
	2		Gain on the sale of shares in subsidiaries, etc		2	1
25	48	161	Foreign exchange gains	199	107	79
78	34		Gains on derivatives		1	42
71	207	120	Gains on "fair value through profit or loss" objects	120	207	71
13	2	2	Other financial income	3	3	15
351	**462**	**462**	**Financial income**	**450**	**412**	**284**
14	22	21	Interest expenses to group companies			
1			Interest expenses on financial leases	4	5	5
185	130	136	Other interest expenses	145	140	193
29	65	117	Foreign exchange losses	162	125	85
83	15	153	Loss on derivatives	12	1	47
71	207	120	Losses on "fair value through profit or loss" objects	120	207	71
242	141	283	Other financial expenses	29	18	39
625	**580**	**830**	**Financial expenses**	**472**	**496**	**440**

Other interest income in 2013 included MNOK 36 (MNOK 45 in 2012 and MNOK 41 in 2011) in gains on short-term investments for both Posten Norge AS and the Group.

Other interest expenses in 2013 included interest expenses on net pension liabilities, which in 2013 totalled MNOK 26 for Posten Norge AS (MNOK 20 in 2012 and MNOK 25 in 2011) and MNOK 32 for the Group (MNOK 26 in 2012 and MNOK 30 in 2011). The remaining other interest expenses were primarily interest expenses linked to long-term financing.

In 2013 other financial expenses in Posten Norge AS included the following amounts related to the write-down of shares: MNOK 203 in Bring Frigo AB, MNOK 5 in Bring Danmark A/S, MNOK 16 in Bring Norden AB and MNOK 38 in Bring Cargo Inrikes AB, a total of MNOK 262. (In 2012 MNOK 111 related to the write-down of shares in Bring Warehousing AS and MNOK 14 related to Bring Citymail Sweden AB, in 2011 MNOK 88 related to the write-down of shares in Bring Citymail Sweden, MNOK 70 related to Bring Linehaul AS and MNOK 50 related to Bring Frigo Norge AS.) Refer also to note 10 .

In 2013 Posten Norge AS had foreign exchange gains of MNOK 161 and foreign exchange losses of MNOK 117,a net gain of MNOK 44, which was related to loans given to swedish subsidiaries in SEK, resulting in large foreign exchange gains due to the significant changes in the exchange rate of SEK between 31.12.2012 and 31.12.2013. Total gains on foreign currency loans to subsidiaries, including other currencies, were MNOK 59.

Refer also to note 22 for a more detailed description of the Group's financial risk management.

Note 7 Taxes

Posten Norge AS 2011	2012	2013		Group 2013	2012	2011
			INCOME TAXES			
456	173	56	Taxes payable	107	217	483
(61)	(68)	(13)	Changes in deferred taxes (deferred tax assets)	1	(67)	(56)
395	**105**	**43**	**Taxes**	**108**	**150**	**427**
318	304	194	Taxes payable for the year	249	358	346
(2)	9	2	Overpaid/underpaid in previous years	(2)	9	(3)
140	(140)	(140)	Other *	(140)	(150)	140
456	**173**	**56**	**Taxes payable**	**107**	**217**	**483**
(61)	(68)	(8)	Deferred tax due to changes in temporary differences	13	(40)	(55)
			Tax losses carried forward not previously recognised	(26)	(36)	(4)
		(5)	Effect of change in tax rate	(4)		
			Write-down/ reversal of write-down due to tax losses carried forward	18	9	3
(61)	**(68)**	**(13)**	**Deferred tax cost**	**1**	**(67)**	**(56)**
58%	**40%**	**8%**	**Effective tax rate**			
			Reconciliation of the effective tax rate with the Norwegian tax rate:			
686	263	511	Earnings before tax	619	547	800
192	74	143	28% tax	173	153	224
			Write-downs of goodwill	32	6	11
63	41	78	Other non-deductible costs 28%	44	12	28
	(10)	(11)	Non-taxable income 28%	(6)	(23)	(2)
			Effect from tax rates in other contries	11	(7)	2
		(5)	Effect of changes in tax rate	(4)		
140	1	(162)	Other	(142)	8	164
395	**105**	**43**	**Taxes**	**108**	**150**	**427**

* Provision of tax payable of 140 mill. kroner at 31.12.2011 was reversed 31.12.2013.

Posten Norge AS 2011	2012	2013		Group 2013	2012	2011
			Changes in deferred taxes recorded directly in co mprehensive income			
(32)	42	(18)	Actuarial gains and losses	(14)	49	(39)
			Translation differences from hedging of investments in foreign entities	(38)	5	
(6)	(1)	1	Cash flow hedging	1	(1)	(6)

		20	Effect of change in tax rate	20		
(38)	**41**	**3**	**Total**	**(31)**	**53**	**(45)**

Changes in deferred tax/tax asset

Posten Norge AS

	01.01.2013	Additions subsidiaries	Recognised in equity	Recognised in income statement	Other	Translation differences	Effect of change in tax rate	31.12.2013
Tangible fixed assets	(83)			(18)			4	(97)
Gains and losses account	5			(2)				3
Receivables	(1)							(1)
Inventories	(1)							(1)
Pensions	(232)		(18)	(4)			9	(245)
Contribution fund	76			(19)			(2)	55
Provisions	(111)			57			2	(52)
Other	(38)		1	(22)			2	(57)
Total	**(385)**		**(17)**	**(8)**			**15**	**(395)**
Total deferred tax asset	(391)							(402)
Total deferred tax	6							7
Total defferred tax/tax asset	**(385)**							**(395)**

Group

	01.01.2013	Additions subsidiaries	Recognised in equity	Recognised in income statement	Other	Translation differences	Effect of change in tax rate	31.12.2013
Tangible fixed assets	(24)			(34)		2	2	(54)
Gains and losses account	7			(3)				4
Receivables	(6)			1		1		(4)
Inventories	(1)							(1)
Pensions	(269)		(14)	(5)		(2)	10	(280)
Contribution fund	76			(19)			(2)	55
Provisions	(124)			46		1	2	(74)
Other	(29)		(41)	21	(1)	2	2	(46)
Tax losses carried forward	(239)			(17)		(31)	4	(283)
Total	**(609)**		**(55)**	**(10)**	**(1)**	**(27)**	**19**	**(683)**
Total deferred tax asset	(619)							(691)
Total deferred tax	10							8
Total not -recognised in balance sheet	163							193
Total deferred tax/tax asset	**(446)**							**(490)**

Deferred tax assets that are not recognised in the balance sheet were related to losses carried forward. The Group had a total of MNOK 283 in deferred tax assets related to losses carried forward as at 31.12.2013. 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.

Effect of change in tax rate was related to assets recognised partly in the Income Statement and partly in Comprehensive Income

Statement. The effect of change in tax rate recognised in Comprehensive Income Statement was a total of MNOK 20 wich is related to changes in pension estimates.

Note 8 Intangible assets

Posten Norge AS	Purchased intangible assets				
	IT - development trademarks etc.	Projects in progress	2013 Total	2012 Total	2011 Total
Acquisition cost:					
Balance 01.01	1 614	191	1 805	1 762	1 676
Additions	23	157	180	127	147
Reclassification/Adjustment of cost price 1)	(157)		(157)	(86)	(61)
Intercompany transfers	66		66	2	
Transfers from assets under construction	61	(61)			
Balance 31.12.	**1 607**	**287**	**1 894**	**1 805**	**1 762**
Accumulated amortisation and write-downs:					
Amortisation method	Straight-line				
Useful life	3 - 10 years				
Balance 01.01	(990)	(84)	(1 074)	(842)	(674)
Amortistation for the year	(237)		(237)	(238)	(221)
Write-downs for the year		(103)	(103)	(78)	(12)
Reclassification/Adjustment of cost price 1)	159		159	86	65
Intercompany transfers	(53)		(53)	(2)	
Balance 31.12.	**(1 121)**	**(187)**	**(1 308)**	**(1 074)**	**(842)**
Book value 31.12.13	**486**	**100**	**586**		
Book value 31.12.12	624	107		731	
Book value 31.12.11	778	142			920

Group	In-house developed intangible assets			Purchased intangible assets						
	IT - development	Projects under development	Total	IT - development trademarks etc.	Projects under development	Goodwill	Total	2013 Total	2012 Total	2011 Total
Acquisition cost:										
Balance 01.01.	7	6	13	1 941	214	2 815	4 970	4 983	5 240	5 027
Additions				34	161		196	196	159	171
Disposals				(7)			(7)	(7)	(40)	(13)
Additions through company acquisitions (Note 26)									97	120
Disposals through sales of companies (Note 26)						(35)	(35)	(35)		(3 359)
Reclassification/Adjustment of cost price 1)		(7)	(7)	(151)	(4)	(155)	(162)	(162)	(443)	(64)

Translation differences		1	1	14		155	169	169	(30)	(2)
Transfers from assets under construction				61	(61)					
Balance 31.12.	**7**		**7**	**1 892**	**310**	**2 935**	**5 137**	**5 144**	**4 983**	**5 240**
Accumulated amortisation and write-downs:										
Amortisation method	Straight-line			Straight-line						
Useful life	3 - 10 years			3 - 10 years						
Balance 01.01	(5)	(6)	(11)	(1 248)	(84)	(504)	(1 836)	(1 847)	(1 970)	(1 659)
Amortisation for the year				(265)			(265)	(265)	(258)	(240)
Write-downs for the year				2	(123)	(117)	(239)	(239)	(106)	(155)
Disposals				7			7	7	39	13
Disposals through sales of companies (Note 26)						35	35	35		
Reclassification/Adjustment of cost price [1]		6	6	159			159	165	441	71
Translation differences				(10)		(18)	(27)	(27)	7	
Balance 31.12.	**(5)**		**(5)**	**(1 355)**	**(207)**	**(604)**	**(2 166)**	**(2 171)**	**(1 847)**	**(1 970)**
Book value 31.12.13	**2**		**2**	**537**	**103**	**2 331**	**2 971**	**2 973**		
Book value 31.12.12	2		2	693	130	2 311	3 134		3 136	
Book value 31.12.11	1	3	4	844	163	2 259	3 266			3 270

[1] Reclassification/Adjustment of cost price consists mainly of scrapping of IT systems that were already fully depreciated.

IT - development, trademarks, etc
For intangible assets that have a finite economic life, the amortization period for the Group was 3-10 years in 2013 (3-10 years in 2012 and 2011), depending on the economic life of each individual component based on an individual assessment.

Total intangible assets on IT development recognized in the balance sheet as at 31.12. 2013 amounts to MNOK 539 MNOK, of which MNOK 184 related to Oracle E-business Suite, which comprises solutions for a common address register, response sending system, accounting and payroll system, as well as an HR and order system. The program also includes 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. In addition MNOK 55 related to a data warehouse for management of master data, master structures and transactions. A production system to support the following and tracing of parcels was recognized in the balance sheet and amounted to MNOK 34. As part of Norway Post's adaptation of services to new user needs a digital postal system, Digipost, has been developed which has about 270,000 users. The system is capitalized at around MNOK 32 as of year-end.

The amortization for the year is presented in the income statement in the line for depreciation and amortization.

Research and development
The Group has not recognized research in the period 2011-2013.

Projects in progress

Facilities under construction as at 31.12.2013 amounted to MNOK 103, which mainly comprised a project for a Group-wide IT platform with new functionality and several projects for a web related solution for efficient handling of tracing parcels and goods for home-delivery.

Impairment of projects in progress and intangible assets with a finite useful life
Impairment costs are presented in the income statement in the line for impairments. There are ongoing assessments of whether there are indications of impairments of intangible assets, and if such indications exist the asset's recoverable amount is estimated. For intangible assets under development the values are tested annually, and if there are indications of impairment during the year, they are tested when this indication occurs.

In 2013 a total of MNOK 123 was written down regarding intangible assets other than goodwill (MNOK 85 in 2012 and MNOK 17 in 2011), all of which related to the Logistics segment. The entire amount was related to a system for the planning and managing of transport activities which will be replaced by other transportation systems in the near future.

Goodwill

Group

	Book value 01.01.13	Disposals	Writedowns	Translation differences	Book value 31.12.13
Mail Segment					
Bring Mail Nordic	23			2	25
Bring Dialog Norge	45				45
Logistics Segment					
Bring Cargo	728		(2)	2	728
Bring Frigo Sverige	520		(115)	55	460
Bring Cargo West	252			27	280
Bring Express	270			14	284
Bring Cargo East	261			28	289
Bring Cargo Inrikes	79			9	88
Bring Frigo Norge	61				61
Bring Warehousing	64				64
Bring Linehaul	8				8
Total goodwill for the Group	**2 311**		**(117)**	**137**	**2 331**

Additions goodwill
The acquisition and sale of companies is described in more detail in note 26 .

Impairments of goodwill
Impairments 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. Goodwill is 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 for impairment. 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 for impairment exists if the capitalized 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.

The group has calculated the future cash flows based on the estimated results (forecasts and long term plans) 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, amortization, 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. 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 2013 a total of MNOK 117 of impairments was made related to goodwill in the Logistics segment (a total of MNOK 21 in 2012 and MNOK 138 in 2011). An impairment of MNOK 115 was made related to Bring Frigo Sverige, which despite having a positive development in revenues, has had a weak development in earnings and challenges with profitability. In addition an impairment of MNOK 2 related to Bring Cargo Danmark was made due to challenges regarding profitability during the past years.

For the other goodwill items there are as of 31.12.2013 no impairment based on the assumptions that have been used for the tests. The sensitivity of the assumptions used has been evaluated, and goodwill related to Bring Cargo East (MNOK 289), Bring Cargo West (MNOK 280), Bring Cargo Inrikes (MNOK 88), Bring Frigo Sverige (MNOK 460) and Bring Frigo Norge (MNOK 60) is considered sensitive to adjustments to key assumptions such as margins, required rate of return and growth rate. 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 and are reflected in the cash-flows. Bring Cargo East and Bring Cargo West will merge from 01.02.2014 and these cash-flows reflect measures to improve profitability. Using a long-term growth rate of 0% in Bring Cargo East and Bring Cargo West the outcome would be an impairment of the goodwill. The same is the conclusion using a pre-tax discount rate of 9.7%. For Bring Cargo Inrikes a number of measures to improve profitability have been started and these improvements are reflected in the future cash-flows in the impairment test of goodwill. Using a long-term growth rate of 0% the outcome of the test would be impairment of the goodwill. But using a long-term growth rate of 2%, a pre-tax discount rate of 10% would be needed before the recoverable amount was lower than its book value. In the impairment test of goodwill for Bring Frigo Sverige, which was impaired by MSEK 123 during 2013, there is uncertainty related to assumptions such as revenues and margins. Recoverable amount is above book value using a long-term growth rate of 0% and 2%. There is also room to adjust the discount rate up to 12% with a growth of 2% before impairment occurs. Also in the future cash-flows of Bring Frigo Norge measures for improvements are reflected, such as increasing sales and more efficient operation. A pre-tax discount rate can be increased by up to 20% before the recoverable amount is lower than book value. There is also a possibility to use a long-term growth rate of 0% without the recoverable amount being lower than its book value.

Where the acquired subsidiaries have not achieved the sufficient forecast margins, an assessment has been carried out on the background for the deviation from the forecast, and whether measures implemented on 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 subsidiaries particularly affected by market developments.

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.

Recognition of negative goodwill

There was no recognition of negative goodwill in the period 2011-2013.

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.	

Overview of goodwill and key assumptions per segment

Segment	Goodwill	Discount rate before tax (WACC): 2013	2012	2011	Long-term growth rate: 2013	2012	2011
Mail	70	8,7%	9,5%	10%	0 - 2,0%	2,0%	2,0%
Logistics	2 261	9,2%	10%	10%	0 - 2,0%	2,0%	2,0%
Total Group	**2 331**						

Note 9 Tangible fixed assets

Posten Norge AS

Acquisition cost:	Machinery	Vehicles, fixtures and fittings	Buildings, property	Machinery under constr and facilities	Buildings under construction	2013 Total	2012 Total	2011 Total
Balance 01.01	1 239	994	570	29	2	2 834	2 761	3 356
Additions	6	184	22	31	14	257	170	131
Disposals		(5)	(6)			(11)	(3)	(4)
Reclassification/ Adjustment of cost price 1)	(50)	(133)	(64)			(247)	(171)	(794)
Intercompany transfers							77	
Transfers to/from held for sale								72
Transfers from assets under construction	36	6	3	(42)	(3)			
Balance 31.12.	**1 231**	**1 046**	**525**	**18**	**13**	**2 833**	**2 834**	**2 761**
Accumulated depreciation and write-downs:								
Depreciation method	Straight-line	Straight-line	Straight-line					
Useful life	5 - 14 years	2 - 20 years	10 - 40 years					
Balance 01.01	(810)	(750)	(332)			(1 892)	(1 807)	(2 341)
Depreciation for the year	(78)	(95)	(27)			(200)	(205)	(208)
Write-downs for the year		(2)				(2)	(2)	(13)
Disposals		3				3	3	4
Reclassification/ Adjustment of cost price	50	129	64			243	170	790
Intercompany transfers							(51)	
Transfers to/from held for sale								(39)
Balance 31.12.	**(838)**	**(715)**	**(295)**			**(1 848)**	**(1 892)**	**(1 807)**
Book value 31.12.2013	**393**	**331**	**230**	**18**	**13**	**985**		
Book value 31.12.2012	429	244	238	29	2		942	
Book value 31.12.2011	424	329	179	21	1			954

Group

Acquisition cost:	Machinery	Vehicles,	Buildings,	Machinery under	Buildings	2013 Total	2012 Total	2011 Total

		fixtures and fittings	property	constr and facilities	under constr			
Balance 01.01	1 428	2 154	4 115	33	39	7 770	7 306	7 803
Additions	23	521	255	35	83	917	435	287
Disposals	(9)	(146)	(8)			(163)	(67)	(206)
Additions through company acquisitions (Note 26)							292	59
Disposals through company sales (Note 26)		(2)				(2)		
Reclassification/Adjustment of cost price	(55)	(139)	(70)			(264)	(171)	(807)
Translation differences	6	89	31			126	(25)	2
Transfers to/from held for sale		(3)	(15)			(18)		168
Transfers from assets under construction	39	8	95	(47)	(95)			
Balance 31.12.	**1 432**	**2 482**	**4 403**	**21**	**27**	**8 366**	**7 770**	**7 306**

Accumulated amortisation and write-downs:

Amortisation method	Straight-line	Straight-line	Straight-line					
Useful life	4 - 20 years	1 - 20 years	5 - 40 years					
Balance 01.01	(934)	(1 407)	(1 251)			(3 592)	(3 281)	(3 666)
Depreciation for the year	(94)	(243)	(148)			(485)	(461)	(456)
Write-downs for the year		(5)	(1)			(6)	(93)	(18)
Disposals	7	111	1			119	55	101
Disposals through company sales (Note 26)		2				2		
Reclassification/Adjustment of cost price	60	130	64			254	172	801
Translation differences	(2)	(51)	(1)			(54)	16	(3)
Transfers to/from held for sale		3	9			12		40
Balance 31.12.	**(963)**	**(1 460)**	**(1 357)**			**(3 751)**	**(3 592)**	**(3 281)**
Book value 31.12.2013	**469**	**1 022**	**3 076**	**21**	**27**	**4 615**		
Book value 31.12.2012	494	747	2 865	33	39		4 178	
Book value 31.12.2011	548	698	2 754	23	2			4 025

Construction loan interest
Tangible fixed assets include construction loan interest. The capitalised construction loan interest totalled MNOK 64 as at 31.12.2013 (MNOK 66 as at 31.12.2012 and MNOK 69 as at 31.12.2011). The balance as at 31.12.2013 was mainly related to the sorting terminal at Robsrud.

Other conditions
Reclassification / Adjustment of cost price consisted mainly of scrapping of machinery and fixtures and fittings that were already fully depreciated.

Molde post terminal was reclassified from held for sale to fixed assets in 2011. Refer also to note 16.

Information on financial leases and additions/sales through company acquitions is provided in note 25 and note 26 respectively. Refer also to note 5 for losses and gains on sales.

Purchase obligations

The parent company has signed contracts for the purchase of intangible and tangible fixed assets in the period 2014 - 2016 representing a total commitment of MNOK 29, of which MNOK 19 related to 2014, MNOK 9 to 2015 and MNOK 1 to 2016. The agreement mainly applies to purchases in connection with rebuilding of Molde posterminal, new vehicles and terminal equipment.

Note 10 Investment in shares

Posten Norge AS

Subsidiaries	Acquired/ established	Address	Primary activity	Ownership share 31.12.2013	Voting share 31.12.2013	Book value 31.12.2013
Bring Cargo AS	10.06.2004	Oslo	Transport	100%	100%	1 007
Bring Frigo AB	20.01.2006	Sweden	Transport	100%	100%	561
Bring Cargo East AB	08.06.2008	Sweden	Transport	100%	100%	241
Bring Express AS	01.01.1999	Oslo	Exspress	100%	100%	242
Bring Cargo West AB	09.03.2007	Sweden	Transport	100%	100%	359
Bring Warehousing AS	12.04.2000	Oslo	3P logistics	100%	100%	121
Bring Cargo Inrikes AB	30.11.2012	Sweden	Transport	100%	100%	125
Bring Frigo Norge AS	10.06.2004	Lørenskog	Transport	100%	100%	91
Bring Parcels AB	1999/2008	Sweden	Transport	100%	100%	91
Bring Linehaul AS	2000/2009	Jaren	Transport	100%	100%	37
Bring Denmark A/S	18.11.2010	Denmark	Transport	100%	100%	3
Bring Citymail AB	01.05.2002	Sweden	Holding	100%	100%	
Bring Citymail Sweden AB	01.05.2002	Sweden	Mail	100%	100%	
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
Posten Eiendom Storbyer AS	01.01.2008	Oslo	Property	100%	100%	56
Posten Eiendom Kanalvegen 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 Eiendom Skien AS	18.05.2011	Skien	Property	100%	100%	
Bring AS	08.03.2005	Oslo	None	100%	100%	
Bring Norden AB	07.06.2011	Sweden	Logistics	100%	100%	12
Bring Cargo International AB	23.03.2011	Sweden	None	100%	100%	
Total investments in shares						**3 749**
Investments in associated companies						
EVRY ASA	14.10.2010	Oslo	IT	40%	40%	1 462
Danske Fragtmænd AS	04.07.2013	Denmark	Transport	34%	34%	317
Total Posten Norge AS						**5 528**

Group

	Book value **31.12.2013**
Investments in Associated Companies	

Refer to overview below	1 851

Group investments in shares

Minor shareholdings	2
Total Group	**1 853**

As part of the Group's strategy to develop a leading position in the Nordic logistics market, Norway Post bought 34% of Denmark's leading logistics company, Danske Fragtmænd AS in July 2013 and strengthened thereby its position in Denmark.

To ensure a satisfactory equity in Bring Express AS, Posten Norge AS contributed MNOK 14 with effect from June 2013, which resulted in a corresponding increase in the shares' book value. Furthermore, the equity of Bring Denmark A/S was increased by MNOK 7 in December 2013, but by the end of the year the book value of the shares exceeded the recoverable value of the shares in the company and resulted in a write-down of MNOK 5. Similarly Bring Frigo AB was given a contribution of MNOK162 with subsequent write-down of MNOK 203. Bring Cargo Inrikes AB and Bring Norden AB were given contributions of MNOK 29 and MNOK 28 respectively. At the end of the year, the shares of Bring Cargo Inrikes AB were written down by MNOK 38 and the shares of Bring Norden AB by MNOK 16 as a result of the book value of the shares exceeded the recoverable value of the companies.

The book value of the shares of Bring Warehousing AS were adjusted by MNOK 25 as a result of group contributions from Posten Norge AS booked in 2013.

In 2013 Bring Cargo AS acquired the remaining minority interest in Blomquist Trucking AS Slovakia and now owns 100% of the company.

Investments in associated companies

Group

Entity	Country/City	Ownership share	Book value 01.01.2013	Additions 2013	Dividend 2013	Share of earnings 2013	Other adjustments	Book value 31.12.2013
EVRY ASA	Oslo	40%	1 520		(37)	(31)	42	1 494
Danske Fragtmænd AS	Denmark	34%		317		7		324
Svensk Adressändring AB	Sweden	15%	16			1		17
AdressPoint AB	Sweden	15%	2		(1)	2		3
Materiallageret AS	Spitsbergen	34%	8					8
Euroterminal - Blue Water/Frigoscandia ApS	Denmark	50%	4				1	5
Other			1			(1)		1
Total			**1 551**	**317**	**(38)**	**(22)**	**43**	**1 851**

Posten Norge AS' stake in EVRY ASA of 40% had a book value as at 31.12.2013 of MNOK 1 494 after the recognition of the share of profit after tax in 2013 of MNOK -31. In addition, the book value changed as a result of the Group's share of other income and expenses by MNOK 43 and by received dividends of MNOK 37. The fair value according to market price at 31.12.2013 amounted to MNOK 1 063. However, it is considered that the book value is justified based on expectations about the future development of the company and Norway Post's strategic interest. Based on low liquidity, historical premium on acquisitions via the stock exchange, and what Norway Post believes are conservative estimates of valuations of the equity analysts who follow EVRY, the assessment is that the current book value of the shares can be justified even if the book value is above the current market price.

Posten Norge AS' stake in Danske Fragtmænd AS had a book value as at 31.12.2013 of MNOK 324 after recognition of the share of profit after tax in 2013 of MNOK 7.

Summary of financial information for the individual associated companies (100% basis):

Entity	Assets	Liabilities	Equity	Revenues	Net income/(loss)
EVRY ASA	12 096	6 707	5 389	12 761	(77)
Danske Fragtmænd AS	1 167	725	442	3 191	14
Svensk Adressändring AB	90	77	13	238	11
AdressPoint AB	10	5	6	10	3
Materiallageret AS	29	17	12	6	2
Euroterminal - Blue Water/Frigoscandia ApS	15	4	11	3	1
Total	**13 407**	**7 535**	**5 872**	**16 209**	**(46)**

Note 11 Interest-bearing non-current and current receivables

Posten Norge AS 2011	2012	2013		Group 2013	2012	2011
12		5	Other non-current receivables	7	2	13
2 006	2 239	1 830	Loans to group companies			
2 018	**2 239**	**1 835**	**Interest-bearing non-current receivables**	**7**	**2**	**13**
	1 990	1 447	Repayments 2015	1	1	
	1	1	Repayments 2016			
	114	236	Repayments 2017			
	134	85	Repayments 2018			
		66	Thereafter	6	1	
	2 239	**1 835**	**Interest-bearing non-current receivables**	**7**	**2**	
347	270	202	Other current receivables	224	292	353
550	546	977	Loans to group companies			
897	**816**	**1 179**	**Interest-bearing current receivables**	**224**	**292**	**353**

The first year's repayment of interest-bearing non-current receivables has been classified as interest-bearing current receivables. Advanced payments to contribution funds and premium funds in DNB Liv accounted for MNOK 201 of other current receivables (MNOK 270 in 2012 and MNOK 347 in 2011).

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.The Group has directors' and officers' liability insurance coverage. The Group's employees are covered for injuries and death through personnel insurance coverage.

Note 12 Other non-current receivables

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
3	4	3	Receivables from employees	4	4	4
15	14	15	Other non-current receivables	39	20	21
18	**18**	**18**	**Other non-current receivables**	**43**	**24**	**25**

Receivables from employees consisted 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 AS mainly consisted of rent deposits for various post offices.The increase in non-current receivables in the subsidiaries from 2012 to 2013 was caused by retrospective return of VAT, MNOK 20,5, in Bring Eiendom Haugesund AS. Otherwise the non-current receivables in the subsidiaries were pre-paid costs related to suppliers.

Note 13 Inventories

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
28	26	19	Inventories at cost	35	42	38
(3)	(3)	(3)	Provisions for obsolescence	(7)	(8)	(6)
25	**23**	**16**	**Inventories**	**28**	**34**	**32**

The inventories mainly consist of postage stamps and other goods sold via the sales network. The cost of goods sold during 2013 for Posten Norge AS amounted to MNOK 40 (MNOK 51 in 2012 and MNOK 59 in 2011). Write-downs for the period totalled MNOK 3, which was the same as in 2012 and 2011. The cost of goods sold for the Group's subsidiaries totalled MNOK 16 (MNOK 16 in 2012 and MNOK 10 in 2011).

Note 14 Interest-free current receivables

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
793	811	851	Accounts receivable	2 626	2 468	2 401
3	2	2	Receivables from employees	4	4	5
131	216	365	Receivables from group companies			
81	85	92	Prepaid expenses	237	209	200
6			Short-term derivatives			6
328	275	231	Accounts receivable	790	778	823
1 342	**1 389**	**1 541**	**Interest-free current receivables**	**3 657**	**3 459**	**3 435**
			Receivables by age:			
644	685	660	Current	1 994	1 930	1 915
137	110	181	0 - 30 days	531	446	418
8	10	6	30 - 60 days	57	71	47
3	3	4	60 - 90 days	29	18	18
13	13	9	Over 90 days	62	59	61
(12)	(10)	(9)	Provisions for bad debts	(47)	(56)	(58)
793	**811**	**851**	**Total receivables**	**2 626**	**2 468**	**2 401**
			Provisions for bad debts:			
9	12	10	As at 01 January	56	58	47
12	7	9	Provisions allocated during the year	5	21	21
(13)	(16)	(13)	Actual losses taken against provisions	(18)	(27)	(15)
3	7	3	Over/underfunded accrued in previous years		4	5
			Translation differences	4		
12	**10**	**9**	**As at 31 December**	**47**	**56**	**58**
15	16	19	Total actual losses on bad debts	27	28	17
			Provisions for bad debts by:			
			Individual receivables	25	30	27
12	10	9	General provisions	22	26	31
12	**10**	**9**	**Total**	**47**	**56**	**58**

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 to 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.

Note 15 Liquid assets

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
938	723	154	Cash and cash equivalents	255	889	1 083
1 155	1 200	1 536	Short-term investments	1 536	1 200	1 155
2 093	**1 923**	**1 690**	**Liquid assets in the balance sheet**	**1 791**	**2 089**	**2 238**

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 DNB, Posten Norge AS is obliged to have sufficient cash holdings at all times to serve the bank's customers. The cash holding was MNOK 152 as at 31.12.2013 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 income.

Posten Norge AS has a bank guarantee with Nordea as security for advance tax payments of MNOK 550 for the employees. Most subsidiaries also have their own tax payment guarantees with banks.

Guarantees furnished for Norway Post's subsidiaries from Nordea amount to MNOK 180. .

A corporate 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 at 31.12.2013 , Posten Norge AS had unused credit facilities for the corporate account system in Nordea of MNOK 413 . The unused credit facility in DNB as at 31.12.13.was MNOK 50 and in Handelsbanken MSEK 75 .

Note 16 Held for sale

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
			Buildings held for sale	6		
	8		Shares held for sale			
			Long-term receivables held for sale		15	
	8		**Total assets held for sale**	**6**	**15**	
			Long-term debt held for sale		3	
			Short-term debt held for sale		4	
			Total Liabilities held for sale		**7**	

The following assets were classified as held for sale as at 31.12.2013:
In connection with the planned sale of Bring Frigo AB's property in Kristianstad MNOK 6 was reclassified as held for sale. The property was sold on 17.01.2014.

The following assets were classified as held for sale in 2013, but returned to fixed assets as at 31.12.2013:
The decision was made in 2013 to sell a property in Skien in order to release capital for other investments. The property was to be leased back. The book value in the parent company was reclassified as held for sale on 30 June 2013. During the fourth quarter the criteria for classification as held for sale were no longer met and the property was therefore reclassified as tangible fixed assets.

The following assets were classified as held for sale as at 31.12.2012:
In 2012, the decision was made to sell the wholly-owned subsidiary Bring Dialog Sverige AB since the company's activities were no longer considered a part of the Group's core business. The shares in the parent company were reclassified as held for sale as at 31 December 2012. At the Group level, the company's receivables and liabilities were reclassified as held for sale. The company was sold in April 2013 through a management buy-out.

Note 17 Equity

Posten Norge AS

	Share capital	Share premium	Hedging reserve	Fair value reserve	Other equity	Total equity
Equity as at 01.01.2011	**3 120**	**992**	**(17)**	**3**	**1 151**	**5 248**
Cash-flow hedging			(16)			(16)
Change in actuarial gains/losses					(82)	(82)
Other comprehensive income/(expenses)			**(16)**		**(82)**	**(98)**
Net income for the year for Posten Norge AS					291	291
Total comprehensive income/(expenses)			**(16)**		**209**	**193**
Dividend paid					(138)	(138)
Equity as at 31.12.2011	**3 120**	**992**	**(33)**	**3**	**1 221**	**5 303**
Equity as at 01.01.2012	**3 120**	**992**	**(33)**	**3**	**1 221**	**5 303**
Cash-flow hedging			(4)			(4)
Change in actuarial gains/losses					109	109
Other comprehensive income/(expenses)			**(4)**		**109**	**105**
Net income for the year for Posten Norge AS					157	157
Total comprehensive income/(expenses)			**(4)**		**266**	**262**
Dividend paid					(276)	(276)
Other changes to equity				(3)		(3)
Equity as at 31.12.2012	**3 120**	**992**	**(37)**		**1 211**	**5 286**
Equity as at 01.01.2013	**3 120**	**992**	**(37)**		**1 211**	**5 286**
Cash-flow hedging			4			4
Change in actuarial gains/losses					(47)	(47)
Change in tax rate					(20)	(20)
Other comprehensive income/(expenses)			**4**		**(67)**	**(67)**
Net income for the year for Posten Norge AS					468	468
Total comprehensive income/(expenses)			**4**		**401**	**405**
Dividend paid					(254)	(254)
Equity as at 31.12.2013	**3 120**	**992**	**(33)**		**1 358**	**5 438**

Group

	Controlling interests								
	Share capital	Share premium	Hedging reserve	Fair value reserve	Translation difference	Other equity	Total	Non controlling interests	Total equity
Equity as at 01.01.2011	**3 120**	**992**	**(17)**	**3**	**63**	**1 260**	**5 420**	**(2)**	**5 418**
Translation differences for the year					(1)		(1)		(1)

Cash-flow hedging			(16)				(16)		(16)
Change in actuarial gains/losses						(100)	(100)		(100)
Other comprehensive income associated companies						(6)	(6)		(6)
Other comprehensive income/(expenses)			**(16)**		**(1)**	**(106)**	**(123)**		**(123)**
Net income for the year for the Group						372	372	1	373
Total comprehensive income			**(16)**		**(1)**	**266**	**249**	**1**	**250**
Dividend paid						(138)	(138)	(1)	(139)
Other changes in equity						(12)	(12)		(12)
Equity as at 31.12.2011	**3 120**	**992**	**(33)**	**3**	**62**	**1 376**	**5 520**	**(2)**	**5 517**
Equity as at 01.01.2012	**3 120**	**992**	**(33)**	**3**	**62**	**1 376**	**5 520**	**(2)**	**5 517**
Translation differences for the year					(28)		(28)		(28)
Cash-flow hedging			(4)				(4)		(4)
Change in actuarial gains/losses						125	125		125
Other comprehensive income associated companies						(17)	(17)		(17)
Other comprehensive income			**(4)**		**(28)**	**108**	**76**		**76**
Net income for the year for the Group						397	397	1	398
Total comprehensive income			**(4)**		**(28)**	**505**	**473**	**1**	**474**
Dividend paid						(276)	(276)	(1)	(277)
Other changes to equity				(3)		(7)	(10)		(10)
Equity as at 31.12.2012	**3 120**	**992**	**(37)**		**34**	**1 598**	**5 706**	**(3)**	**5 703**
Equity as at 01.01.2013	**3 120**	**992**	**(37)**		**34**	**1 598**	**5 706**	**(3)**	**5 703**
Translation differences for the year					87		87		87
Cash-flow hedging			4				4		4
Change in actuarial gains/losses						(31)	(31)		(31)
Change in tax rate						(20)	(20)		(20)
Other comprehensive income associated companies						43	43		43
Other comprehensive income			**4**		**87**	**(8)**	**83**		**83**
Net income for the year for the						510	510	2	512

Group

Total comprehensive income			**4**	**87**	**502**	**592**	**2**	**594**
Dividend paid					(254)	(254)		(254)
Other changes to equity					7	7		7
Equity as at 31.12.2013	**3 120**	**992**	**(33)**	**121**	**1 852**	**6 051**	**(1)**	**6 050**

As at 31.12.2013 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.

In 2011 MNOK 138 was paid in extraordinary dividend to the Ministry of Transport and Communications. In 2012 a dividend of MNOK 186 from the 2011 results was paid out, as well as a n extraordinary dividend of M NOK 90 , totalling M NOK 276 . In accordance with the Annual General Assembly's decision a dividend of MNOK 199 from the 2012 results was paid out in July 2013, as well as an extraordinary dividend of MNOK 54,5, totalling MNOK 253,5.

It is proposed that a dividend of MNOK 256 be paid from this year's net income.

For more information about tax and tax effects, refer to note 7 .

Note 18 Provisions for liabilities and charges

Posten Norge AS

	Restructuring	Severance pay	Pensions	Other	Total
Balance 01.01.2011	**140**	**47**	**804**	**84**	**1 075**
Provisions recorded during the year	11	1		4	16
Reversal of previous year's provisions	(13)				(13)
Effect of discounting		3			3
Provisions utilised during the year	(78)	(12)			(90)
Change in pension liabilities during the year			166		166
Balance 31.12.2011	**60**	**39**	**970**	**88**	**1 157**
Provisions recorded during the year	339	3			342
Effect of discounting		2			2
Provisions utilised during the year	(47)	(12)			(58)
Change in pension liabilities during the year			(142)		(142)
Balance 31.12.2012	**352**	**32**	**828**	**88**	**1 301**
Provisions recorded during the year	39	2		21	63
Reversal of previous year's provisions	(25)			(75)	(100)
Effect of discounting	2	1			3
Provisions utilised during the year	(117)	(10)			(127)
Change in pension liabilities during the year			81		81
Balance 31.12.2013	**251**	**25**	**909**	**34**	**1 220**
Current part of the provisions	102	9		34	145
Non-current part of the provisions	149	16	909		1 074

Group

	Restructuring	Severance pay	Pensions	Other	Total
Balance 01.01.2011	**147**	**47**	**1 015**	**136**	**1 345**
Reduction through sales of companies				2	2
Provisions recorded during the year	18	1		32	53
Reversal of previous year's provisions	(15)			(5)	(20)
Effect of discounting		3			3
Provisions utilised during the year	(85)	(12)		(13)	(112)
Change in pension liabilities during the year			196		196
Balanse 31.12.2011	**65**	**39**	**1 211**	**152**	**1 467**
Provisions recorded during the year	355	3		19	377
Reversal of previous year's provisions	(1)				(1)
Effect of discounting		2			2
Translation differences			(3)	(1)	(4)
Provisions utilised during the year	(64)	(12)		(10)	(86)

Change in pension liabilities during the year			(170)		(170)
Balance 31.12.2012	**355**	**32**	**1 038**	**160**	**1 585**
Provisions recorded during the year	53	2		210	265
Reversal of previous year's provisions	(25)			(101)	(126)
Effect of discounting	2	1			3
Translation differences			18	14	32
Provisions utilised during the year	(133)	(10)		(1)	(144)
Change in pension liabilities during the year			59		59
Balance 31.12.2013	**252**	**25**	**1 116**	**283**	**1 675**
Current part of the provisions	101	9		73	183
Non-current part of the provisions	151	16	1 116	210	1 493

Restructuring
Of the parent company's provisions of MNOK 39 during the year, MNOK 24 were personnel related measures (MNOK 234 in 2012 and MNOK 11 in 2011), and MNOK 15 property (MNOK 85 in 2012). In the category other measures, there were no provisions in 2013 (MNOK 20 in 2012). Restructuring costs in 2013 were primarily related to adjustments to the post office network and the distribution services.

In addition to Posten Norge AS, the Group provisions in 2013 totalled MNOK 10 for personnel related measures (MNOK 15 in 2012 and MNOK 4 in 2011), and MNOK 4 in property. In the category other measures, there were no provisions in 2013 (MNOK 1 in 2012 and MNOK 2 in 2011).

The accruals as at 31.12. were specified as follows:

Posten Norge AS				Group		
2011	**2012**	**2013**		**2013**	**2012**	**2011**
42	241	179	Personnel related	185	244	44
18	95	64	Property	66	95	19
	16	8	Other measures	1	16	2
60	**352**	**251**	**Total restructuring**	**252**	**355**	**65**

It is expected that payments will be made of MNOK 101 in 2014 and MNOK 151 in later years. The provision is 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 and including 31.12.2004. 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. In 2013, the amount disbursed was MNOK 10 and provisions totalled MNOK 25 as at 31.12.2013.

The disbursements will take place up to 8 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 2003-2013. The provision is discounted.

Pensions
Pensions are described in further detail in note 3.

Other
New provisions in the Group in 2013 related mainly to market regulation of premises in Bring Frigo AB. Current provisions for liabilities include MNOK 34 for clean-up obligations for a plot of land at Alnabru.

Note 19 Interest-bearing non-current and current liabilities

Posten Norge AS 2011	2012	2013		Group 2013	2012	2011
			Liabilities with fixed interest			
898	898	748	Liabilities to credit institutions	748	898	898
500	500	500	Bond Loans	500	500	500
1 398	**1 398**	**1 248**	**Total non-current liabilities with fixed interest**	**1 248**	**1 398**	**1 398**
			Liabilities with floating interest			
730	330	629	Liabilities to credit institutions	629	330	731
2			Financial lease obligations	47	65	54
78	76	49	Other non-current liabilities	49	76	78
810	**406**	**678**	**Total non-current liabilities with floating interest**	**725**	**471**	**863**
2 208	**1 805**	**1 926**	**Interest-bearing non-current liabilities**	**1 973**	**1 870**	**2 261**
		100	Repayments 2015	112	17	5
		947	Repayments 2016	954	11	6
845	853	100	Repayments 2018	105	861	850
		100	Repayments 2019	104	6	
962	952	679	Thereafter	698	974	988
2 208	**1 805**	**1 926**	**Non-current liabilities**	**1 973**	**1 870**	**2 261**
898	898	679	Liabilities to credit institutions	679	898	898
64	54		Other non-current liabilities	19	76	90
962	**952**	**679**	**Liabilities maturing after 5 years**	**698**	**974**	**988**
	400	100	First year repayments on non-current liabilities	100	400	
1	1		First year repayments on financial lease obligations	15	27	27
800	800	950	Liabilities to credit institutions	950	800	800
808	1 119	1 056	Debts to group companies			
		95	Other current liabilities	167	112	2
1 609	**2 320**	**2 202**	**Interest-bearing short-term liabilities**	**1 232**	**1 339**	**829**

Norway Post had fixed rate loan agreements of MNOK 1 348 as at 31.12.2013 with a weighted average interest rate of 5,19% and maturities from 2015 to 2020. At the same time Norway Post also had two loan agreements with floating interest. These were private placement loan agreements amounting to MNOK 629 in total, with an effective interest rate of 2.92% and maturities from 2016 - 2023. A fixed rate loan of MNOK 600 will be changed to a floating rate loan from March 2014.

Debt to credit institutions in 2013 consisted of certificate loans of MNOK 950. Certificate loans are classified as short-term debt as the loans usually have 3 months duration and are revolved depending on the need for financing.

The value of the long-term private placement loans and associated interest/currency swaps is the estimated market value of the instruments. Posten Norge AS 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 AS utilises the 'fair value option' when recording these loans as the use of fair value of both debt and swap removes an inconsistency between the measurement of debt and swaps to insure the debt. Refer also to note 21 . Other long-term liabilities included interest/currency swaps linked to a private placement loan.

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.

In 2013 Norway Post signed a new floating rate loan agreement of MNOK 299 and increased certificated loans with MNOK 150. As of 31.12.2013, there were no financial leases in Posten Norge AS. Refer also to note 25 .

Note 20 Interest-free non-current and current liabilities

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
1 550	1 565	1 574	Provisions for payroll expenses and public charges	1 982	1 953	1 950
315	264	345	Provisions for accrued expenses	665	636	709
345	339	282	Prepaid revenues	297	358	388
272	347	154	Accounts payable	981	1 224	1 228
94	92	348	Debts to group companies			
52	149	111	Restructuring and severance pay, current	117	152	56
350	58	64	Other liabilities	585	200	531
2 978	**2 814**	**2 878**	**Interest-free current liabilities**	**4 627**	**4 524**	**4 862**
34	1	61	Non-current derivatives	61	1	34
1			Other interest-free non-current liabilities			1
35	1	**61**	**Interest-free non-current liabilities**	**61**	**1**	**35**

Posten Norge AS had significantly lower accounts payable in 2013 compared with 2012. This was mainly due to large deliveries that were settled earlier this year than last year. The parent company's debts to group companies was increased due to accruals for shareholder funding to several Swedish subsidiaries.

From 2012 to 2013 there was an increase in other liabilities on the group level. The main reason for this was the purchase of two plots at the end of the year, totalling MNOK 212.

Other short-term liabilities in 2011 in Posten Norge AS included a provision for the ESA fine of ca MNOK 100 that was imposed on Posten Norge AS in 2010. The ESA fine was paid in 2012. Refer also to note 28.

Note 21 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						2 973	2 973
Deferred tax asset						490	490
Tangible fixed assets						4 615	4 615
Investments in shares	2						2
Investments in associated companies						1 851	1 851
Interest-bearing non-current receivables				7			7
Other non-current receivables				43			43
Inventories						28	28
Interest-free current receivables				3 657			3 657
Interest-bearing current receivables				224			224
Liquid assets				1 791			1 791
Assets held for sale				6			6
Total assets	**2**			**5 722**		**9 963**	**15 686**
Liabilities							
Provisions for liabilities						1 493	1 493
Interest-bearing non-current liabilities		805	17		1 151		1 973
Interest-free non-current liabilities			61				61
Interest-bearing short-term liabilities			10		1 222		1 232
Interest-free current liabilities			18		4 609		4 627
Taxes payable					249		249
Total liabilities		**805**	**106**		**7 232**	**1 493**	**9 636**

1. 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 fair value hedge.

Posten Norge had three loans classified as fair value through profit or loss under the 'fair value option' as at 31.12.2013. In 2004 Posten Norge entered into a long-term loan agreement with a Japanese life insurance company for JPY 5.0 billion. In 2008 and 2013 Posten Norge entered into new loan agreements for JPY 3.0 billion and JPY 5,0 billion respectively. The value of these loans in NOK when the agreements were entered into was MNOK 330, MNOK 148 and MNOK 298,5 respectively.

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.

Posten Norge has also entered into an interest rate swap related to the loan for JPY 3,0 billion, which reclassfies the loan to a fixed interest rate loan. The interest rate swap has the same due date as the loan, but accountingwise is not treated as a hedge transaction.

Upon enteringen into the loan agreement for JPY 5.0 billion in 2013, Posten Norge also entered into a combined currency and interest-rate swap agreement with a corresponding CSA (Credit Support Annex) agreement that defines how two swap counterparties shall react when the value of a swap changes in favor of one of the parties during the swap period. A deposit is to be paid or received between the counterparties in order to reduce the credit risk in the event of large differences in the swap value. Each month the value of the swap is measured and if the value in one party's favor is greater than MEUR 2 the excess amount is paid into the counterparty's account. The minimum amount for this payment is defined as MEUR 0,5. A CSA ageement minimizes the risk of large values accumulating in one party's favor during the course of the swap period and can therefore be seen as an agreement for collateral.

As at 31.12.2013, the loans from the Japanese life insurance companies were recognised at a total value of MNOK 549,5 (MNOK 772 as at 31.12.2012 and MNOK 564 as at 31.12.2011) and the interest-rate and currency swap agreements were recognised at MNOK 227 (MNOK 106 as at 31.12.2012 and MNOK 314 as at 31.12.2011). The change in the swap agreements' fair value in 2013 totalled MNOK 121 (MNOK -207 i 2012 and MNOK 91 in 2011). The total change in the fair value of the swap agreements since the implementation of IFRS on 01.01.2005 was MNOK 177.

One loan entered into with a Japanese life insurance company in 2004 for JPY 3.0 billion was repaid in 2011 and one loan entered into in 2003 for JPY 6,4 billion was repaid in 2013. The value of these loans in NOK when the agreements were entered into was MNOK 185 and MNOK 400 respectively. Combined interest-rate and currency swap agreements were also entered into at the same time as the loans.

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. Norway Post's credit risk is considered virtually unchanged during the year. The credit risk for the swap counterparty and the credit loan counterparty is considered approximately equal.

2. Derivatives:

Derivatives capitalised at their fair value as at 31 December

2013 Posten Norge AS			2013 Group	
Assets	Liabilities		Assets	Liabilities
		Cash-flow hedging		
	27	Interest-rate swaps		27
		Forward exchange contracts SEK 2)		61
	18	Forward exchange contracts EUR 3)		18
		Not hedged		
	61	Forward exchange contracts SEK 2)		
	227	Combined interest-rate/currency swaps 1)		227
	28	Interest-rate swaps 1)		28
	361	**Total**		**361**

2012 Posten Norge AS			2012 Group	
Assets	Liabilities		Assets	Liabilities
		Cash-flow hedging		
	45	Interest-rate swaps		45
		Forward exchange contracts SEK 2)		1
	4	Forward exchange contracts USD 3)		4

		Not hedged		
	1	Forward exchange contracts SEK [2]		
	106	Combined interest-rate/currency swaps [1]		106
	27	Interest-rate swaps [1]		27
	183	**Total**		**183**

2011 Posten Norge AS			2011 Group	
Assets	Liabilities		Assets	Liabilities
		Cash-flow hedging		
	51	Interest-rate swaps		51
		Forward exchange contracts SEK [2]		34
(1)		Forward exchange contracts EUR [3]	(1)	
6		Forward exchange contracts USD [3]	6	
		Not hedged		
	34	Forward exchange contracts SEK [2]		
	314	Combined interest-rate/currency swaps [1]		314
	23	Interest-rate swaps [1]		23
6	**422**	**Total**	**6**	**422**

Total contractual amount (MNOK) for interest-rate swaps and forward contracts capitalised as at 31.12:

Group

	Remaining period			Total contractual amount		
	Less than 1 year	1 - 5 years	More than 5 years	2013	2012	2011
Cash-flow hedges						
Interest-rate swaps	750	500		1 250	1 250	1 250
Forward exchange contracts SEK [2]	1 779			1 779	1 316	1 188
Forward exchange contracts EUR [3]	235	129		364	231	20
Forward exchange contracts USD [3]					59	146
Not hedged						
Interest-rate /currency swaps [1]		330	595	925	1 026	1 026
Total	**2 764**	**959**	**595**	**4 318**	**3 882**	**3 630**

[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 for hedging investments in foreign subsidiaries are only considered hedging for the Group and not for Posten Norge. See point 4 below

3) *Forward exchange contracts for hedging costs in euro and US dollars on air freight as well as some euro revenues*

Cash flow hedges

Interest-rate hedges– non-current loans
After repaying a loan in Nordiske Investeringsbanken (Nordic Investment Bank) of MNOK 400 in 2011 (taken out in 2005) and repaying MNOK 50 in 2013 of a loan totalling MNOK 750 (taken out in 2008), the Group has one loan left for MNOK 700 on which the interest is determined every six months. In order to ensure fixed interest-rate conditions, interest-rate swaps for corresponding amounts were entered into so that the Group pays a fixed net interest rate on the hedged loan. The interest rate swap is due in March 2014, while the loan will be repaid with MNOK 100 each year until 2020. From March 2014 the loan reverts to a floating interest rate loan. In 2013 MNOK 19 was taken through the income statement (MNOK 13 in 2012 and MNOK 14 in 2011).

Currency hedges – EUR revenues
Norway Post had revenues of approximately MEUR 34 for distributing post from abroad in 2013 (MEUR 32 in 2012 and MEUR 33 in 2011) and expects revenues of approximately MEUR 33 in 2014.

Some of the exchange-rate risk is hedged by selling forward exchange contracts in euro. 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. As at 31.12.2013 forward exchange contracts were entered into for euro revenues in 2014 totalling MEUR 30 and for euro revenues in 2015 totalling MEUR 15, with a value of MNOK -18,6 and MNOK 0,2 respectively. In 2013 MNOK 13 was transfered from equity to operating revenues as an increase in income (0 in 2012 and MNOK 7 as a reduction in income in 2011) due to realised euro revenues. There were no transfers to the profit line Financial income in 2013 (0 in 2012 and MNOK 3 in 2011) due to exchange rate translation of the balance item.

Currency hedging - air freight
In 2013 Norway Post had costs of 21 million US dollars and MEUR 2,1 in connection with air freight of mail. A part of the currency risk was hedged by selling US dollar and euro forwards. The hedging was stopped in its entirety in August 2013. The change in value of forward exchange contracts that are effective hedging instruments are recognised in equity. The cash flows in the form of accrued air freight costs in euro and US dollar affect the results monthly. In 2013, just over MNOK 1.8 (MNOK 1,8 in 2012 and MNOK 0.1 in 2011) was recognised in the profit statement line cost of goods and services.

Bond Loans
Norway Post refinanced bond loans in 2011 equivalent to MNOK 1 500 with a smaller loan equivalent to MNOK 500 with floating conditions and a maturity in 2016. Norway Post entered into an interest rate swap from floating to fixed rate so that the entire loan was on fixed terms. As at 31.12.2013 the recorded fair value of the interest rate swaps was MNOK -17 (MNOK -23 as at 31.12.2012 and MNOK -15 as at 31.12.2011).

Fair value hedges
Bond Loans
Posten Norge AS 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 was on floating terms. As a result of the loan being refinanced in 2011 there was no value recognised in the balance sheet as at 31.12.2013, 31.12.2012 or 31.12.2011.

3. Hedges of investments in foreign entities:

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 1 927 in revolving forward exchange contracts in 2013 (MSEK 1 527 in 2012 and MSEK 1 399 in 2011). 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.

4. Hedging reserve in equity:

Movements in hedging reserves in equity (refer to note 17) split between interest-rate swaps and forward (exchange) contracts:

Group

	Interest-rate swap	Forward contracts	Total Hedging reserve
Balance 31.12.2010	**(22)**	**5**	**(17)**
Changes in value	(35)	8	(26)
Transfers to income statement	14	(10)	4
Associated deferred taxes	6		6

Balance 31.12.2011	**(37)**	**4**	**(33)**
Changes in value	(7)	(10)	(17)
Transfers to income statement	13	(2)	12
Associated deferred taxes	(2)	3	1
Balance 31.12.2012	**(33)**	**(4)**	**(37)**
Changes in value	(1)	(27)	(28)
Transfers to income statement	19	15	34
Associated deferred taxes	(5)	3	(2)
Balance 31.12.2013	**(20)**	**(13)**	**(33)**

Of the total movement of MNOK 4 in the hedging reserve in 2013 (MNOK -4 in 2012 and MNOK -16 in 2011), all was related to Posten Norge AS.

Postive figures in the line Transfers to income statement in the table above mean that the relevant loss in equity is transferred to profit or loss for the period at the same time that the cash flow that constitutes the hedged item is recognised.

Note 22 Financial risk

Risk management in Norway Post
The basis of Norway Post'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 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.

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 in the second quarter as well as an update on corrective measures and status in the fourth quarter. The Board deals with the administration's assessment of total risks in the areas of strategic risk, financial risk, operational risk and corporate reputational risk.

Utilisation of risk information: Risk assessments are included in all business processes and monitoring of activities.

Authorizations: Authorizations are in place for funding and investment frameworks. The general authorization framework is decided by the Board and may be delegated within the organisation. Any further delegation shall be approved and monitored by an immediate superior.

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 periods. Derivatives include swaps and fixed-price agreements (forward contracts). Norway Post 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. Norway Post primarily uses currency futures to secure revenues in EUR and cost in EUR and US dellars and to secure investments in foreign currencies.

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 Norway Post are:

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.

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

Combined interest-rate and currency swaps - the parties exchange both currency and interest rate terms

Categories of risk
For risk management purposes Norway Post 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 reputational risk : The 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.

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 Bank ASA	A+	A1
Nordea Bank ASA	AA-	Aa3
Danske Bank	A-	Baa1
Svenska Handelsbanken	AA-	Aa3
Skandinaviske Enskilda Banken AB	A+	A1
Portigon AG		AA1
Barclays Bank PLC	A-	A2
Societe generale	A	A2

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 14 for more detailed specifications of interest-free short-term receivables.

The Group does not guarantee third-party debt.

Credit risk linked to the Group's financial investements:

Risk classification:

	S&P Likelihood of annual default (percent)		External rating
Risk category	**From**	**To**	**S&P**

1. Theoretical risk	0,00	0,12	AAA - A-
2. Low risk	0,22	0,47	BBB - BB
3. Moderat risk	3,68	3,68	B
4. High risk	28,08	28,08	CCC/C

Source: Standard & Poor's Global Fixed Income Research and Standard & Poor's CreditPro

Investments distributed by risk groups:

Total market based placement as at:	**1-2**	**3-4**
31 December 2013	1 536	
31 December 2012	1 200	
31 December 2011	1 155	

The market based placements consist of:

Interests Funds	2013	2012	2011
DNB	122	117	112
Pareto	664	648	510
Pareto Høyrente			115
Nordea	447	435	417
Danske Bank	203		
SEB	100		
Total Posten Norge AS and the Group	**1 536**	**1 200**	**1 155**

Market risk
Market risk occurs 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. Foreign currency balances in bank accounts are minimized at the subsidiary level and are actively managed by the Group level in order to avoid large positive/negative balances. Internal foreign currency transactions are used extensively between subsidiaries and the Group in order to reduce large bank balances in foreign currencies.

	Exchange rate 01.01.2013	Average exchange rate 2013	Exchange rate 31.12.2013
Swedish kroner	0,8549	0,9020	0,9472
Danish kroner	0,9840	1,0466	1,1237
Euro	7,3410	7,8052	8,3825
British Pound Sterling	8,9958	9,1929	10,0527
US Dollar	5,5664	5,8753	6,0837

As the Norwegian krone (NOK) is the Group's presentational currency, Norway Post is exposed to translation risks linked to the Group's net investments. Norway Post 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.

Norway Post utilises hedge accounting for the majority of hedges of future transactions, either cash flow hedging or value hedging. For example, Norway Post is a net importer of mail to Norway, which results in receivables against foreign postal operators in euro, US dollar and SDR. In addition, Norway Post has costs in euro and US dollar on air freight.

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% (NOK) 1)
Hedging av euro income	EUR	45	NOK	377	01.08.2014/ 01.08.2015	75
Hedging of investments in foreign units	NOK	1 825	SEK	1 927	2014	365

1) *Valutakurs pr 31.12.2013*

Fluctuations in foreign exchange rates will result in an equity effect in the Group financial statements for euro income 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 31.12.2013, 21% of the Group's interest bearing liabilities had an interest term of more than one year.

As at 31.12.2013 Posten Norge AS had MNOK 1 348 in fixed interest rate loans. A change in the interest rate of +/- 1% on these loans would affect equity by a total of +/- MNOK 13.

The interest rate sensitivity (+/- 1%) linked to the net interest bearing debt (floating interest rate only) as at 31.12.2013 was MNOK 0,66 where net interest bearing debt with a floating interest rate was MNOK 66. 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
2013	**31.12.2013**	**0-3 months**
Certificate loan	950	950
Private Placement	629	629
Bank loans/ other loans	278	278
Gross interest-bearing liabilities (floating interest rate)	**1 857**	**1 857**
Liquid assets	1 791	1 791
Net interest-bearing liabilities (floating interest rate)	**66**	**66**

MNOK		Next interest rate regulation
2012	**31.12.2012**	**0-3 months**
Certificate loan	800	800
Private Placement	730	730

Bank loans/ other loans	280	280
Gross interest-bearing liabilities (floating interest rate)	**1 810**	**1 810**
Liquid assets	2 089	2 089
Net interest-bearing liabilities (floating interest rate)	**(279)**	**(279)**

MNOK		Next interest rate regulation
2011	**31.12.2011**	**0-3 months**
Certificate loan	800	800
Private Placement	730	730
Bank loans/ other loans	162	162
Gross interest-bearing liabilities (floating interest rate)	**1 692**	**1 692**
Liquid assets	2 238	2 238
Net interest-bearing liabilities (floating interest rate)	**(546)**	**(546)**

Inflation indexed interest rate swaps:
In 2006, Posten Norge AS 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 AS 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.

Liquidity risk (related to financial instruments):
To ensure the Group's financial freedom, there are 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.

Maturity structure of the Group's loans/financial liabilities:

Balance 31.12.2013	**Average interest rate**	**Year 1**	**Year 2 - 5**	**Over 5 years**	**Total**
	3.77%				
Liabilities to credit institutions		1 136	703	447	2 200
Bond Loans			500		500
Financial derivatives		10	44	232	286
Total Posten Norge AS		**1 146**	**1 247**	**679**	**3 072**
Liabilities to credit institutions		71			71
Financial leases		15	28	19	62
Total Group		**1 232**	**1 275**	**698**	**3 205**

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 31.12.2012	Average interest rate 3.56%	Year 1	Year 2 - 5	Over 5 years	Total
Liabilities to credit institutions		1 184	317	821	2 322
Bond Loans			500		500
Financial derivatives		16	36	131	183
Financial leases		1			1
Total Posten Norge AS		**1 201**	**853**	**952**	**3 006**
Liabilities to credit institutions		112			112
Financial leases		27	44	21	92
Total Group		**1 339**	**896**	**974**	**3 209**

Balance 31.12.2011	Average interest rate 3.70%	Year 1	Year 2 - 5	Over 5 years	Total
Liabilities to credit institutions		800	540	775	2 115
Bond Loans			500		500
Financial derivatives			205	187	392
Financial leases		1	1		2
Total Posten Norge AS		**801**	**1 246**	**962**	**3 009**
Financial leases		26	27	27	79
Other interest-bearing liabilities		2			2
Total Group		**829**	**1 273**	**988**	**3 090**

As at 31.12.2013 the Group's MEUR 300 and MNOK 750 facilities 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 has negotiated competitive terms on deposits in major banks with AA ratings in relation to money market funds. All subsidiaries should be affiliated to the Group's corporated account system so that they benefit from the negotiated terms.

The Group manages the capital structure such that 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. In addition, the Group has diversified its sources of capital and currently has bonds, credit facilities, private placement with international lenders as well as bilateral agreements with Nordic financial institutions with adequate maturities. Subsidiaries are not permitted to raise external financing, but receive funding from the Group through bilateral long-term loans or overdraft facilities and short-term credit facilities within the corporate account systems of the Group.

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 is 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 2011, 2012 or 2013.

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
3 817	4 125	4 128	Interest-bearing debt	3 205	3 209	3 090

2 093	1 923	1 690	Interest-bearing liquid assets	1 791	2 089	2 238
1 724	2 202	2 438	Net debt	1 415	1 120	852
5 303	5 286	5 438	Total equity	6 049	5 703	5 517
0.3	**0.4**	**0.5**	**Debt ratio**	**0.2**	**0.2**	**0.2**
38.7%	**38.6%**	**39.5%**	**Share of equity**	**38.6%**	**37.5%**	**35.9%**
1 414	1 245	1 443	EBITDA	1 875	1 835	1 748
1.2	**1.8**	**1.7**	**Net debt / EBITDA**	**0.8**	**0.6**	**0.5**

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 31.12.2013 this was 0.8 of EBITDA (0.6 as at 31.12.2012 and 0.5 as at 31.12.2011).

Three loan agreements also include a covenant for a minimum of 20% equity. In addition one loan agreement has a covenant of minimum 25% equity. As at 31.12.2013 the equity ratio was 38.7% (37.5% as at 31.12.2012 and 35.9% as at 31.12.2011).

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.

Norway Post repaid loans totaling approximately MNOK 2 100 in 2011, of which MNOK 500 was refinanced in a new bond. This has resulted in significant reduction in net debt for the Group and hence a lower financial risk. In addition, a syndicated credit facility of MEUR 500 was replaced in 2011 with a new credit facility with a 5 year term of MEUR 300.

In 2013 the credit facility with Handelsbanken was replaced with a new credit facility with DNB of MNOK 750.

The group is still disciplined in the use of capital with only a few relatively small acquisitions which together with good results has led to a significant financial capacity to implement strategic investments.

Note 23 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.

Fair value hierarchy

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).

As at 31.2.2013 the Group had the following financial assets and liabilities with the following fair values:

Description	Fair value measurement per level			Total		
	Level 1	Level 2	Level 3	2013	2012	2011
Assets measured at fair value						
Available for sale assets:						
Other investments in shares			2	2	1	4
Derivatives designated as hedging instruments:						
Cash flow hedging						6
Financial assets measured at amortised cost:						
Interest bearing non-current receivables			7	7	2	13
Other non-current receivables			43	43	24	25
Interest-free current receivables		2 955	702	3 657	3 459	3 429
Interest-bearing current receivables		202	22	224	292	353

Liquid assets	1 791			1 791	2 089	2 238
Total assets	**1 791**	**3 157**	**775**	**5 723**	**5 868**	**6 069**
Liabilities measured at fair value						
Financial obligations valued at fair value through profit or loss:						
Loans		789		789	772	564
Derivatives designated as hedging instruments:						
Cash flow hedging		107		107	50	85
Derivatives not designated as hedging instruments:						
Not hedged		15		15	133	337
Financial obligations measured at amortised cost:						
Interest-bearing non-current liabilities		1 101	51	1 152	919	1 308
Interest-bearing current liabilities		1 050	172	1 222	1 339	829
Interest-free current liabilities		2 510	2 321	4 831	4 8 78	5 329
Total obligations		**5 571**	**2 544**	**8 115**	**8 092**	**8 453**

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 2013, and no recording of financial assets in or out of level 3.

Note 24 Guarantees/Mortgages

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
400	348	383	Guarantees for Group companies' liabilities	401	348	400
15			Commercial guarantees	4		15
147	140	161	Other guarantees	459	438	216
562	**488**	**544**	**Total guarantees**	**864**	**786**	**631**

The increase in guarantees for group companies' debt of MNOK 35 from 2012 to 2013 was a result of an increase in customs guarantees. In addition, Bring Cargo AS issued guarantees for fuel purchases in their subsidiary Bring Trucking of MNOK 18. Guarantees for group companies' debt decreased from 2011 to 2012 mainly due to a reduction in rental guarantees and in subsidiaries' leasing of vehicles. The reduction in rental guarantees was due to several of the leases guaranteed by Posten Norge AS reaching their end.

Commercial guarantees in 2013 consisted of a guarantee issued from Bring Frigo AB to Finansieringsinstituttet for Industri og Håndværk AS for 50% of debt in Euroterminalen - transport terminal in Denmark.

Other guarantees in Posten Norge AS in 2013 included a guarantee to Evry in connection with an IT operating agreement and a rental guarantee to Itella. For the Group, the increase in 2012, was due to new guarantees for rent for cold store premises in Bring Frigo A/S in Kolding and Avedöre. Further Posten Norge AS has issued a delivery guarantee to Statoil and Statoil Færøyene on behalf of Bring Cargo AS.

Some of Posten Norge AS's loan agreements contain a negative pledge clause and require the Group to maintain defined levels of financial key figures. The Group was, at the end of the year, within these levels . Refer also to Note 22 Financial risk.

The Group has not pledged property of material value as collateral.

Note 25 Leases

1. Lessee
1.1 Finance lease agreements

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
			Book value			
20	20		Buildings	48	49	49
			Machinery, equipment and vehicles	154	158	136
20	**20**		**Gross book value**	**202**	**207**	**185**
39	16	18	Accumulated depreciation 1 January	111	100	107
(31)		(20)	Depreciation - disposals	(9)	(8)	(33)
8	2	2	Depreciation and write-downs during the year	21	19	26
4	**2**		**Net book value**	**79**	**97**	**85**
2	1		Commitments, buildings	23	26	29
			Commitments, machinery, equipment and vehicles	38	66	52

Overview of future minimum rents:

2013		2013
	Within 1 year	15
	1 to 5 years	30
	After 5 years	17
	Future minimum rents	**62**
	Interest rate	5,3%
	Present value of future minimum rents	**59**
	Of which:	
	Non-current liabilities	43
	Current liabilities	16

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 19 .

Posten Norge AS had a financial lease for the Odda Postgård building that was entered into on 01.10.1992 and expired in October 2013. The agreement has been terminated, and a new operational lease agreement was entered into.

Posten Eiendom Robsrud AS has a financial lease for a thermal energy facility that runs until 30.06.2024. The Group's other financial leases belong to Bring Cargo AS and Bring Cargo Inrikes AB, and relate mainly to vehicles. The longest lease for vehicles expires in December 2018.

1.2 Operating leases

Posten Norge AS 2011	2012	2013		Group 2013	2012	2011
240	263	258	Ordinary lease payments for vehicles	394	419	389
765	814	799	Ordinary lease payments for buildings	977	966	943
			Ordinary lease payments for computer equipment	2	1	3
8	26	31	Ordinary lease payments - other	111	99	92
(5)	(2)	(7)	Subletting income	(63)	(60)	(54)
1 009	**1 101**	**1 081**	**Total rents paid**	**1 421**	**1 425**	**1 373**

Future minimum lease payments linked to non-cancellable leases fall due as follows:

2013		2013
894	Within 1 year	1 137
1 727	1 to 5 years	1 989
1 635	After 5 years	1 378
4 256	**Total**	**4 505**

Posten Norge AS has entered into around 1,400 leases for various types of property, including offices and sorting premises, terminals, Post Offices, parking facilities, etc. These leases expire between 2014 -2036. Posten Norge AS is entitled to extend the lease period when the lease expires on most leases.

The most significant leases for Posten Norge AS relate to the South-East Norway terminal at Robsrud, the "Posthuset" head office at Biskop Gunnerusgate 14A and the terminals in Ålesund, Haugesund and Fredrikstad.

The lease period for the "Posthuset" building at Biskop Gunnerusgate 14A 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 AS 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.

The lease for the terminal in Ålesund is 15 years from 31.05.2012 with the right to extend the lease for two periods of 5 years. The rent is index-linked on an annual basis.

In 2013, an operation lease was entered into for Haugesund post terminal with a lease term of 15 years from 16.08.2013. Posten Norge AS took over an operational lease from Bring Cargo AS for Fredrikstad post terminal. The lease term is 15 years with effect from 30.04.2012.

Posten Norge AS 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 was 5 years from 01.01.2008 with the option to extend for a further 3 years. The lease agreements for Stavanger and Trondheim post terminals are extended to 31.12.2015, the lease for Postens godssenter is extended with a 12 month rolling termination period. 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.

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 expired 30.09. 2013, but was extended by 1 year to 30.09.2014 with the option to extend for a further 1 year. The normal contract period for each vehicle is two to five years. Norway Post is not entitled or obliged to extend the lease period, or to buy the vehicle when the lease expires. A total of 4,290 vehicles and 104 trailers was leased at the end of 2013.

In connection with part of Bring Cargo AS' operations being moved to Posten Norge AS from 01.01.2012 Posten Norge AS took over future operating lease obligations totaling MNOK 210.

There was a provision of MNOK 19 for restructuring costs in the Group regarding vacating of premises in 2013. Refer to note 5 .

Of the remaining lease agreements in the Group the most significant agreements relate to premises leased for Bring Frigo AB, Bring Warehousing AS and Bring CityMail Sweden AB. The longest lease expires on 22.12.2029.

2. Lessor

The Group has some operational leases related to rental of parts of buildings, mainly in Bring Cargo Inrikes AB. The Group's rental income from leased buildings totalled MNOK 23 in 2013 (insignificant in 2012 and MNOK 24 in 2011).

Note 26 Changes to the Group structure

Acquisitions after the balance sheet date

The Group acquired the logistics company West Cargo Vårgårda in January 2014, thereby strengthening its position in the Swedish logistics market. This acquisition forms part of the Group's strategy to grow in the Nordic countries and to meet the increase in demand for logistics services in the Nordic region. West Cargo Vårgårda has 110 employees and about 100 vehicles and holds a strong position in the goods-transport sector in the Västra Götaland region. The company has an annual turnover of approximately MSEK 320. The preliminary opening balance is in the table below.

Bring Citymail Sweden AB established in December 2013 the company Bring Citymail Eken AB. The company was sold to Citymail Stockholm KB on 02.01.2014, in which Bring Citymail Sweden AB has a ownership of 50%. Norway Post is joining forces with the Swedish newspapers Svenska Dagbladet and Dagens Nyheter to provide postal and newspaper distribution services in Stockholm. This company will distribute morning newspapers, letters, small parcels and promotional flyers in the Greater Stockholm region. The partnership strengthens the Group's position in one of the most densely populated and rapidly growing regions in the Nordic countries. The goal is to take advantage of the economies of scale and the capacity of the distribution network by including more services.

Bring Cargo East and Bring Cargo West were merged with effect from 01.02.2014 as part of the strategy to streamline the structure of the Group.

Overview of preliminary allocation of cost of aquisitions in 2014

	2014
Total fixed assets	67
Total current assets	72
Total assets	**139**
Total liabilities	**82**
Net identifiable assets	**57**
Goodwill	37
Total purchase price	**94**
Cash paid	93
Cash received at time of purchase	(27)
Net cash effect at time of purchase	**66**

Note 27 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.

Posten Norge AS acquired in a business transfer some personnel and equipment from Bring Cargo AS from 01.01.2012, which was the main reason for the significant increase in sales of goods and services from Posten Norge AS to subsidiaries from 2011 to 2012 and from 2012 to 2013. The increase of purchases from subisdiaries from 2012 to 2013 came from Bring Norden AB and Bring Cargo AS. The increase of purchases with related parties came from the EVRY group. The most significant transactions were as follows:

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
			Purchases of goods and services from:			
171	184	291	Subsidiaries			
797	753	837	Associated companies	856	801	836
			Sales of goods and services to:			
786	1 292	1 561	Subsidiaries			
129	110	114	Associated companies	147	125	160
			Leases of property from:			
229	225	247	Subsidiaries			
1			Associated companies	2	2	3
			Leases of property to:			
3	14	19	Subsidiaries			

The balance sheet includes the following amounts as a result of transactions with related parties:

Posten Norge AS				Group		
2011	2012	2013		2013	2012	2011
104	117	299	Accounts receivable	26	4	11
2 591	2 884	2 894	Other receivables			
88	135	93	Accounts payable	57	111	62
872	1 182	1 367	Other payables			
1 735	**1 684**	**1 733**	**Net**	**(31)**	**(107)**	**(51)**
			Loans to related parties:			
400			As at 01.01			400
			New loans during the year			
(400)			Repayments during the year			(400)
			Balance sheet at 31.12			

Other receivables and other liabilities:
A large part of other receivables and other liabilities in the parent company applied to the corporate account system. Refer also to note

15 .

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 12 and 14 .

Note 28 Other matters

REGULATORY FACTORS

Posten Norge AS licence
In accordance with §4 of the Postal Act the Ministry of Transport and Communication has granted Posten Norge AS a 4 year licence running from 01.01.2013. The licence gives Posten Norge AS the exclusive right to manage domestic sealed and addressed letter mail less than 50 grams and international mail priced up to 2,5 times the basic price for domestic priority mail. At the same time the licence also entails that Posten Norge AS must carry out social obligations. The Ministry of Transport and Communication can change the licence during the licence period.

The social obligations cover:

- Available product requirements (statutory postal services and basic banking services in the rural Postal service)
- Requirement for the availability of statutory postal services
- Delivery time requirements
- Requirement for cost-based prices and geographically uniform postage charges within the monopoly

In point 4.2 of the licence it is assumed that Posten Norge AS 's extra costs related to the social obligations are covered by the monopoly profits from the monopoly services and government procurements granted through the state budget. The annual grant of funds in advance for government procurements is adjusted the following year based on a recalculation of requirements in connection with Posten`s product accounts for the licence to the Norwegian Post and Telecommunications Authority. This arrangement shall prevent over or undercompensation. After adjustments, government procurements were MNOK 302 for 2012 and MNOK 187 for 2011. MNOK 353 was allocated in the state budget and paid out for 2013.

In the state budget for 2014 MNOK 270 is allocated for government procurements. The allocation was MNOK 50 lower than Norway Post's advance calculations. The reduction is based on an expectation that Norway Post can take out cost savings already from 2014 through the removal of mail distribution on Saturdays, which was opened for in the Government's proposal to a new postal law. In addition, the allocation assumes among other things that Norway Post completes the planned conversion of 149 post offices to Post in Shops during 2014.

The licence stipulates that Posten Norge AS must document that there are no illegal cross subsidies between the monopoly services and the services that are subject to competition. This documentation is to be submitted to the Norwegian Post and Telecommunications Authority in the annual product accounts. The auditor conducts audits in accordance with the licence. The product accounts for 2013 will be presented at the latest three months after the financial statements for 2013 have been approved.

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.

In accordance with the EU's Third Postal Directive, most of the member countries liberalised (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. While the Stoltenberg II Government did not want to implement this directive, the Solberg Government has warned that they will implement it in Norway.

Government ownership
The Ministry's requirement for return on equity from Norway Post is set to 9% pre tax. T he dividend policy entails an expected dividend of 50% of the Group's consolidated net profit after tax, taking into account an acceptable level of the parent company's distributable equity.

Banking and payment services
The statutory banking service requirement for services through Norway Post's distribution network was changed in 2012 to limit it to the rural postal service, cf. Prop. 100 L (2011-2012). Norway Post's extra costs relating to the services are compensated through the government procurements scheme. Norway Post has chosen to continue offering banking services in other parts of its service network, which are not covered by the statutory banking service (post offices and Post in Shops).

The current contract for the distribution of banking services through Norway Post's sales network runs until 31.12.2019. Based on a competition for banking and payment services in the rural postal service, a new agreement was entered into with DNB with effect from 01.01.2014 and with the same expiration date as the rest of the contract .

DISPUTES

In 2010 ESA decided to impose a fine of MEUR 12.9 in connection with previous exclusivity clauses in contracts for Post in Shops from 2000 to 2006. Norway Post contested ESA's decision and brought the case to the EFTA-court. The Court did not agree with Norway Post, but reduced the fine to MEUR 11.1. The German logistics company Schenker has filed a claim for compensation up to MNOK 460 against Norway Post that was stopped by the Oslo District Court in anticipation of other litigation. Norway Post continues to maintain that there is no basis for the claim.

No disputes that involve any significant risk exposure to the Group have been registered in the subsidiaries.

Segments

For accounting purposes, the Group reports on two segments: Mail and Logistics. The Mail segment consists of the Mail division, and Logistics segment consists of the Logistics Norway division, Logistics Nordic division and the E-commerce division.

Mail Division: Closer to the customer

Accounts paid at the kitchen counter and goods ordered from the sofa. In 2013 Posten Norge took several steps to meet customers wherever they are.

We set up a further 91 Post in Shops in 2013. By the end of 2014, Posten's sales network will consist of over 3,000 service points, with 30 post offices, around 1,400 Post in Shops and 1,600 rural postal routes, as well as a number of business centres. We deliver letters, advertising and small parcels to over two million mailboxes across the country.

New digital services

We have also launched or further developed a range of new digital services in 2013 to make being a customer easier.

- "My Page Address" ("Min Side Adresse") is an ultra-modern self-service solution for changing addresses online, and was launched for the private market in November 2013. It provides a simple way to change an address or view the address information registered for you and your household. The service is planned for launch in the corporate market in 2014.

- A record number of postcards were sent in 2013 via Posten's postcard service, which allows people to upload digital images so that they can be printed out and sent via mail to the recipient. The service is available on posten.no and via mobile.

- "Report correct address" ("Meld riktig adresse") is a service allowing people who have been assigned street addresses or received a new postal code to use Posten's postcard service for free to inform contacts of the right address. The service was developed in 2013 and launched in January 2014.

- "About the mailbox" ("Fakta om postkassen") is a collection of web pages with up-to-date information and documentation about the mailbox as a channel. In 2013 it was expanded to include new customer cases, channel surveys, reader figures and coverage figures. The tool is primarily aimed at media agencies.

- The number of visitors to "Search for offers" ("Tilbudssøk"), a web page that collates digital versions of promotional flyers, grew substantially.

Digipost

Our digital mail service, Digipost, was launched in spring 2011, and currently has over 270,000 registered users. Digipost gives users access to their own digital mailbox, which can be used for secure communication between private individuals and private or public sector organisations.

New add-on Digipost services were launched during 2013, including"Send to online banking" ("Send til nettbank"), an easy way to pay invoices. The new features also include communication between businesses (B2B).

In March 2014 Digipost was chosen as the public sector's digital mail supplier. The choice was made by Difi (The Agency for Public Management and eGovernment) after a public tender process. Efficiency measures

While digitisation offers many opportunities, it also means diminishing volumes of physical mail. Since peaking in 1999, the number of letters has decreased by a third, and a further third will be gone by 2020. The Mail Division implemented a range of efficiency measures in 2013 to maintain profitability.

New technology in the delivery process

The main efficiency measures in the delivery process are volume adaptation and investment in new technology. In 2012, we introduced technology to enable machines to sort by recipient name rather than just the address. This technology was extended in 2013 to cover automated forwarding of forwarded mail. This reduces the need for manual processing and helps to improve quality.

We have also initiated a programme for 2013–2015 to improve barcode technology. This will increase the proportion of mail that can be routed automatically, while reducing the proportion requiring video coding.

The proportion of machine-sorted mail in the mail sorting centre – in other words, mail sent from terminals to distribution centres and P.O. box facilities – increased from 79.6 per cent to 81.2 per cent in 2013.

Centralised distribution

In terms of distribution, we continued to work on centralising manual sorting, while making delivery more specialised. Throughout the country we are working on concentrating smaller distribution centres, introducing alternative vehicles and modifying routes to distribute mail as efficiently as possible.

Despite lower letter volumes and new ways of working, we are striving to keep as many full-time employees as possible.

More Post in Shops

91 new Post in Shops were set up during the year. 79 post offices were also closed. The restructuring of 149 post offices was announced in June 2012, and will make further progress in 2014. Post in Shops is a popular concept, and customers are satisfied with the increased availability in the form of longer opening hours.

Posten Norge ASA also signed an agreement with DNB ASA in 2013 regarding continued provision of banking services via our 3,000 service points. This agreement ensures continued good banking services for our customers, after the banking service obligation was limited to the rural postal network in 2012.

The Specialists

Bring Citymail

In December 2013, Posten Norge joined forces with the Swedish newspapers Svenska Dagbladet and Dagens Nyheter to provide postal and newspaper distribution services in Stockholm. The joint company has been set up by Bring Citymail, which is owned by Norway Post, and the Swedish paper distribution organisation, Pressens Morgontjänst (Premo). Bring Citymail's operations in other parts of Sweden are operating as before.

Volumes at Bring Citymail Sweden grew by 3 per cent in a declining market in 2013, partly due to new customer contracts and profitability measures.

Bring Dialog

Bring Dialog continued the positive trend from 2012, delivering a satisfactory operating result in 2013.

Quality

According to the licence requirement for A mail, 85 per cent of mail must be delivered overnight. In 2013 we met the licence requirement for the year as a whole, and in three out of four quarters. The main reasons why the licence requirement was not met for the fourth quarter were weather-related challenges in December and large volumes around Christmas.

Posten Norge's environmental initiatives

The group has a goal of reducing CO2 emissions by 30 per cent by 2015. The biggest environmental initiative in the Mail Division is to replace traditional vehicles running on fossil fuels with environmentally friendly alternatives such as electric cars and SUVs. The number of alternative vehicles increased by 21 per cent in 2013, from 555 to 674. The number of traditional vehicles was also reduced by 10 per cent to 3,451.

Training in eco-driving and safe driving was also carried out in 2012 and 2013. A total of 3,343 postmen have now received training, including 1,295 in 2013.

Posten is working on obtaining Eco-Lighthouse certification for its business units. Ten post offices received Eco-Lighthouse certification in 2013.

Climate-neutral distribution of unaddressed advertising and addressed B mail is another aspect of Norway Post's environmental initiatives. This concept allows customers to label their mail with the text "klimanøytral distribusjon" ("climate-neutral distribution"), thus visibly demonstrating the company's environmental commitment. Businesses can also calculate their own CO2 emissions via a calculator. Various requirements mean that Norway Post must offer climate-neutral distribution, such as keeping environmental accounts and establishing action plans for reducing C02. Quotas must be purchased to compensate for residual emissions.

Posten is also heavily involved in PrintPower, a European network promoting paper as an efficient, sustainable communication channel.

The way forward

Posten will continue to deliver good, appropriate mail services throughout Norway. The most important task for the Mail Division in future is to ensure that there is still a good portfolio of mail services, while improving operating efficiency to ensure profitability. The Government has announced that they will discontinue letter distribution on Saturdays and implement EU's 3rd Postal Directive in Norway. It is expected that the Government will submit a proposal for a new Postal Act to the Parliament in 2014.

Business Areas:

Norway Post and Bring Customer Service: Helps customers deal with problems and offers advice on using Posten and Bring services and online stores. Consists of six units located in Sarpsborg, Haugesund, Larvik, Kristiansand, Lørenskog and Oslo.

Sales: Responsible for all customer activities for the Mail Division in Norway and the Nordic Region. Private customers are served via Posten. In the private market the nationwide distribution of mail is a central service, in addition to the sale of products and services through the post office network and Post in Shops. Corporate customers are served via Bring Mail. The main products and services for the business market are the distribution of addressed and unaddressed mail.

Six regions: Develop and operate Posten's physical network. The network comprises the delivery and distribution of letters and mail advertising and serves all postal addresses in Norway for both private individuals and companies. Operate a total of nine letter delivery terminals and are responsible for the nationwide network of post offices and Post in Shops.

Digipost: Posten's digital postal service through which all Norwegian companies and private individuals can send and receive digital letters.

Bring Citymail Sweden: Specialises in distribution of mail and small parcels that fit in the mailbox. Helps businesses to communicate and build relationships with their customers efficiently via the mailbox. The company's employees reach over 2.5 million mailboxes in Stockholm, Gothenburg, Malmö, Mälardalen and Gotland. This represents 54 per cent of all Swedish households and organisations.

Bring Dialog: Helps companies to develop and manage their customer relationships through customer dialogue.

Logistics Norway division: Better flows and simpler services

Customers want a unified logistics portfolio that is simple and easy to grasp. Bring is therefore further coordinating its value chains and service portfolios.

Bring's main goals are integrated, industrialised value chains and simple, comprehensive and high-quality logistics services. Pallet scanners have been installed in most goods terminals to industrialise the value chain and ensure early data capture. These scanners weigh and scan the volume of pallet goods in 15–20 seconds.

New hub

A new terminal structure involving 19 integrated terminals will make it possible to process parcels and goods in the same flow. The goal is to fill vehicles so that as many tonnes of goods as possible are carried as few kilometres as possible. This also reduces CO2 emissions.

During 2013 new terminals opened in Fredrikstad, Alta and Haugesund. 7 of 19 joint terminals are now in place, covering parcels and goods and, in most cases, facilities for chilled and frozen goods, as well. A new terminal in Molde opens in autumn 2014 to process letters, parcels, goods and temperature-controlled transport.

Posten and Bring's Oslo logistics centre is becoming the biggest of its kind in Norway. When the facility is finished in 2017, parcels, goods and temperature-controlled transport will be gathered at Alnabru. The overall investment will comprise a good NOK 1.5 billion on buildings, land and a modern parcel facility. Around 1,100 people work here.

Environmental benefits

Co-location at Alnabru means more goods on the railways and less driving – around 10,000 fewer kilometres every day in the Oslo area compared with the current situation. Calculations show that the total CO2 emissions from road traffic in the Oslo region could be reduced by between 1 and 2 per cent.

CargoLink began operating a goods train between Alnabru and Åndalsnes on 20 January 2014. The goods train between Oslo and Malmö/Trelleborg has also been restored by Green Cargo.

New biogas trucks

Bring has purchased 20 new Scania biogas trucks. These are taking routes in the Oslo region, Østfold and Rogaland, and can drive between 300 and 400 kilometres on one tank. Ordinary lorries would consume 135 litres of diesel over the same distance. The biogas trucks have better engine efficiency and cover between 3,000 and 8,000 kilometres every month. There are few biogas facilities in Norway, however, which limits expansion.

Nordic customers

Bring has an intricate network in Norway and a strong Nordic-wide portfolio. For example, the expanding sports and leisure chain XXL has chosen to work with Bring in Norway and Sweden. Bring handles product imports from Asia, deliveries to XXL stores in Norway and Sweden and delivery of online shopping parcels to consumers. The first XXL store in Finland opens in the first half of 2014.

Self-service solution

The Mybring online customer solution has become a successful self-service channel with over 40,000 satisfied users. Turnover in 2013 exceeded NOK 200 million, and is expected to grow substantially. Large Business Logistics Customer Service serves the 900 biggest parcel and goods customers and provides customer service according to established deadlines and standards. Good customer service solutions for the SME market is also in place to ensure fast assistance and follow-up.

Simpler services

The "Business Package Door to Door" and "Business Package Post Office" services have been consolidated. Bring processes nearly 15 million domestic parcels between businesses annually, with 94 per cent delivered on the first attempt. The sender can request collection at the nearest post office or Post in Shop if they do not want the parcel to be returned or delivery to be re-attempted. On 1 December the number of price zones for domestic goods was halved from 40 to 20.

Logistics along the coast

Bring's logistics contract with Statoil took effect on 1 February 2013, and is Norway's biggest logistics contract. Bring has staff at Statoil locations who are responsible for logistical flow, tolls and quality assurance.

The Oil Express is a bespoke transportation fleet of 90 modern Bring semi-trailers which deliver to the oil bases. Bring has also brought in the cargo vessel MV Rignator, which has a gross cargo capacity of 1,167 tonnes. Since June 2013, the vessel has been travelling between Stavanger and Sandnessjøen, stopping at oil bases en route.

Offshore & Energy's project management department is working on the transport of equipment and steel sections to the Edvard Grieg platform. The biggest section of 600 tonnes has now been delivered by Bring. The platform is being constructed at Kværner Stord, and the project has smaller building sites in Poland as well as suppliers in Norway and across Europe. Bring also won the contract with Kværner for the Nyhamna Expansion Project in Aukra, valued at around NOK 150 million. This will involve transportation of large modules and other equipment. The project will have building sites in Norway, Europe and China, until everything is finally sent to Nyhamna.

International transportation

In October Bring opened a new container terminal at Flatholmen in Ålesund. Bring's mobile marine crane can lift 63 tonnes and is intended for loading stevedoring of vessels that are not equipped with a crane.

Bring UK has strengthened its workforce in the office in Aberdeen and set up a new department in Birmingham. In 2015, Bring NL in the Netherlands will move into a new office and terminal building in Zwijndrecht. To improve our service portfolio in the Benelux countries, Bring NL has established a new company in Belgium through its subsidiary, Bring Belgium.

Blomquist Trucking, which is based in Ziar, Slovakia, was renamed Bring Trucking after the Posten Norge Group acquired all shares in the company. The companies in Europe are important in terms of transporting goods volumes to Norway and the Nordic Region.

Over two thousand trailers travel the E6 bridge over Svinesund every day. Due to more international goods and requirements for faster delivery, Bring is opening a separate toll office at Svinesund in the first half of 2014. This provides better customer service and reduces delays at the border.

Job safety

Logistics Norway is consciously working on improving the safety culture and reducing the number of accidents resulting in employees being injured on the job. A risk area is covered every two months, and the line management is given videos, brochures and presentations to pass on to employees. Typical themes include attitudes to job safety, tyre control, use of chains, getting into and out of the driver's cab, working at parcel facilities, working near tailgates and right-turn accidents. Professional driver training is also continuing in line with a new EU directive.

Business areas:

• **Regions:** Four regions operate parcel and freight terminals in Norway. Transport mail, parcels and freight both nationally and locally. Responsible for the main postal service and line haul traffic in Norway by road, rail and air.

• **Offshore & Energy:** Industry concentration in offshore and project logistics.

• **Bring International:** Responsible for international line haul traffic and corridors and the Air & Sea service area. Also responsible for Bring's international operations outside of the Nordic region.

• **Bring Frigo Norway:** Offers logistics solutions for foodstuffs. Leader in temperature-controlled logistics.

• **Bring Warehousing:** Offers third-party logistics and warehousing solutions for all types of products.

Logistics Nordic division: Stronger in the Nordic market

The logistics operations outside of Norway are an important growth area for the Group. The Logistics Nordic division took several steps forward in 2013.

The Logistics Nordic division is responsible for all of the logistics operations in Sweden, Denmark and Finland. Bring offers a wide spectrum of local, national, Nordic and international logistics services.

Strengthened position

Acquisitions combined with organic growth in 2013 further strengthened Bring's position as one of the leading logistics suppliers in the Nordic region. With a wide selection that includes everything from domestic and international goods, temperature-controlled logistics, parcels and courier services to fourth-party logistics and warehousing, Bring has clear advantages to offer customers who need several specialist services.

The Swedish cargo company that Bring acquired at the end of 2012, Ekdahls Åkeri, was integrated into the operations. This allowed Bring to lay the groundwork for a domestic

Swedish cargo network. The Ekdahls Åkeri acquisition was followed at the end of 2013 with an acquisition that strengthened Bring's position in western Sweden, West Cargo Vårgårda.

During the spring, Bring also strengthened its position in Denmark by acquiring 34 per cent of the shares in Denmark's leading logistics company, Danske Fragtmænd AS. Bring has a long-term goal of acquiring the entire company.

In Finland, the operations were joined under a newly appointed country manager, who has been tasked with combining and developing Bring in the country.

A strengthened offer in multi-party logistics was also developed during 2013. Bring now offers to take responsibility for the customer's entire global value chain.

Cooperation and synergies

Several measures were implemented during the year to expand the cooperation between the different parts of the divisions, thus making it easier for Bring's customers to make purchases from several different specialist areas. Customers should see one Bring with a total Nordic selection.

In 2013 the finance, HR and IT functions were consolidated into joint service units for the entire division. By merging the units for parcels as well as couriers and express deliveries, we have found synergies in the customer flow. In addition, synergies in the terminal and line structure led to the co-location and co-ordination of several units.

Growth areas

Bring Logistics Nordic grew in several areas in 2013, although most significantly in home deliveries. Bring is now one of the market leaders in this area.

Consumer trends are moving in the direction of more and more services tailored to the customer. Different types of parcels and goods should be able to be delivered where the customer wants, when the customer wants. This area is closely linked to the sharply growing e-commerce industry, where Bring's parcel and cargo offers domestically and internationally are important parts of the chain. Bring strengthened its offer for e-commerce companies on the Swedish market in 2013 via a three-in-one solution, which consists of delivery to the door, a pick-up location and the postbox.

Trust of existing and new customers

Some of the many agreements that were signed in 2013 were with new customers such as Paolos, Dalsjöfors Kött and Bergendahls. Cooperations with existing customers were also extended, for example with XXL and Arla.

Environment

Bring takes its responsibility and strives to be the industry leader in the environment. Some of the areas in which we worked to make improvements during 2013 include:

• investment in vehicles that run on biogas, biodiesel and electricity

• carbon dioxide-free distribution in city centres

• alternative transport solutions, such as rail, when possible

• reduction in own energy consumption, particularly in energy-intensive operations such as cold storage

The road forward

During 2014 Bring will continue its offensive development in the Nordic region with a clear goal of profitable growth. We are concentrating on a broad, strong offering with the market's most attractive service in the Nordic region.

Business areas

• Parcels and express: The entire range of services within parcel shipping, courier services and home delivery.

• Frigo: Logistics solutions for foodstuffs that require temperature-controlled logistics.

• Groupage and part loads: Has the entire range of services within the shipping of groupage and part loads.

• Warehousing: Offers third-party logistics and warehousing solutions.

• Supply Services: Fourth party logistics.

E-commerce division: Contribute to the success of Nordic e-commerce

Posten Norge must be the leading supplier of services and advice for Nordic online stores. In its first year, the E-commerce Division has laid the foundations for this.

The E-commerce Division was established at the end of 2012 as part of Posten Norge's strategy for becoming the most forward-thinking, modern mail and logistics group in the Nordic Region. E-commerce has grown more than regular commerce for several years, and it was therefore important for the group to gather all internal e-commerce expertise and experience in one division, in order to focus fully on the market and take a leading position.

In its first year, the division has laid the foundations on which to build. Once well-developed networks are in place in Sweden and Denmark, the group will be in an even stronger position in the Nordic market.

A Nordic perspective

E-commerce is a Nordic division with a Nordic focus and Nordic ambitions for growth. Along with the other group divisions, E-commerce must provide services for all links in the online store value chain, from start-up through customer dialogue and sales to delivery and returns – either independently or via division partners. Posten and Bring must be the preferred supplier of logistics services, but also, just as importantly, an advisor. Online stores shouldn't just buy services: they should also receive good advice and tips on succeeding with their e-commerce. At the same time, our services and concepts must make online shopping easy for most people.

By looking at the entire value chain from manufacturer to consumer, the division must deliver services, solutions and concepts that contribute to efficient, attractive online shopping and satisfied customers.

The E-commerce Division is responsible for the portfolio of services and also bears commercial customer responsibility for our largest Nordic e-commerce customers. E-commerce has no production of its own, but is responsible for ensuring well-functioning interfaces with the other divisions that are responsible for implementation and delivery of the services.

The customer in the driver's seat

Customer responsibility means that the division is responsible for the customer across the whole of the group's service portfolio. Key account managers identify customer needs, act as advisors and develop tailored solutions for the customer – with an emphasis on our customers' customers. It is important in terms of success to highlight the recipient's perspective and improve recipient freedom of choice, e.g. in regard to delivery and payment options.

E-commerce has become an increasingly important sales channel for businesses, and competition for customers is strong from both local and global operators. Quality and flexibility are crucial in order to develop good agreements regarding distribution in the Nordic Region.

Insight and expertise

It is important that the division possesses solid insight and expertise regarding e-commerce. As part of this, the division is responsible for Posten and Bring's annual Nordic e-commerce report, which analyses the e-commerce market in Norway, Sweden, Denmark and Finland. The report covers consumers and trends, charts general e-commerce patterns and looks at how businesses are responding to online commerce. Various experts on online commerce and consumer-related issues are also interviewed.

Freedom of choice takes centre stage in the 2013 e-commerce report. The report shows that consumers want to choose when and how they shop, and whether this is from a tablet, computer or mobile phone. They also want to choose how to pay for goods and have them delivered. In addition, the report shows that people are increasingly buying from online stores outside their own country. There is also a clear trend for customers to want goods delivered to their door. Books, musics, clothes and shoes are the most popular product categories online.

The division has developed web pages under the group's Bring portal, offering good advice and tips for online stores, as well as customer cases and blog posts from experts on various issues. The division has also developed a solution called "Test your online store", in which online stores can enter information about their business and receive a score and comparison with other online stores in the same industry. No one else is currently offering a similar benchmark solution for online commerce in the Nordic Region.

Meeting arenas for e-commerce

Posten and Bring organise an annual event in Norway for e-commerce and logistics, known as LOAD. This is part of the division's work on insight and expertise. A record number of around 450 participants attended the event in 2013. LOAD is intended to offer insight, inspiration and attendees and a professional top-up to attendees. The programme consists of both specific cases and inspiring talks from both Norwegian and international speakers.

Awards for the year's best online stores in various categories are also given out at LOAD. Winners are selected by an independent jury consisting of various experts on e-commerce, the web, social media and analysis. Awards for "Newcomer of the year", "Cross-border of the year" and "Online store of the year" were given out in 2013. The inaugural "People's Favourite Website" award was also awarded following a nomination campaign among Norwegian people. The winner of the Norwegian online store of the year award moves forward to the Ecommerce Europe Awards for online stores in Barcelona, Spain.

The division developed several meeting spaces for online stores in 2013, as part of its strategy to make the Posten Norge group the leading supplier of services, expertise and advice for the industry. "eBreakfasts", breakfast seminars with e-commerce as the theme, were held in Norway, Sweden and Denmark. These events proved popular and featured both external and internal speakers.

International operations

The e-commerce market is an international one, and the E-commerce Division must take an international approach to both suppliers and recipients. The e-commerce market is evolving quickly, and the needs and wants of end customers are important drivers in this evolution.

The division must stick close to this evolution in the Nordic Region and Europe and know what is happening within e-commerce. It is also important to be close to the customer in order to develop flexible, industrialised services, solutions and concepts that adapt to changing needs.

The division has developed a partner concept as part of its work to become the preferred supplier and an expert advisor and partner for e-commerce. In areas where the division cannot provide services internally for online stores, it has connected with relevant Nordic partners. Together with these partners, Posten and Bring will be able to deliver services throughout the online store value chain, thus ensuring that our customers succeed.

E-commerce service portfolio:

The E-commerce Division is responsible for Posten and Bring's e-commerce service portfolio. The service portfolio allows recipients to choose between collecting goods from a post office/Post in Shop, have them delivered to the door, or straight to the mailbox.

Established services in the E-commerce Division's portfolio are:

• **Service parcels:** The recipient collects the parcel from one of our 6,000 collection points throughout the Nordic Region. The recipient is notified in advance and can track the parcel's movements.

• **Evening home delivery:** The recipient can request that the parcel be delivered to the door between 5 p.m. and 9 p.m. in most towns and conurbations. SMS/e-mail notification when the parcel is en route, and a call service before delivery. The recipient can choose the delivery date. Saturday delivery is also offered in major Nordic cities, currently Oslo, Stockholm, Gothenburg and Malmö.

• **To the mailbox**: We offer two parcel options delivered to the mailbox.

- **Small parcels**: Aimed specifically at online stores sending small parcels that fit in the mailbox. Sent without tracking.
- **Mini parcels:** Service with tracking in which the recipient is notified by SMS when the parcel is en route.

• **Bag left at door and collection from terminal:** Some of the division's services fit into the "bag left at door" (small parcels) and "collection from terminal" (service parcels) delivery options.

Mail Division

- A significant player in the Norwegian and Nordic communications market.
- The private market is served through the Norway Post brand in Norway, and the business market through the Bring brand in Norway and the Nordic Region.
- Responsible for traditional mail services in Norway (including licensed services) and Sweden (via Bring Citymail).
- Drives the group's focus on digital services and dialogue services.
- Develops new tangible and digital services and infrastructure.

Logistics Norway division:

- Bring is Norway's leading logistics operator.
- Delivers integrated, industrialised and efficient logistics solutions to the Norwegian market.
- Develops and delivers the group's overall portfolio for the logistics segment in Norway.
- Logistics Norway operates all of the domestic parcel and freight terminals and transports mail, parcels and freight.
- Is responsible for air freight and the long-haul postal routes service.
- Bring has operations in the United Kingdom, the Netherlands, Central Europe and Hong Kong.

Logistics Nordic division:

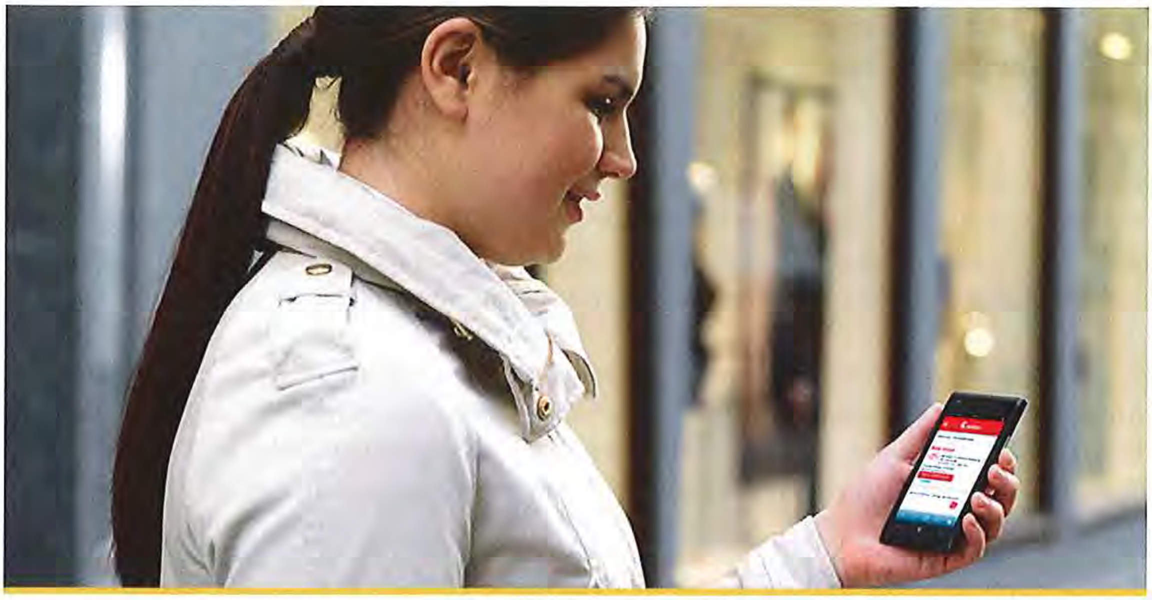
- Consists of Posten Norge's logistics operations in Sweden, Denmark and Finland
- The division will establish, develop and operate networks for parcels and freight in the Nordic countries and build a strong position in Sweden, which is a natural hub for logistics in and out of the Nordic region.

E-commerce division:

- Specialises in e-commerce.
- Shall be the group's spearhead in the e-commerce market.
- Shall ensure that Posten and Bring customers succeed in their e-commerce.
- Shall help Posten Norge achieve its goal of being the leading Nordic supplier of services and solutions for companies offering goods over the internet.

Upswing, but weaker than anticipated

2013 began with new optimism and the economy showed progress from the preceding year. Over the year, however, the growth estimates were adjusted downward and optimism was more muted.



While the past year did not bring radical technology shifts in the mail and logistics industry, recognised trends have gained a footing and are increasingly colouring the market situation.

Mail services in transition

The transition from the traditional letter to electronic communication is progressing steadily as expected. An annual downturn of nearly 10 per cent makes it very challenging to ensure continued cost-effective mail distribution. The European mail companies are all working to reduce their distribution costs. Many are reducing the number of days on which mail is delivered, and this is also being considered in Norway.

The major customers who send out administrative mail, in both the public and private sectors, are all working on developing their electronic solutions. Via Altinn, the Norwegian government has already digitised many government procedures In March 2014 Posten Norge's Digipost was chosen as the public sector's digital mail supplier. This will be a step towards simpler, more efficient communication and administration.

For many people, however, particularly those involved in marketing, written communication is still in a strong position. Customer newsletters, brochures and marketing letters work best on paper. The mailbox is also an attractive option for online shopping. The quantity of small parcels in the mailbox is increasing, compensating to some extent for declining letter volumes.

Strong increase in e-commerce

8 out of 10 Nordic consumers bought tangible goods on the internet in 2013, more or less the same as in 2012. However, people who already shop online are buying more. The turnover of most Nordic and international online stores grew strongly in 2013 and parcel volumes reached record levels during the Christmas period.

In 2012, Posten and Bring's Nordic e-commerce report highlighted the concepts of simplicity and convenience as the most important reasons for shopping online. Nordic consumers are also very satisfied with their online purchases. Online stores are creating increasingly high-quality digital buying experiences, which means satisfaction and online shopping will continue to rise.

The 2013 e-commerce report emphasised the consumers' desire for freedom of choice in all phases of the transaction. Consumers want the freedom to choose when and how they shop, pay for goods and receive deliveries. It is important to take consumer power seriously and provide simple ways for customers to choose the options that suit them best.

Delivery is a key aspect of an e-commerce transaction. Over a third of consumers say that delivery options are crucial when choosing an online store. Making the delivery process simple and smooth for consumers and adapting it to differing needs and wants requires close cooperation between everyone involved in the e-commerce value chain, including logistics operators.

The growth in e-commerce affects consumer expectations regarding and requirements of traditional trading. People increasingly expect bricks and mortar stores to offer their goods online as well. For bricks and mortar stores without an online presence, there is a strong risk of losing sales and market share. We also note that online stores are increasingly establishing and planning bricks and mortar stores or showrooms.

International e-commerce is increasing, which may present a challenge for Nordic online stores. It also offers opportunities for larger coverage and sales areas. Over half of Nordic internet customers have shopped with foreign online stores. Their main reasons for this are better choice and lower prices. Many online stores appear multinational through websites in various languages and customer service offices in several countries, while the logistics are centralised in the Nordic Region or in Europe.

Nordic solutions

As in previous years, logistics activities in the Nordic Region continue to be consolidated and centralised. An increasing number of companies that succeed in one country are expanding into the other Nordic countries. Retail companies from Central Europe also see opportunities for growth in the Nordic Region. Structural changes are happening in both the logistics industry and commerce, with traditional limits on the individual operator's responsibilities evolving.

Logistics centres are growing in size and transport routes are expanding, while transport times are under increasing pressure. Increased international transport to the Nordic Region has led to stronger competition from foreign low-cost carriers.

Logistics companies in the Nordic Region are increasingly dependent on international alliances, or on having a presence in markets they are exporting to or importing from. Logistics hubs in Europe will become increasingly important due to the centralisation of production and warehousing. Having a presence and expert customer service in these hubs will be crucial in future for companies wishing to compete in the Nordic logistics market.

Tools for managing complex logistical structures and resources are constantly improving. Customer expectations regarding value-adding services as part of the logistics are also increasing.

Purchasing trends

Nordic mail and logistics operators also strengthened their positions via acquisitions in 2013. Most companies that remain independent of the major groups are either small or specialists in certain market niches. Some are also linked to major operators as subcontractors. More and more global and European logistics operators are establishing subsidiaries or separate businesses in the Nordic Region.

If we take a wider view of the logistics industry, encompassing parcels, goods, temperature-controlled transport, storage services and third-party logistics, however, there is intense competition between operators. There will still be movement in the operator market, and we expect to see further structural changes in the years to come.

Focus on infrastructure and the environment

The Nordic countries have relatively high rates of national increase compared with the rest of Europe, combined with high net immigration rates. Urbanisation is also continuing, and an increasing proportion of the population is concentrated around the major cities and regional hubs.

Despite huge public investment in cities, the infrastructure is not keeping pace with the increase in vehicle traffic. Traffic is also creating increasing environmental and noise-related problems, resulting in a strong focus on railway expansion. Personal transport is prioritised, meaning that transfer of goods from road to rail is moving less quickly than we could wish for. Norway is working on renewing marine transport solutions in order to exploit this environmentally friendly mode of transport.

Sweden and Finland are using longer, heavier articulated vehicles (25 metres/60 tonnes), which reduces the number of heavy goods vehicles on the roads as well as costs, fuel consumption and exhaust emissions. This is also being trialled in Denmark and Norway, and will become more common in the next few years.

Throughout Europe, innovative solutions for local distribution in cities are being researched and tested. It is important for logistics companies to work closely with customers, the authorities and the expert ¬environment to identify good, future-oriented solutions.

Cautious optimism regarding the Western economy

The financial crisis, recession and subsequent currency crisis in Europe sent the global economy into a depression worse than any since the 1930s. Growth out of the trough has been weak despite low-interest policies and fiscal stimuli.

After the growth in 2013 turned out to be lower than expected at the start of the year, growth estimates for 2014 are now moving in a favourable direction again. This applies particularly in Europe and the USA. In certain emerging economies such as China, the extraordinary growth of the past few years is now expected to diminish.

This offers hope for positive development in the Nordic logistics market. However, the industry is so competitive that market growth will not necessary lead to improvements in ¬margins.

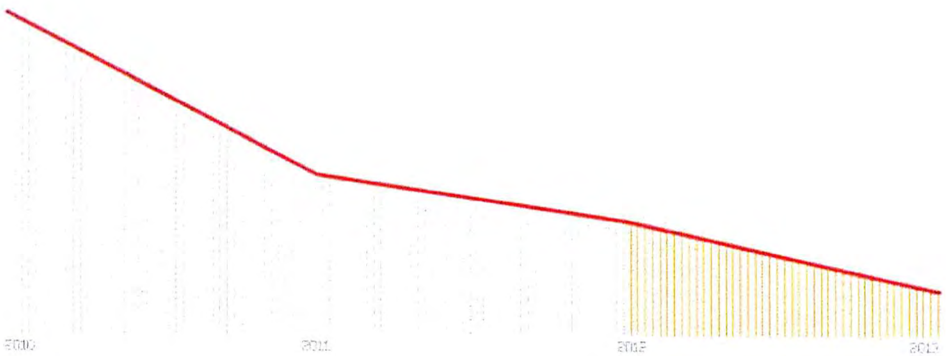
Norway is still «a different country» in Europe. In recent years, however, growth has been threatened by concerns about oil prices, costs and a potential property bubble. Future economic development in Norway is more uncertain than it has been in recent years. On the other hand, growth in Sweden and Denmark is expected to increase in the coming years in line with the rest of Europe.

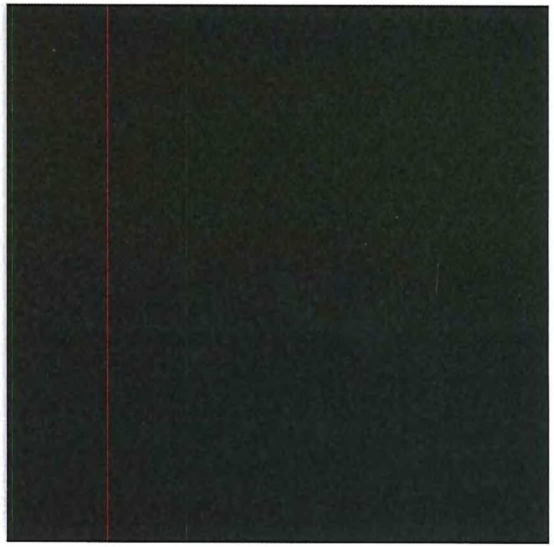
Posten Norge

Sustainability

Max receives his parcels in an increasingly more environmentally friendly way - and from increasingly healthier employees.

Sick leave
In percentage
6,6





Posten Norge and sustainability

The Group is committed to long-term sustainable development that balances social and environmental responsibility against financial results.

Working with sustainability

Posten Norge views corporate social responsibility to be about how its operations affect people, the environment and society. The environment, integration and diversity are areas of priority for the Group.

This means that the Group will take responsibility for specifically reducing the impact of its operations on the external environment. In addition, the Group has a racism-free profile and takes an active role in integration work. Work on a healthy work environment is a strategic area of focus for the Group and all organisational and commercial development should take the work environment into consideration.

For Posten Norge, work with sustainability is about how the Group's activities can contribute to sustainable development that is in line with the demands of customers and the Government's ownership policy.

This work is important for securing Posten Norge's strong position in society and strengthening its reputation. A good reputation will help to attract and motivate employees, strengthen competitiveness and provide increased freedom to develop further the Group's business.

The company's corporate culture is characterised by an active attitude to taking social responsibility

Group Policy – Corporate Social Responsibility

In 2011, the Group introduced a specific Group policy for corporate social responsibility. This policy is a part of the Group's governing documentation and describes on a general level how the different technical areas are to be governed and controlled in the Group.

The purpose of the policy is to ensure that the Group complies with current legal requirements and expectations from the Group's stakeholders for protecting people and the part of society and the environment that is affected by the operations. The Group Policy Corporate Social Responsibility is based on "Ethical guidelines for the Posten Norge Group".

Goal-oriented work

Posten Norge has had a solid tradition for many years of reporting the measures taken and the results the Group achieved through its work on and commitment to corporate social responsibility. This work was further strengthened through the publication of the Group's first integrated annual and sustainability report in 2010. In the 2011 report, Norway Post has further expanded sustainability reporting to include reporting on several indicators as well as an external audit of the report. In 2012 we started work on a materiality analysis that was completed in 2013 and determined which GRI performance indicators are the most relevant for Norway Post to include in its report, thus ensuring that the content of the report is relevant moving forward. For the 2013 report, the Group switched from the GRI G3 framework to the GRI G4 framework.

Global Compact

Posten Norge became a member of the UN's Global Compact in March 2011. Global Compact is the UN's initiative for sustainable development in business. Adopting a global initiative such as the Global Compact is therefore a natural extension of Posten Norge's focus on more socially responsible operations.

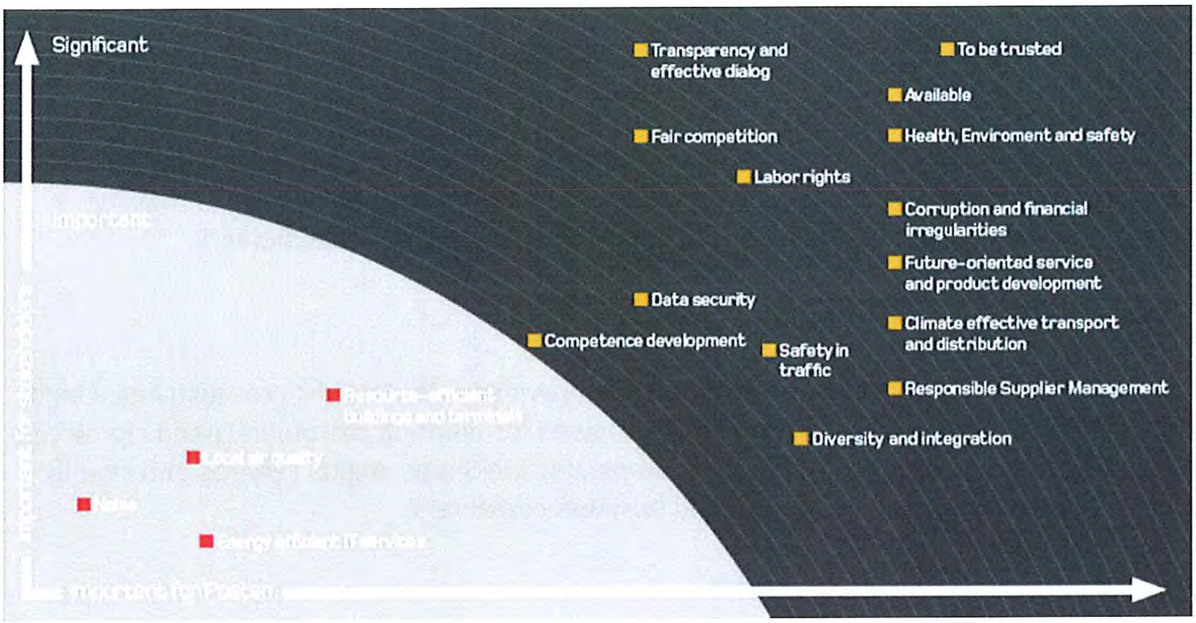
As a participant in Global Compact, Posten Norge promises to integrate ten basic principles into its strategy and daily operations and to report on activities and improvements related to these principles. The principles are divided into four areas: human rights, labour standards, the environment and anti-corruption.

The Group is a member of the Global Compact Nordic Network, which consists of 140 member companies from Norway, Denmark, Finland, Iceland and Greenland. The network arranges two meetings each year at which member companies can gain inspiration and new knowledge as well as exchange experiences.

As a member of Global Compact, Posten Norge is committed to providing social responsibility reports once a year. These reports are presented through an integrated annual and sustainability report.

The Group's prioritised sustainability areas

In 2013, the Group completed a materiality analysis in order to identify and prioritise the sustainability challenges that are most important for Posten Norge.



By prioritising the challenges it will report on, the Group ensures that it is only following up on and monitoring relevant areas. The Group will thus avoid reporting on areas that are not of significance for its industry or stakeholders.

The materiality analysis was conducted with participants from the steering group for sustainability reporting in the Group as well as representatives from the Strategy Department and different business areas.

Methodology

The methodology was based on two main dimensions of our work with corporate social responsibility:

- Importance for prioritised stakeholders

- Importance for Posten Norge's long-term strategic goals

The fourteen sustainability areas

As a result of this analysis, the Group identified fourteen areas that are important for Norway Post's sustainability work. Both the opportunities and risks for these areas have been mapped.

The fourteen areas are:

1. To be reliable

Posten Norge's existence is dependent on customers receiving a high level of customer service and high quality services. Weak customer satisfaction also indirectly affects the state as an owner.

2. Open and effective dialogue

Good information and clarity for customers with regard to the service offer, channels and Posten Norge's social mission are essential for the operations. In addition to good dialogue with authorities and owners regarding concessions and regulations. The Sustainability Report is a tool for open and effective dialogue with the Group's stakeholders.

3. Accessibility

Posten Norge should be a country-wide service provider with a Nordic presence and a high degree of coverage. This area includes all measures for meeting customers' needs for access both in districts and cities through, for example, Post in Shops, digital services and simple contact points for private individuals and business customers.

4. Health, safety and the environment

Posten Norge has a strategic goal of having a health-promoting working environment in which nobody is injured or becomes ill as a result of their work. This area includes indicators such as absence due to sickness, lost-time injuries and near-accidents.

5. Workers' rights

Workers' rights, decent working conditions, and attractive and safe workplaces are important for the Group. This includes a fair salary, compensation or pension scheme, in addition to issues related to social dumping.

6. Fair competition

Posten Norge should have a uniform and consistent business practice that enhances the Group's profitability and competitiveness and that is in line with current competition regulations. This area also includes abuse of market power and influence on the terms of competition in the industry via, for example, salary levels and compliance with regulations.

7. Corruption and financial irregularities

Posten Norge's integrity programme establishes clear rules for how to handle issues related to bribes, gifts, hospitality and other sources of conflicts of interest and partiality.

8. Future-oriented service and product development

Steadily accelerating volume reductions in addressed letter post is creating pressure on the continuous development of Posten Norge's services and products. Innovation and mail processing in new channels are key to winning the fight for customers.

9. Climate-effective transport and distribution

The reduction of CO_2 emissions and other greenhouse gases through the use of alternative and more environmentally friendly methods of transport is a focus area for the Group. Efficient distribution and analysis of distribution frequency and alternative distribution forms can also contribute to reducing the operation's greenhouse gas emissions.

10. Responsible supplier management

The Group shall follow up on suppliers, particularly with regard to environmental impact, working conditions and integrity. Different suppliers perform services on behalf of Posten Norge where Posten Norge is primarily associated with the quality of the delivery.

11. Information security

Posten Norge manages a large amount of sensitive information, not in the least in conjunction with its banking operations. It is therefore important for the operations to protect a secure and efficient movement of information and trust in the data quality. Posten Norge should also manage information for authorities and safeguard the security of society.

12. Diversity and integration

The Group will contribute to the integration of ethnic minorities into society, and has a clear goal of reflecting the diversity in society at all levels in the organisation. This also includes equal opportunities and conditions for everyone as well as integration measures within recruitment ethics, language, clothing and diversity and dialogue (MOD).

13. Safety in traffic

Safety for others in traffic through measures such as limits on driving time, resting time and safety on the road are important for the Group. This also includes measures related to training drivers.

14. Skills development

The Group is focusing on developing the skills of its own employees so they are prepared, for example, in the event a new job presents itself. For example, digital solutions for couriers and drivers.

Identification of appropriate key performance indicators

Posten Norge applies the recommended reporting tool, Global Reporting Initiative (GRI). Using the results of the materiality analysis as its basis, our external advisor on sustainability, Ernst & Young, was assigned the task of recommending which GRI performance indicators are most relevant and significant for the Group to report in relation to the new GRI G4 framework.

The review identified a total of 13 GRI G4 performance indicators that are relevant for Posten Norge to report at the Core level and 39 for the Comprehensive level.

Three areas identified by the materiality analysis are not covered by the GRI performance indicators: accessibility, safety in traffic and future-oriented service and product development. Norway Post has therefore developed its own type of reporting for these areas to ensure that these are also mentioned in a satisfying manner. Both levels require that we report on these three identified sustainability areas.

To report at the Core level the requirement is to report at least one indicator of all of the 14 identified sustainability areas for the Group.

Framework, level and scope of the report

Norway Post uses the globally recognised framework, the Sustainability Reporting Guidelines, from the Global Reporting Initiative 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.

Today there are performance indicators for economic, environmental and social results:

- 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 indicators concern an organisation's impact 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 three categories: labour-related issues, human rights and 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.

Management approach

Management approach contains a brief summary of how the Group manages its work on sustainability within each of the prioritised and most significant sustainability issues.

Level

GRI G4 currently has two reporting levels, Core and Comprehensive. In order to report at the Core level, the Group must report at least one indicator in each of the sustainability areas the Group has defined as significant. Profile information and management approach are also reported.

For the Comprehensive level, the Group must report all indicators within the significant sustainability areas in addition to management approach and expanded profile information.

The GRI G4 framework was introduced in 2013. Norway Post is therefore one of the first businesses in Norway to opt to switch to the new framework for its annual report.

In this year's report, we report 32 performance indicators in full. This corresponds to the Core level for 2013, but with more indicators than what is required. This will make it easier to switch to the Comprehensive level later, if we so desire.

Reporting scope

As far as these are relevant, sustainability reporting uses the principles which apply for accounts reporting, including completeness and comparability, as the basis for reporting.

With some exceptions, reporting covers the Group's companies in all countries. The exceptions are due to the companies not yet having established reporting in certain areas or the companies' contribution in some areas not being deemed significant. There are also natural limitations based on whether companies actually contribute to environmental emissions in certain areas.

The Group works continuously on measures to improve measurement and reporting of sustainability.

Methods to calculate and measure within the individual technical areas are based on recognised and established technical standards.

Audit

The audit applies to the figures and text in the sustainability report.

Independent assurance statement

To the management of Posten Norge AS

Scope of the assignment

We have been engaged by the management of Posten Norge AS to conduct an independent review of Posten Norge AS' Sustainability Report 2013 (the Report), which covers the sections Posten Norge and Sustainability, Stakeholders, Environment, Work Environment, Integrity and Diversity. Posten's management is responsible for the selection of information and the compilation of data that is presented in the Report, as well as its preparation. Our assignment is to make a statement about the Report based on our work.

Reporting criteria

In this review we have used relevant criteria in the guidelines for sustainability reporting from Global Reporting Initiative (GRI) version 4. We consider these reporting criteria to be relevant and sufficient to conduct a review of the Report.

Work carried out

We conduct our work in accordance with SA 3000 (ISAE 3000), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform control measures so as to obtain a moderate level of assurance that the Report as a whole does not contain material misstatements.

Our review included the following activities:

- Reviews that represent the breadth of Posten Norge AS' operations in order to gain an understanding of how corporate social responsibility is safeguarded in practice within the organisation

- interviews with report managers to evaluate the process for defining and compiling the Report

- compilation and review of relevant information that supports the statements presented in the Report

- evaluation of the information in the Report as a whole based on the above-mentioned criteria, including an evaluation of the consistency of the information

We have not evaluated in our review if the policies have been implemented.

We believe that our control work provides a reasonable basis for a statement with a moderate level of assurance.

Conclusions

During the course of our review, we have not made any observations that would serve as grounds to believe that the information in the Report is not in line with the criteria set out in the introduction to the sustainability report, "Posten Norge and Sustainability". This also applies to Posten's statement that the Report fulfills the requirements for «core» in the guidelines for sustainability reporting, GRI G4.

Oslo, 26. March 2014

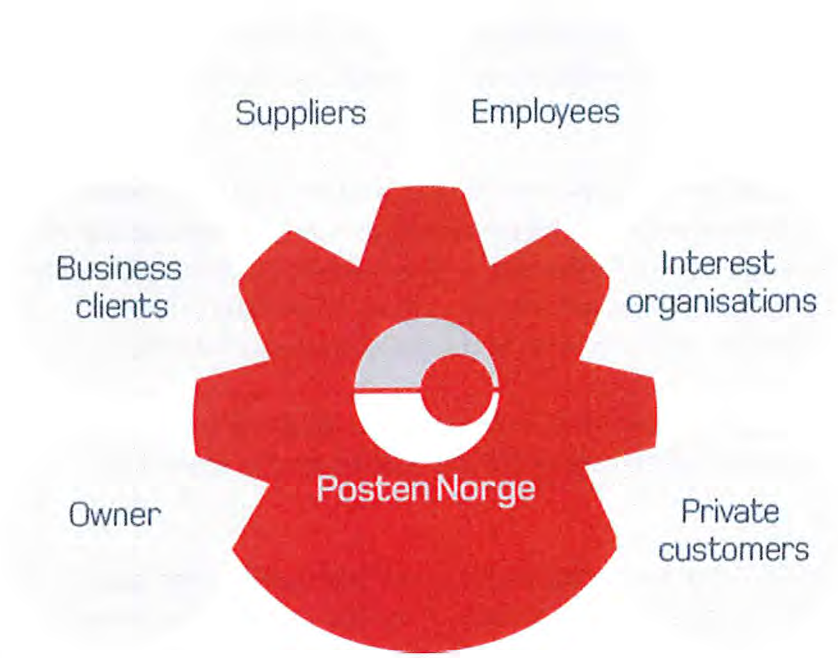
ERNST & YOUNG AS

Eirik Tandrevold

Certified Public Accountant

Our stakeholders

Our owner, business clients, suppliers and employees are Posten Norge's most important stakeholders.



The Group's stakeholders are placing increasingly higher demands on systematic work with sustainability, and they expect Posten Norge, in its position as a prominent Norwegian public body, to work methodically on this subject.

In 2013 the Group conducted a Materiality Analysis in order to identify and prioritise the sustainability challenges that are most important for the Group. The analysis was conducted with participants from the steering group for sustainability reporting in the Group as well as representatives from the strategy department and the different business areas (G4-25).

Defining our key stakeholders was a central part of this analysis, since the stakeholders are involved in establishing the framework for our work with social corporate responsibility. The stakeholders each have their own requirements on and expectations for Posten Norge (G4-18).

Our most important key stakeholders were identified as the owner and authorities, business clients, suppliers and employees. In addition, private customers and interest organisations play a central role in the Group's work with corporate social responsibility (G4-24).

The Group also maintains a dialogue with other smaller stakeholders such as trade unions, business and employee organisations, political parties, supervisory authorities, competitors and the media.

The dialogues with our stakeholders are held in various formal and informal arenas. The frequency of these meetings varies depending on the requirements and demands of the stakeholders (G4-26).

Owner and authorities

The Ministry for Transport and Communication manages the State's ownership of Posten Norge AS. The Group is therefore subject to the Ministry's corporate governance of the company.

According to the articles of association, Posten Norge's Board of Directors shall present to the Minister of Transport and Communication on a biannual basis a written description of the overall plans for the Group's operations. At the end of November 2013, such a plan for Posten Norge's operations for 2013–2016 was sent to the cabinet of ministers. Posten Norge's corporate social responsibility work was one of the areas that was described.

Furthermore, executive management has quarterly meetings with the Ministry for Transport and Communication where corporate social responsibility is a point on the agenda as needed (G4-26).

Posten Norge's social responsibility is to ensure the provision of nationwide, high quality and cost-effective postal services. This is set out in the company's articles of association and is defined in more detail in the postal law, regulation and concession. The Norwegian Post and Telecommunications authority oversees and ensures that Posten Norge meets established requirements. The Group also deals with other relevant authorities that are significant for our operations, such as our work with corporate social responsibility.

Arenas for dialogue:

- Reporting meetings – quarterly
- Responses and formal correspondence
- Ad-hoc meetings - as required

Supplier

Dialogue with suppliers, both existing and potential, is a central part of Posten Norge's procurement procedures. Posten Norge maintains both written and verbal dialogues in the form of workshops as part of its standard procurement process (G4-26). The Group emphasises overall good business practice and compliance with the Group's ethical principles and values in dialogues with the supplier market. Trust in the supplier market is a prerequisite for achieving good terms and covering the Group's procurement requirements in a satisfactory manner. This applies both in advance of entering into a contract and during the term of the contract (G4-27).

Read more about the Group's supplier management in the Integrity Report.

Arenas for dialogue:

- Meetings – for each procurement process and afterwards
- Workshops – for each procurement process
- Contract signing – for each procurement process

Business clients

Posten Norge does not carry out customer surveys that specifically include questions regarding social and environmental issues. For Posten and Bring sales team, corporate social responsibility is a topic that is brought up as needed when requested by customers (G4-26).

We endeavour to follow the Norwegian Marketing Act in all market communication with the Group's customers. The quality of the Group's annual market plan is checked against this legislation. The Group has a procedure to ensure that the quality of all external communication must be checked by Corporate Staff Communication (G4-PR6).

Health, the environment, safety and quality are on the agenda at all operational meetings, both internally and externally at customers and suppliers.

The focus on corporate social responsibility among Bring's customers is growing, particularly in the Offshore & Energy segment. Offshore & Energy is certified in accordance with ISO 9001:2008 and Achilles (NorSok S006N). The certifications clarify the requirements on Offshore & Energy within the areas of health, the work environment, safety, external environment and quality.

Offshore & Energy is represented on the boards of directors of several business associations and takes an active role in the development of its environment. Offshore & Energy is also represented on committees for conferences within the oil and gas industry and is involved as lecturers on contemporary issues.

Bring Cargo Offshore & Energy is a member of the Norwegian Petroleum Society, NCE Subsea and Subsea Valley.

Arenas for dialogue (G4-PR5):

- Customer surveys – annually
- Reputation surveys – annually
- Focus groups – as required
- Operational meetings – as required

Employees

Posten Norge carries out an organisational survey of its employees each year (G4-PR5). In 2013, 88 per cent of the Group's employees responded to the survey. Two of the statements in the survey are 'My unit demonstrates corporate social responsibility by considering the external environment' and 'In my unit there is no discrimination' (G4-27).

All managers in the Group are required to follow up on the results from the organisational survey. Managers must establish measures for their unit in a specific "Smart Plan" (G4-27). It is possible to follow up on the smart plans and the progress being made in carrying out the measures. It is also possible to measure the development of the results of the organisational survey from year to (where more than five persons have answered).

Other central topics taken up with employees in 2013 include measures to promote a healthy workplace, work environment and job security. All of these topics are included and detailed in the Group's company newspaper and on the Group's intranet. It is possible to send in opinions to the company newspaper and comment on and respond to articles on the intranet.

Dialogue with employees on central measures and topics which affect work processes and the working day out in the units is the managers' responsibility.

In 2013, the Group President and CEO held one online meeting via the Group's intranet (G4-26). During these intranet meetings the Group's employees can freely submit questions directly to the President and CEO. The theme for the online meeting in 2013 was Posten Norge's vision of becoming the most future-oriented mail and logistics group (G4-27).

Arenas for dialogue:

- Organisation survey – annually
- Internal company newpaper – 13 issues per year (4 in Sweden, 9 in Norway)
- Intranet – daily as required
- Intranet meetings with the President and CEO – as required
- Annual and sustainability report – annually
- Training – as required
- Management meetings – as required
- Personal development discussions– two per year
- Lectures/presentations – as required
- Team meetings – as required

Private customers

Ipsos MMI carries out a profile survey of large Norwegian companies each year (G4-26). In 2013, 116 companies in 13 different industries were evaluated with regard to environmental awareness, corporate social responsibility and ethics. A nationally-representative sample of 2,004 persons over the age of 15 received the survey and of these 49 per cent responded (989 persons).

In this survey corporate social responsibility and ethics are defined as a company's ability and willingness to follow laws and rules, and to act in a just and responsible manner towards employees, customers, consumers and the authorities. In 2013, 52 per cent stated that they have a good impression and 22 per cent that they have a bad impression of Posten in this area. After last year's fall in this area, this year's survey shows that Posten has strengthened its reputation in corporate social responsibility and values and advances from a ranking of 19th in 2012 to 7th in 2013.

Environmental awareness is defined as the impression of a company with regard to protection of the environment in the widest sense, both in terms of production and the use of products in general. In 2013, Posten placed 5th place in this ranking, up 7 places from 2012, when we were ranked 12th. Posten was only beaten within the area of environmental awareness by environmental profiles such as Tine, NSB, Nordic Choice Hotels and IKEA (G4-27).

Arenas for dialogue (G4-PR5):

- Reputation surveys – annually

Interest organisations

Interest organisations are defined as organisations established to promote their members' interests. For Posten Norge this refers to organisations that have a special interest in how our services are performed and adapted.

A cooperation with organisations for disabled persons was established in "Cooperation forum for universal design of mail services". The forum has six members from organisations for disabled persons and three from Posten. The forum is led by Posten and meets at least two times a year (G4-26). The main themes in 2013 were the reorganisation of post offices to Post in Shops, information about a new accessibility strategy for post delivery boxes and the establishment of self-service solutions at posten.no.

Posten Norge is a member of the Swan Purchasers' Club, Eco-Lighthouse, RENAS (EE waste), The Norwegian Association Against Noise, Green Dot Norway and IPC (participant in the EMMS environmental programme). The Group is also an active partner in Zero and participates in SINTEF (Green City Distribution in Oslo) and the Biogas Alliance (G4-26 and G4-27).

Posten Norge is required through its articles of association to follow the principles of the act concerning the use of Bokmål and Nynorsk in public services for customer information about the services that are subject to a delivery obligation. Concrete inquiries also come from The Language Council of Norway and The Norwegian Language Society (G4-26). Otherwise the principles of the act shall be followed as far as possible but only as far as they do not represent any disadvantage to the company compared with its competitors. Posten Norge reports to the Ministry for Transport and Communications upon request and when questions are raised from individuals or interest groups (G4-27).

Arenas for dialogue (G4-PR5):

- Cooperation forum for universal design of mail services – two per year

- Inspections – as required
- Informal meetings – as required
- E-mail – as required
- Process meetings – as required

Sickness absence at record low

Systematic HSE work is worth the investment. Since 2006, absence due to sickness in the Group has been reduced from 9.2 per cent to a record-low 6.6 per cent.

Working environment

A working environment that promotes good health and where no one gets injured or ill as a result of their work is a strategic goal for Posten Norge. Over time, long-term and systematic HSE work, with tailored measures and new development, has produced results.

Based on the current number of full-time equivalents, the reduction in sickness absence has resulted in 471 more full-time equivalents at work than at the start of 2006. This saves the Group NOK 78 million on an annual basis. At the same time, there has been a reduction in the number of serious lost-time injuries.

Goal for sickness absence met

The positive trend continued in 2013. The rolling 12-month trend was at 6.9 per cent from December 2012 to May 2013. Since June 2013, this number has steadily fallen. The goal of 6.6 per cent for absence due to sickness for the year was therefore met. This is 0.3 percentage points lower than the previous year.

Sickness absence at Posten Norge AS is falling in all age groups. The largest reduction between 2009 and 2013 is in the 20–29 age group (31 per cent) and the smallest reduction is in the 60–67 age group (10 per cent). Women are absent more frequently than men, which in general is in line with the workforce. The use of graded medical certificates rose until 2012, after which it fell slightly in 2013.

There is reason to believe that the systematic use of tools and measures reduces the doctor-reported absence. Systematic follow-up with employees on sick leave makes the processes more predictable for all involved parties. Use of the Posten Norge model, the corporate health services and graded medical certifications have been important tools. Posten Norge AS has higher rates of sickness absence than the rest of the workforce for Norway in general, but the gap was reduced by 0.2 percentage points since Q3 2012.

Health-promoting programme

The health-promoting programme that was started in 2011 continued in 2013. The programme should influence factors promoting health, commitment and enjoyment – both in the individual's lifestyle and his/her psychosocial conditions at the workplace. For example, employees receive offers for lifestyle mapping, and managers and selected 'health motivators' are trained in order to implement local activities. The units that started the programme in 2013 on average have seen a 10.5 per cent reduction in sickness absence rates in the course of one year.

The 'Health Coach' e-learning module was launched in December. The Health Coach should help raise awareness, improve competence and increase motivation to start taking individual measures related to health, food, physical activity and relaxation. The goal is for as many as possible to complete the programme over the course of a few years. The Group's communication channels are also actively utilised to increase health competence among managers and employees.

Guidelines for arrangements for pregnant employees and for the prevention of substance abuse are implemented in the organisation.

Of the permanent employees, 99.2 are employed in areas of the operations that have formal health and safety committees. The committees help with advice in addition to monitoring measures which promote health and safety (G4 LA5).

It helps

In 2006, Posten Norge AS began using the "It helps methodology", a systematic approach to getting workers with repeated absences over time back to work. The methodology is continuously being developed, and it has also had a positive impact in 2013. Employees with absences of 24 days or more during the past three years have been a high-priority group. The group was reduced by 7 per cent in 2013. The health-promoting programme will be a central part of future work with this group (G4 LA7).

The regional IA action plans based on the IA agreement between Posten Norge and the Norwegian Labour and Welfare Administration (NAV) for the period 2010 to 2013 continued to be implemented in 2013. The work to achieve "equal and predictable services from NAV throughout Norway", which has served as a part of the intention of the cooperation agreement, has not been completed. This work will be evaluated in conjunction with an eventual extension of the IA agreement (G4 LA8).

Long-term safety work is effective

The Group's long-term and systematic work on job safety has contributed to a robust platform for tools, systems and competence. The Group's work includes safety revisions for operating units, the investigation of all accidents, the reporting of near-accidents/undesirable incidents and safety discussions between managers and employees.

In 2012, a safety standard based on legislation and regulations in the Scandinavian countries was prepared within HSE for all Bring terminals and cold storage facilities. In 2013, the standard was extended to also cover transport and postal distribution, and it was implemented throughout the entire Group. The standard now comprises 102 control points covering everything from securing buildings and goods to the areas that are most important for creating a safe working environment. Over the course of 2013, 24 audits were completed in relation to the new standard. Running parallel with the audits, a selection of Posten and Bring managers completed a self-evaluation of the control points contained in the safety standard. Starting in 2013, non-compliant units were given a deadline by which to rectify their deviations. This is reported to and approved by HR/HSE.

In 2013, 100 investigations of incidents where workers injured themselves were completed. This means that almost 1 out of 3 lost-time injuries was investigated. The reports are anonymous and made available on the Intranet.

In addition, Logistics Norway has had a different safety theme on the agenda in 2013, with practical and theoretic components.

Lost-time injuries

The Group registers lost-time injuries based on the Federation of Norwegian Industries' standard. Lost-time injuries requiring medical treatment are now included in the H1 value, while all other personal injuries are registered as H2 injuries. In 2013, a total of 481 personal injuries (H2) were registered in the Group, which is more than in 2012. Of these injuries, 246 were related to Posten Norge AS. Men were involved in 62 per cent of the cases and women in 38 per cent. The H2 value for the Group was 15.1, which is the same level as the previous year. There were 157 lost-time injuries that required medical treatment (H1). This is 10 fewer than the previous year. The 6 per cent improvement from 2012 contributed to the Group achieving an H1 value of 4.9. This means that the goal of 4.4 was not met (G4 LA6).

Safety in traffic

In 2013, the Group conducted a materiality analysis in order to identify and prioritise the sustainability challenges that are most important for the Group. One of these was traffic safety. We therefore prepared a separate indicator to make the Group's work in this area visible.

The Group works in several areas to safeguard traffic safety. A course has been prepared for Posten Norge AS entitled "Environmentally efficient and safe driving". The aim is for drivers to further develop their own driving measurements and become aware of which factors influence optimal driving. Professional drivers of cargo transports are required to receive certificates and further education every 5 years. Posten Norge has its own training course that safeguards these requirements. The concept has been revised, and the conditions are in place for extensive training during 2014.

Posten Norge's strategy for traditional vehicles is to secure a modern and safe car park. This is ensured, for example, through an agreement with Leaseplan, which consists of leasing contracts with terms of 3–6 years. The average age of Posten Norge's vehicles is currently 3–5 years.

Drivers' behaviour in traffic is also monitored by registration of damage to vehicles as well as controls of driving and rest times.

Manager and team development

For many years the Group has worked systematically to develop its managers. In 2013, a new executive management program was developed and implemented. In total, 188 managers participated in the Group's management programme in 2013 – 65 in the new executive management programme, 63 in the middle management programme and 60 in the first line management programme, 'The Confident Manager'. For the past several years managers have also participated in an annual three-hour HS&E training course.

In 2013, the implementation of the Group development method, GDQ (Group Development Questionnaire), continued. This is a tool for measuring and developing work and management groups. A questionnaire measures how workers and managers perceive the Group is working at a given point in time. The results demonstrate, among other things, the Group's productivity, efficiency, strengths and improvement areas, as well as what it should focus on to promote better health.

The CEO's HSE award to a unit that has distinguished itself with a good, systematic approach to its HSE work during the year was also announced in 2013.

Group employees

As of 31 December 2013, the Posten Norge Group had 19,941 permanent employees working in 14 countries. The Group also has temporary employees and other types of employees, who work periodically and as required. Of the permanent employees, 79.8 per cent work in Norway. Employees in the remaining 13 countries are primarily local staff and top management (G4 EC6).

The Group has adopted a policy that steers central aspects of local recruitment, both in terms of the recruiting process, equality, anti-discrimination and internal mobility within the Group.

In 2013, 36.8 per cent of the Group's permanent employees and 30.3 per cent of the Group's managers were women. In the Group in Norway, 32.4 per cent of the managers are women (G4 LA12).

The Group has a good overview of the pay levels within different job categories in the different countries in which the Group operates, as well as the relationship between men and women's pay in the Group. No statutory minimum wage agreements are used in the Nordic countries. The pay level and starting salary are regulated in negotiations between the employee representative and employer (G4 EC 5 and G4 LA 13).

In 2013, 1,793 new employees were recruited into permanent positions in the Group, of which 954 were in Norway. Of these, 63 per cent were recruited for permanent positions. In total, the Group's employee turnover was 12.6 per cent in 2013 – 12.5 per cent for the Group in Norway and 11.9 per cent in the Parent Company itself. For the Group as a whole, employee turnover among women was 4.5 percentage points higher than among men (G4 LA1).

In the Parent Company, 416 permanent employees took parental leave in 2013: 202 men and 214 women. Of these, 396 (95.2 per cent) returned to the company after their leave – 97.5 per cent of the men and 93 per cent of the women (G4 LA3).

Regulated working life

A constructive and professional collaboration with employee representatives is a prerequisite for the positive development of salary and personnel policies. In the Group, 97.8 per cent of the employees work in a company where one or more wage agreements have been established (G4 LA4).

In the Norwegian companies, in order to establish a well-functioning cooperation, necessary role clarifications have been made and employer and employee groups have participated in training courses based on the rules of cooperation in the relevant Main Agreements. Managers undergo training on this topic via online modules.

The Group has established a Group-wide cooperation with the national employee organisation via a European Works Council (EWC). The EWC will hold annual meetings, and the first meeting was held in 2013.

Internal pension advice

Employees of Posten Norge AS had pension and employee insurance schemes through DnB Livsforsikring in 2013. A few employees belong to the Norwegian Public Service Fund. The Company is also part of the Joint AFP Arrangements. The Norwegian subsidiaries have similar pension and employee insurance schemes.

Posten Norge AS has an internal advisory body for pensions. The company's employees are offered individual pension advice before they reach 62 years of age. During 2013, 440 advisory sessions were held. Of these, 16 were for employees in Norwegian subsidiaries. This measure shall ensure that the individual's decision on when to retire and begin drawing a pension is made on the basis of the correct information. Following the pension reform in 2011, which in part introduces the possibility for flexible pension withdrawals, we are now seeing a tendency toward more employees above the age of 62 continuing to work.

Development of talent

In 2013, the Group used an electronic tool for the first time to conduct "PLUSS" employee reviews and "Leader Reviews".

In "Leader Reviews", all managers in the Group are assessed using a systematic evaluation that is based on achieved results and manager behaviour. In addition, ambition and willingness in organisational and geographical mobility are documented (GRI EC 7). In 2013, 809 managers were assessed in Leader Review, which represents around 56 per cent of the Group's managers. Of those assessed, 25 per cent were women and 75 per cent were men (G4 – LA11).

In 2013, a new talent program was developed – "Manager Talent". The programme will first be implemented in 2014 for selected first line managers who have the potential to take on greater manager responsibility at a higher level or across regions/businesses in the Group.

The Group's two-year trainee programme was conducted for the 14th year. Following a thorough evaluation process, where management potential is also assessed, six Group trainees were recruited in 2013. Continued strengthened profiling towards Swedish colleges and universities has resulted in a large number of solid Swedish applicants. In 2013, the programme was also targeted toward Danish colleges. In addition, 'Summer Internship' with four summer trainees as well as a Norwegian Business School internship with one trainee were completed.

The Aspiring Managers programme, which was introduced in 2010, aims to recruit more first line managers internally. The programme is implemented as needed and was not run in 2013, but will return in 2014.

Important competence initiatives

The Group has its own training portal, Posten and Bring Academy, which is available to all Group employees. The Academy offers everything from adapted e-learning to standard training in collaboration with external suppliers. In 2013, around 10,500 individual e-learning modules were completed.

In 2013, the Group also continued its focus on Basic Competence in the Workplace (BKA). In 2013, 215 employees participated in courses on computers, reading and writing or math. The measure, which receives public funding, is an important tool to promote life-long learning and the integration of employees with immigrant backgrounds (G4-LA 10).

It is the Group's aim to increase the number of certificates of apprenticeship – both through the acceptance of apprentices and by making it possible for employees to receive a certificate of apprenticeship as placement candidates. In 2013, 65 apprentices were in training, most of them within transport and logistics (G4-LA10).

As a supplement to the other competence measures, the Group offers an educational scholarship. The scholarship should help motivate employees to strengthen their formal competence. In 2013, 40 educational scholarships were awarded (G4- LA10).

The following indicators were not mentioned in the text, but are found in the tables/documentation:

G4-LA2 (benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation)

Table: Permanent employees

The Group

	Women	Men	Total	Share W %	Share M %
Number					
Top leaders	18	63	81	22,22 %	77,78 %
Other leaders	421	947	1368	30,77 %	69,23 %
Employees	6892	11600	18492	37,27 %	62,73 %
Total employees	7331	12610	19941	36,76 %	63,24 %

The Group in Norway

	Women	Men	Total	Share W %	Share M %
Number					
Top leaders	12	30	42	29 %	71 %
Other leaders	346	716	1062	33 %	67 %
Employees	5938	8874	14812	40 %	60 %
Total employees	6296	9620	15916	40 %	60 %

Sick leave

Group in percentage

	Sickness absence
09	8.1
10	7.8
11	7.1
12	6.9
13	6.6

- # Full-time equivalents

As at 31.12

	Full-time equivalents
10	19884
11	19622
12	19388
13	19022

Ambitious diversity goals

The percentage of employees at Norway Post, including staff and management, with immigrant backgrounds is increasing thanks to a number of measures.

The Group has a goal that, by the end of 2015, 15 per cent of its employees in Norway should have an immigrant background. In order to increase the amount of diversity in positions in corporate staff units and management in Norway, a special goal has been established that, at the end of 2015, 7.5 per cent of employees in these positions should have an immigrant background. Based on an internal survey in 2013 of all employees in the Norwegian part of the Group, we estimate that 13 per cent had immigrant backgrounds. This is an increase of roughly 1 per cent compared to last year's survey. In 2013, the percentage of managers with immigrant background is estimated at 4 per cent, a slight increase compared to last year (G4- LA12).

Racism-free zone

In collaboration with Norwegian People's Aid, Norway Post has been a racism-free zone since 2001. In 2011, the agreement was expanded to apply to the whole Group. The agreement entails that all units must demonstrate and mark that the business is racism-free and that there is zero tolerance for discrimination. The Group's Warning Institute did not handle any incidents of discrimination in 2013. The Group's annual organisational survey has included the statement 'In my unit there is no discrimination' since 2005. On a scale of 1–7, with 7 being the best, the answers to this statement fall at 6.1 in 2013 (G4-HR 3).

"You make a difference"

The internal development programme, "You make a difference', for employees with family backgrounds from outside of the Nordic region continued in 2013. The programme is specifically aimed at operational employees with competence they are unable to use in their current positions. Through the programme, nine employees (five in the first group and four in the second group) completed internships in different parts of the company for one year. The second group finished in August 2013. Six of the nine previous participants received a permanent position within their specialty after completing the programme.

In the third group, three female participants were selected to spend one year in positions within corporate staff and management. The programme started in November 2013 and will run throughout 2014.

Our own mentor programme

In 2013, Norway Post's own mentor programme for promoting integration among unemployed immigrant women started up for the second time. It ran until July 2013. The aim of the programme is to assist women in looking for work and provide them with knowledge about Norwegian working life. NAV helps with the recruitment of suitable and interested candidates for the programme. In total, 10 women in the Group were mentors for 10 unemployed immigrant women.

Internships for immigrant women

During 2012 eight internships, twice as many as the year before, were created for immigrant women who have not previously worked in Norway. The internship for some of the candidates ran until the second quarter of 2013. The project is a collaboration with NAV Grünerløkka, NAV Østensjø and NAV Alna, which finds the candidates.

External attention

The Group is also focusing on profiling and increased awareness about the Group's work with diversity and integration. Norway Post regularly receives requests from other companies that would like to learn about Norway Post's experiences in this area. In 2013, Norway Post hosted a network meeting arranged by The Directorate of Integration and Diversity (IMDi). In addition, Norway Post is a member of different networks to exchange experiences, for example Oslo Municipality's Diversity Charter (Leadership Foundation).

Norway Post had its own stand at Melafestivalen 2013 to inform about its diversity work and career opportunities in the company. In addition, Norway Post was invited to lecture at Den Norske Opera as part of the Empowering Youth Conference, a conference arranged by Partnership for Change, which is run by the Crown Prince Couple's Fund. Norway Post also shared experiences with other international postal organisations during a meeting arranged by International Post Cooperation (IPC) in Brussels.

Steadily greener from A to Z

Posten Norge works in a goal-oriented manner to become more environmentally efficient. This has resulted, for example, in Norway's largest electric vehicle fleet – which is steadily growing.

Environmental report

The environment is one of the Group's most important focus areas within corporate social responsibility. As one of the Nordic region's biggest transport operators, the impact of CO2 emissions in particular is significant.

We therefore are working actively to reduce our impact on the environment (G4-EN 26). Posten Norge's environmental vision is "to work in a goal-oriented manner to achieve environmentally efficient operations and sustainable development - leading to Posten Norge becoming the world's most future-oriented mail and logistics group".

Communication and awards

In 2013, the Group worked on increasing the visibility of its environmental efforts through various measures and communication activities. These efforts include, among other things, an environment fund, alternative vehicles and environmental certification of units.

The Group was ranked 5th in IPSOS MMI's reputation survey for environmental awareness. We also won Norwegian Design Council's award for the Loyds Paxster electric vehicle, as well as the Grønn Bil award in 2012 for our commitment to electric cars.

The aim of the environment fund is to engage employees and disseminate good ideas. In 2013, the environment fund received 108 applications and awarded NOK 4 million in funding. The measures have an estimated CO2 saving of 1,390 tonnes. Examples of measures that received funding include the installation of solar panels, energy mapping, optimalisation of carwashes and the phase-out of cars with fossil fuels.

Green partnerships

To solve the major environmental challenges facing the Group, interaction between companies, organisations and research institutes is key (G4-16).

Posten is affiliated with the Ministry of the Environment's Climate Vow and safeguards cooperation within the industry through participation in the International Post Corporation. Posten is also a member of the Swan Purchasers' Club and Green Dot Norway and is participating in the preparation of Oslo Municipality's energy strategy.

Transport suppliers are also important partners in reducing the Group's emissions. The Group has a programme that places requirements on and follows up on suppliers, and in 2013 there were 185 suppliers included in the programme.

Posten is also a member of the steering group for the project Green City Distribution, which is owned by Oslo Municipality. The aim of the project is to reduce greenhouse gas emissions for goods delivery in downtown Oslo.

In 2013, the Group continued its collaboration with ZERO. For example, the Group participates in ZERO's biogas forum with other transport companies and fuel providers.

Posten also takes part in Cities of the Future, which is a collaboration between the authorities and the thirteen largest cities in Norway to reduce greenhouse gas emissions.

Climate-neutral services

Posten offers climate-neutral service parcels and climate-neutral distribution of addressed and unaddressed mailings for the business market. The most important internal measures for reducing CO2 emissions from this service are to make use of vehicles without fossil fuels and to offer a course in eco-driving for our drivers. It is not currently possible to completely eliminate the CO2 emissions from this service. To compensate for the remaining emissions, Posten purchases climate quotas.

Investment in alternative vehicles

The focus on the environment at Posten has resulted in the Group having Norway's largest electric vehicle fleet. In 2013, Posten had 335 electric mopeds, 239 electric jeeps, 24 electric cars and 163 electric trailers. In total, the Group has 761 electric vehicles.

In 2013, Posten received delivery in Norway of 76 distribution cars and 20 trucks that use biogas. In Sweden, Bring has 45 biogas cars, including the world's first biogas truck that meets the strictest emissions standard, Euro 6. In total, the Group has 141 biogas cars and 48 cars that run on B30 (diesel that consists of 30 per cent biodiesel).

The environment fund provides funding to test electric cars in express distribution, establish charging stations for private electric cars and loan out electric bicycles.

Bring Frigo in Sweden has used more than 4.8 million litres of 'Preem Evolution' diesel in 2013, which partially consists of renewable tall oil. This reduced emissions by 3,360 tonnes of CO2 (tank to wheel) compared to fossil fuels.

Bring in Sweden is well into its investment in RME, which is a fuel that reduces CO2 emissions by 93 % (tank to wheel).With support from the environment fund, this investment was expanded significantly, and today there are currently 60 cars that run on RME.

Updating the vehicle fleet

Posten updates its vehicle fleet regularly, which helps reduce emissions. In the Parent Company, 5 percent of the vehicles are Euro 4 and 94 percent are Euro 5. Of its own vehicles, 94 per cent are from 2009 or later.

The Group has implemented a speed reduction to 83–85 km/hr on 500 trucks, which has advantages both in terms of the environment and safety.

More rail and sea

The percentage of rail in Norway increased from 66.9 per cent in 2012 to 67.9 per cent in 2013 on routes where it is possible to use rail transport. The environment fund also contributed with funding for the pilot project 'Bring it on', which tests the effects of shipping cargo by sea instead of by road. This resulted in a reduction of 46 truck runs on a weekly basis for the round trip Stavanger–Sandnessjøen.

Raising competence

In 2013, the Group developed its own e-learning module for all employees about the environment. The module was adapted to Posten and Bring. The aim is to provide basic training in environmental strategy, goals and measures and to inspire people to make good environmental choices. The tool will be introduced in 2014.

The Group is also training its drivers in eco-driving. In 2013, 1,834 drivers underwent training. In September, the Group placed first in the IPC Drivers' Challenge, which covered environmentally efficient and safe driving among several international postal organisations.

Standardisation and certification

Environmental certification provides clear documentation of the environmental work carried out by the individual unit. Posten Norge's head office received Eco-Lighthouse certification in 2013. In total, 33 units in the Group have received Eco-Lighthouse certification and 9 units received ISO 14001 certification in 2013. Posten delivers environmental accounts in accordance with Greenhouse Gas Protocol (GHG).

Energy efficiency

Posten purchased electricity with certificates of origin for the entire Group in 2013. This is electricity that has been generated using renewable energy sources.

During 2013 Bring continued its measures to reduce energy consumption. This included competitions, sensor-controlled lighting and timed usage of lights and units. In total the Group has reduced its electricity emissions from buildings by 5 per cent.

Table: Climate accounts

In tonnes

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)[1).]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.

[1)] In Posten's climate accounts, emissions are measured in CO2, not CO2 equivalents.

GRI EN 16 and 17

Group					Posten Norge AS			
2011	**2012**	**2013***	**2013**		**2011**	**2012**	**2013***	**2013**
110 649	**134 456**	**138 954**	**138 954**	**Scope 1**	**49 917**	**51 983**	**52 319**	**52 319**
109 207	133 121	138 098	138 098	Road	49 634	51 933	52 276	52 276
1 442	1 335	857	857	Buildings	284	51	43	43
27 233	**27 076**	**26 251**	**26 251**	**Scope 2**	**11 215**	**12 918**	**12 345**	**12 345**
24 575	24 565	23 336	23 336	Electricity	9 983	11 737	10 953	10 953
2 658	2 511	2 916	2 916	District heating	1 232	1 181	1 392	1 392
450 362	**442 261**	**400 626**	**400 626**	**Scope 3**	**41 660**	**70 405**	**61 249**	**61 249**
328 624	328 189	292 660	292 660	Road	453	34 313	17 161	17 161
4 328	4 276	3 694	3 694	Rail	859	3 057	3 516	3 516
58 173	63 590	55 911	55 911	Air	30 595	30 850	30 033	30 033
54 009	42 215	43 450	43 450	Water	7 776	0	7 668	7 668
5 228	3 991	4 911	4 911	Business travel	1 976	2 185	2 872	2 872
588 244	**603 793**	**565 832**	**565 832**	**Sum**	**102 792**	**135 306**	**125 913**	**125 913**

*) No new companies in 2013.

Table: Emissions to air

In tons

GRI: EN 20

The Group

Source	**SO_2**	**NO_x**	**NMVOC**	**CO**	**PM**
Own vehicles	2,5	821,0	226,6	821,5	41,5
Buildings	0,1	0,9	0,1	0,2	0,1
Subcontractors[1]	119,9	4116,3	357,7	824,4	105,7
Total	**122,6**	**4938,2**	**584,4**	**1646,1**	**147,4**

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

Table: Own vehicles

Posten Norge AS

	2011	**2012**	**2013**
Trucks < 7.5 t	**4 945**	**4 763**	**4 482**
Number of trucks ≤ Euro 2	1	0	1
Number of trucks Euro 3	94	40	28
Number of trucks Euro 4	232	276	134
Number of trucks Euro 5	164	301	448
Mopeds	391	94	75
Electric mopeds	231	261	335
Electric jeep	40	213	239
Electric trolleys	80	145	163
Biogas vehickles		65	96
Electric cars	21	24	24
Biodiesel vehicles	58	0	52
Total	**6 257**	**6 182**	**6077**

Table: Vehicles

	2012			**2013**		
	Regions (Mail)	**Regions (Log. Norway)**	**Total**	**Regions (Mail)**	**Regions (Log. Norway)**	**Total**
Euro class Total	**3 805**	**1 015**	**4 820**	**4 125**	**968**	**5 093**
Euro I <7.5 tons	1	1	2			
Euro I >7.5 tons						
Euro II <7.5 tons	1	1	2	2	3	5
Euro II >7.5 tons					1	1
Euro III <7.5 tons	13	12	25	12	3	15
Euro III >7.5 tons	1	39	40		28	28
Euro IV <7.5 tons	412	104	516	114	23	137
Euro IV >7.5 tons	7	269	276	3	131	134
Euro V <7.5 tons	3 359	299	3 658	3 981	344	4 325
Euro V >7.5 tons	11	290	301	13	435	448
Euro VI <7.5 tons						

	2012			2013		
	Regions (Mail)	**Regions (Log. Norway)**	**Total**	**Regions (Mail)**	**Regions (Log. Norway)**	**Total**
Euro VI >7.5 tons						
Small vans with no Euro class	559	1	560			
Age Total	**4 364**	**1 016**	**5 380**	**4 125**	**968**	**5 093**
After 2012				301	136	437
2009 - 2012	3 902	653	4 555	3 693	639	4 332
2006 - 2008	448	306	754	122	181	303
2001 - 2005	11	48	59	7	8	15
1996 - 2000	3	9	12	2	4	6
1993 - 1995						
Before 1993						

Organisation

Work

- A central environmental team in the corporate HR unit ensures an effective system, Group-wide re-use of good solutions and an overall approach.
- A Group-wide environmental network that consists of environmental resource persons from all business areas ensures that the Group makes use of experiences and best practices from throughout the organisation.
- The Group ensures access to the necessary expertise in specific areas through external partners and suppliers
- In order to register the Group's total climate impact, a climate reporting system was acquired and implemented in 2012 and will be used by the entire Group.

Management

The environment

- Environmental work is high on the agenda for the Group.
- The Board and executive management are regularly updated on the status and risk profile of and ongoing initiatives within the Group's environmental work.
- Group management is updated on the environmental work several times a year, during which the progress of central measures is presented.

- Environmental work is defined in a separate environmental policy and strategy that is supported by action plans in the business areas.
- The Group works according to environmental action plans in each business area. The plans apply for the period 2010-2015 and detail the environmental work to be carried out and the effects this work has on CO2 emissions. The action plans were updated in 2012 to take into consideration changes in framework conditions, the market and technological development.

Strengthening the ethical standard

During 2013, Posten Norge continued its efforts to roll out the integrity programme in all areas of the Group. Awareness toward suppliers and partners has increased.

In October 2011, the Group launched an over-arching integrity programme to help strengthen the Group's standard for ethics and topics related to integrity. The integrity programme consists of several tools which aim to give employees and selected business partners advice and guidance related to:

- anti-corruption

- legal competitive practices

- social dumping

- information security

The tools should make it easier for managers and employers in the Group to meet the requirements and expectations placed on them. These tools include ethical guidelines, an integrity handbook, an e-learning module, a tailored training programme and a Warning Institution for employees.

Guidelines and handbook

The integrity programme rests in its entirety on the Group's ethical guidelines, which were adopted in 2006. In 2011 and 2012, these were once again distributed and announced to all employees in the Group, in Norwegian, Swedish or English, through Post & Bringavisen and Bringnews. The integrity handbook was also distributed to all employees through these channels in 2011/2012 (G4-S04). The handbook is based on the ethical guidelines, but goes into more detail about the topics the Group has chosen to highlight in the integrity programme.

The integrity programme was presented to and adopted by the Board of Directors of Posten Norge AS in October 2011 (G4-S04).

E-learning module

An e-learning module has been created using the information in the ethical guidelines and the integrity handbook. It is based on various dilemmas about integrity that the Group's employees can meet. The target group for the e-learning module consists of the employees in the Group deemed to be most vulnerable to typical risk situations discussed in the integrity programme (primary target group).

In 2013, around 822 employees completed the module. This corresponds to around 4.1 per cent of the total number of employees in the Group and around 15 per cent of the primary target group. Per Group division the breakdown is as follows:

Mail Division: 29

Logistics Norway Division: 490

E-commerce Division: 7

Logistics Nordic Division: 296

(G4-S4)

Tailored training programme

Managers, support staff, sales and marketing resources and other persons who will function as resource persons with regard to integrity-related issues must undergo more training than the e-learning module. Therefore, a course was developed for this specific target group using "classroom teaching". These courses are based on the e-learning module, but go into more detail and prioritise discussions about relevant problems that arise.

In 2013, approximately 318 people participated in the training course (GRI S04). This corresponds to around 1.6 per cent of the total number of employees in the Group and around 5.8 per cent of the primary target group. Per Group division the breakdown is as follows:

Mail Division: 0 (completed in 2012)

Logistics Norway Division: 234

E-commerce Division: 24

Logistics Nordic Division: 59

(G4-SO4)

Warning Institute

If employees experience, discover or suspect unacceptable conditions, they are encouraged to notify their immediate superior. Where this is not possible or feels too difficult, the Group has an in-house Warning Institute. The Warning Institute was established in 2006. Through the implementation of the integrity programme, it was clarified in 2013 that this channel is available to all Group employees regardless of their country or company.

It should be easy to raise a warning flag to the Warning Institute, and the Institute can be reached by email, telephone and post. The contact details were distributed in 2011 and 2012 via the integrity handbook and again in 2013 via different training measures. The information can also be found on the Group's intranet.

The Warning Institute ensures that warnings are handled appropriately, both in regard to the person reporting the warning and the person or entity whose actions have initiated the warning. Procedures for the follow-up of all reports have been prepared particularly to ensure that the person reporting the warning is not subject to negative repercussions after the fact.

In 2013, the Warning Institute received five warnings that were investigated and assessed. In addition, two warnings from 2012 were completed in 2013. None of these cases referred to an alleged breach of corruption rules (G4-SO5). In addition to the cases that the Warning Institute received warnings about and investigated, a possible issue of corruption was also discovered in that an employee in a Norwegian Group company received financial benefits for awarding contracts to suppliers. The employment of the person in question was terminated and the matter was reported to the police and is under investigation.

The Group's Warning Institute reports to the audit committee of Posten Norge AS once every six months. The report details the number and type of cases, the results of each case and the measures and activities taken into effect and implemented.

An important part of the Group's integrity programme is to ensure that all employees and others who work for the Group have sufficient knowledge about and comply with competition regulations. In 2013, Posten Norge was issued a fine by the EFTA court for EUR 11.1 million as the result of exclusive agreements for Post in Shops. In the wake of this finding, the German logistics company, Schenker, has submitted a claim to the Norwegian court demanding compensation. It is currently unclear when the case will be handled by the Norwegian courts (G4-S07).

The Group via Bring Citymail has sued Post Denmark demanding compensation for breach of competition regulations in Denmark. The case is related to an economic claim as the result of what the Group takes the position is Post Denmark's abuse of its market position in the Danish market for direct mail and magazine post.

Integrity targets in 2014

The implementation of the integrity programme among the Group's own employees shall be completed in 2014 according to the schedule. The Group will implement measures where risk is considered to be greatest.

Compliance with the integrity standard was part of the general risk analysis in the Group in 2013. In conjunction with this, two of the four divisions have been analysed for the risk associated with breaches of the corruption regulation (G4-S03). No specific risk points were identified. In addition, integrity due diligence was conducted at a subsidiary in 2013, focusing for example on its compliance with the corruption regulations (G4-SO3). These reviews identified that parts of the company's cross-border transport/operations may be exposed to risk and Posten Norge will follow up on the matter in 2014 (G4-SO3).

In addition we will also ensure that we have sufficient information about our partners' integrity standards. The Group has developed clear criteria for performing integrity due diligence of partners before an agreement is signed. In 2013, integrity due diligence of the business partners considered to represent the largest risk for the Group was conducted. This work will continue in full force in 2014.

Access to information about individuals and companies is an important part of Posten Norge's operations. The Group therefore is very focused on compliance with privacy policies to ensure that the information we use is in accordance with current regulations. The Group did not receive any complaints from public authorities in 2013 about breaches of customer privacy or losses of customer data (G4-PR8).

Close follow-up of suppliers

In 2013, presentations were held regarding supplier management to ensure managers throughout the entire Group were informed. As a result of this, a Group-wide network of 'CR coordinators' (Corporate Responsibility) in the various business areas was established. The coordinators are responsible for ensuring the follow up of the minimum requirements in "Ethical standard for suppliers", which all of the Group's suppliers must sign and commit to.

In addition to monitoring suppliers with high sales to the Group, special focus was targeted toward road transport suppliers. We require that they sign a transport environmental statement. All suppliers must also sign an HSE statement.

A Group-wide IT system for the analysis and reporting of deviations from the Group's ethical requirements has been implemented. A review procedure was also established for the follow-up of high risk suppliers.

Strict criteria

Corporate Staff - Purchasing shall assess suppliers in conjunction with all purchases based on the criteria for the environment (G4-EN32), consequences for society (G4-SO09), human rights (G4-HR10) and work practice (G4-LA14). Corporate Staff- Purchasing signed a total of 108 agreements in 2013.

In total, 549 suppliers delivered self-reporting and have been evaluated based on environmental consequences (G4-EN33a) and compliance with the Group's ethical standard for suppliers (G4-SO10a, G4-HR11a, G4-LA15a). There were 244 road transport suppliers that were identified as potentially having negative environmental consequences (G4-EN33b). This includes emissions of greenhouse gasses that contribute to global warning, emissions of polluting gasses that contribute to a poorer daily environment and traffic noise. There were no agreed improvements or terminated agreements with any suppliers due to environmental consequences (G4-EN33d, G4-EN33f).

Twelve transport suppliers have been reviewed for compliance with the Group's ethical standard. No suppliers have been identified as having significant actual and potential negative consequences for human rights (G4-HR11b, G4-HR11c). Eleven of the reviewed transport suppliers have been identified as having significant actual or potential negative consequences for society (G4-SO10b) and/or work procedures (G4-LA15b). For five (42 per cent) of the reviewed suppliers, improvement plans for employee rights and/or business practice were adopted (G4-SO10d, G4-LA15d). For 58 per cent the supplier relationship was terminated due to the lack of consideration for employee rights and/or business practices (G4-SO10e, G4-LA15e).

The way forward

In 2014, the Group will further develop the implemented measures and procedures for supplier governance. Group management will adopt a new strategy for supplier governance for 2014–2016. For road transporters, improved Group-wide procedures will be established to ensure traffic safety in the supplier chain.

Posten Norge will further develop its work related to risk management of corporate social responsibility, with the goal of being among the best in the industry in the Nordic region.

The work

Organisation

- Legal Corporate Staff has an overall responsibility for compliance with the integrity standard in the Group. This entails establishing and maintaining Group-wide tools that will help with compliance.
- Legal Corporate Staff is responsible for implementing integrity due diligence of selected partners in line with internal guidelines. The same staff if responsible for management and operation of the Group's Warning Institute.
- A network of local resources in each division and subsidiary shall ensure that there is adequate information about Group-wide tools and that these tools are implemented locally.
- Corporate Staff Purchasing ensures that there are systematic and Group-wide solutions and coordinates work with supplier management in the Group. The Staff also follow up on suppliers with Group-wide agreements.

Integrity

Management approach

- Integrity is high on the Group's agenda.
- Group management is regularly updated on the status, risk profile and ongoing initiatives in the work related to compliance with the integrity standard and supplier management within the Group.

- The overall principles for the work with integrity are outlined in the Group's ethical guidelines and in the Group policy for corporate social responsibility. These principles are then taken into operation via regulations and Group-wide tools.
- Managers and other key personnel undergo regular training to ensure a high level of competence internally within the organisation.

GRI-profile

Norway Post's annual and sustainability report has been created in accordance with the Global Reporting Initiative (GRI) guidelines for sustainability reporting (the Sustainability Reporting Guidelines).

The profile information below is a part of this framework and describes the organisation and how the work on sustainability is organised.

Fully reported

Not reported

Strategy and Analysis

Strategy and Analysis

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-1)	Statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability. REPORT OF THE BOARD OF DIRECTORS THE CEO		
(G4-2)	Description om key impacts, risks, and opportunities. POSTEN NORGE AND SUSTAINABILITY REPORT OF THE BOARD OF DIRECTORS		

Organisational Profile

Organisational Profile

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-3)	Name of the organisation. THE GROUP		Posten Norge AS
(G4-4)	Primary brands, products, and services. SEGMENTS: E-COMMERCE DIVISION SEGMENTS: LOGISTICS NORWAY DIVISION SEGMENTS: LOGISTICS NORDIC DIVISION SEGMENTS: MAIL DIVISION		
(G4-5)	Location of the organisation's headquarters. NORDIC MAP		
(G4-6)	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report. NORDIC MAP		
(G4-7)	Nature of ownership and legal form. CORPORATE GOVERNANCE		
(G4-8)	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries). THE GROUP SEGMENTS: E-COMMERCE DIVISION SEGMENTS: LOGISTICS NORWAY DIVISION SEGMENTS: LOGISTICS NORDIC DIVISION SEGMENTS: MAIL DIVISION		

(G4-9) The scale of the organisation.

POSTEN NORGE AND SUSTAINABILITY
SEGMENTS
NOTE 1 SEGMENTS

(G4-10) Total number of employees by employment contract and gender, and by employment type and gender. Total workforce by employees and supervised workers and by gender, and by region and gender. Whether a substantial portion of the organisation's work is performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of Contractors. Any significant variations in employment numbers.

WORKING ENVIRONMENT REPORT
TABLE: PERMANENT EMPLOYEES

(G4-11) Percentage of total employees covered by collective bargaining agreements.

WORKING ENVIRONMENT REPORT

(G4-12) Description of the organisation's supply chain.

POSTEN NORGE'S SUPPLIERS

(G4-13) Any significant changes during the Reporting period regarding the organisation's size, structure, ownership, or its supply chain.

NOTE 28 OTHER MATTERS

(G4-14) Whether and how the precatutionary approach or principle is addressed by the organisation.

CORPORATE GOVERNANCE POINT 10

(G4-15) List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.

POSTEN NORGE AND SUSTAINABILITY

(G4-16) List of memberships of Associations and national or international advocacy organisations.

ENVIRONMENTAL REPORT
WORKING ENVIRONMENT REPORT
POSTEN NORGE AND SUSTAINABILITY

Identified Material Aspects and Boundaries

Identified Material Aspects and Boundaries

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-17)	List of all entities included in the organisation's consolidated financial statements or equivalent documents, and whether any of these is not covered by the report. GROUP STRUCTURE ORGANISATION MAP		
(G4-18)	Explanation of the process for defining the report content and the Aspect Boundaries. Explanation of how the organisation has implemented the Reporting Principles for defining report content. POSTEN NORGE AND SUSTAINABILITY		
(G4-19)	List of all the material Aspects indentified in the process for defining report content. POSTEN NORGE AND SUSTAINABILITY		
(G4-20)	Aspect Boundary within the organisation. ACCOUNTING PRINCIPLES POSTEN NORGE AND SUSTAINABILITY INTERNAL AND EXTERNAL EFFECTS OF SIGNIFICANT ASPECTS		
(G4-21)	Aspect Boundary outside the organisation. ACCOUNTING PRINCIPLES POSTEN NORGE AND SUSTAINABILITY INTERNAL AND EXTERNAL EFFECTS OF SIGNIFICANT ASPECTS		
(G4-22)	Effect of any restatements of information provided in previous reports, and the reasons for such restatements. ENVIRONMENTAL REPORT WORKING ENVIRONMENT REPORT POSTEN NORGE AND SUSTAINABILITY		
(G4-23)	Significant changes from previous reporting periods in the Scope and Aspect Boundaries. POSTEN NORGE AND SUSTAINABILITY		

Stakeholder Engagement

Stakeholder Engagement

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-24)	List of stakeholder groups engaged by the organisation. STAKEHOLDERS		
(G4-25)	Basis for identification and selection of stakeholders with whom to engage. POSTEN NORGE AND SUSTAINABILITY STAKEHOLDERS		
(G4-26)	The organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. POSTEN NORGE AND SUSTAINABILITY STAKEHOLDERS		
(G4-27)	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Stakeholder groups that raised each of the key topics and concerns. STAKEHOLDERS INTEGRITY REPORT ENVIRONMENTAL REPORT WORKING ENVIRONMENT REPORT DIALOGUE WITH STAKEHOLDERS - TABLE		

Report Profile

Report Profile

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-28)	Reporting period for information provided.		January 1. to December 31. 2013.
(G4-29)	Date of most recent previous report.		Norwegian webreport March 25. 2013. English webreport May 8. 2013
(G4-30)	Reporting cycle.		Annual Reporting.
(G4-31)	Contact point for questions regarding the report or its contents.		rapport@posten.no
(G4-32)	The "In accordance" option the organisation has chosen. The GRI Content Index for the chosen option. The Reference to the External Assurance Report. POSTEN NORGE AND SUSTAINABILITY GRI CONTENT INDEX		
(G4-33)	The organisation's policy and current practice with regard to seeking external assurance for the report. Scope and basis of any external assurance provided. The relationship between the organisation and the assurance providers. Whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report. INDEPENDENT ASSURANCE STATEMENT		

Governance

Governance

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-34)	Governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts. CORPORATE GOVERNANCE GROUP MANAGEMENT		
(G4-35)	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.		
(G4-36)	Whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.		
(G4-37)	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegate, describe to whom and any feedback processes to the highest governance body.		
(G4-38)	Composition of the highest governance body and its committees.		
(G4-39)	Whether the chair of the highest governance body is also an executive officer.		
(G4-40)	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.		
(G4-41)	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Whether conflicts of interest are disclosed to stakeholders.		

(G4-42)	Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.
(G4-43)	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.
(G4-44)	Processes for evaluation of the highest governance body's performance. Actions taken in response to this.
(G4-45)	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities, and whether stakeholder consultation is used to support this identification and management.
(G4-46)	Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics.
(G4-47)	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.
(G4-48)	Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material Aspects are covered.
(G4-49)	Process for communicating critical concerns to the highest governance body.
(G4-50)	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.
(G4-51)	Remuneration polices for the highest governance body and senior executives. How performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.
(G4-52)	Process for for determining remuneration.
(G4-53)	How stakeholders' views are sought and taken into account regarding remuneration.
(G4-54)	Ratio of annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees in the same country.
(G4-55)	Ratio of percentage increase in annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees in the same country.

Ethics and Integrity

Ethics and Integrity

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-56)	The organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics. THE GROUP POSTEN NORGE AND SUSTAINABILITY INTEGRITY REPORT		
(G4-57)	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organisational integrity, such as helplines or advice lines.		
(G4-58)	Internal and external mechanisms for Reporting concerns about unethical or unlawful behavior, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.		

GRI - Performance Indicators

Posten Norge's annual and sustainability report has been created in accordance with the Global Reporting Initiative (GRI) guidelines for sustainability reporting (the Sustainability Reporting Guidelines).

The performance indicators below are divided into three categories: economic, environmental and social. Social is again divided into four sub-categories: labour practices and decent work, human rights, the organisation's role in society and product responsibility. Posten Norge reports for 32 performance indicators. It thus qualifies for the core-level in 2013.

- Reported
- Not reported

Economic

Economic Performance

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EC1)	Direct economic value generated and distributed.		
(G4-EC2)	Financial implications and other risks and opportunities for the organisation's activities due to climate change.		
(G4-EC3)	Coverage of the organisation's defined benefit plan obligations.		
(G4-EC4)	Financial assistance received from government.		

Market Presence

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EC5)	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation. WORKING ENVIRONMENT REPORT		
(G4-EC6)	Proportion of senior management hired from the local community at significant locations of operation. WORKING ENVIRONMENT REPORT		

LAST NED TABELLEN I EXCEL

Indirect Economic Impacts

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EC7)	Development and impact of infrastructure investments and services supported.		
(G4-EC8)	Significant indirect economic impacts, including the extent of impacts.		

LAST NED TABELLEN I EXCEL

Procurement Practices

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EC9)	Proportion of spending on local suppliers at significant locations of operation.		

LAST NED TABELLEN I EXCEL

Environmental

Materials

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN1)	Materials used by weight or volume.		
(G4-EN2)	Percentage of materials used that are recycled input materials.		

LAST NED TABELLEN I EXCEL

Energy

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN3)	Energy consumption within the organisation.		
(G4-EN4)	Energy consumption outside of the organisation.		
(G4-EN5)	Energy intesity.		
(G4-EN6)	Reduction of energy consumption.		
(G4-EN7)	Reductions in energy requirements of products and services.		

Water

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN8)	Total water withdrawal by source.		
(G4-EN9)	Water sources significantly affected by withdrawal of water.		
(G4-EN10)	Percentage and total volume of water recycled and reused.		

LAST NED TABELLEN I EXCEL

Biodiversity

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN11)	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		
(G4-EN12)	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		
(G4-EN13)	Habitats protected or restored.		
(G4-EN14)	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		

Emissions

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN15)	Direct greenhouse gas (GHG) emissions (Scope 1). TABLE: CLIMATE ACCOUNTS		
(G4-EN16)	Energy indirect greenhouse gas (GHG) emissions (Scope 2). ENVIRONMENTAL REPORT		
(G4-EN17)	Other indirect greenhouse gas (GHG) emissions (Scope 3). ENVIRONMENTAL REPORT		
(G4-EN18)	Greenhouse gas (GHG) emissions intesity. ENVIRONMENTAL REPORT		
(G4-EN19)	Reduction of greenhouse gas (GHG) emissions.		
(G4-EN20)	Emissions of ozone-depleting substances (ODS).		
(G4-EN21)	NOx, SOx and other significant air emissions. TABLE: EMISSIONS TO AIR		

Effluents and Waste

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN22)	Total water discharge by quality and destination.		
(G4-EN23)	Total weight of waste by type and disposal method.		
(G4-EN24)	Total number and volume of significant spills.		
(G4-EN25)	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the basel convention annex I, II, III and VIII, and percentage of transported waste shipped internationally.		
(G4-EN26)	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and runoff.		

LAST NED TABELLEN I EXCEL

Products and Services

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN27)	Extent of impact mitigation of environmental impacts of products and services.		
(G4-EN28)	Percentage of products sold and their packaging materials that are reclaimed by category.		

Compliance

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN29)	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		

LAST NED TABELLEN I EXCEL

Transport

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN30)	Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce.		

LAST NED TABELLEN I EXCEL

Overall

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN31)	Total environmental protection expenditures and investments by type.		

LAST NED TABELLEN I EXCEL

Supplier Environmental Assessment

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN32)	Percentage of new suppliers that were screened using environmental criteria. INTEGRITY REPORT		
(G4-EN33)	Significant actual and potential negative environmental impacts in the supply chain and actions taken. INTEGRITY REPORT		

Environmental Grievance Mechanisms

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-EN34)	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.		

Social: Labor Practices and Decent Work

Employment

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-LA1)	Total number and rates of new employee hires and employee turnover by age group, gender and region. WORKING ENVIRONMENT REPORT		
(G4-LA2)	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation. WORKING ENVIRONMENT REPORT		
(G4-LA3)	Return to work and retention rates after parental leave, by gender. WORKING ENVIRONMENT REPORT		

LAST NED TABELLEN I EXCEL

Labour/Management Relations

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-LA4)	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements. WORKING ENVIRONMENT REPORT		

LAST NED TABELLEN I EXCEL

Occupational Health and Safety

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-LA5)	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. WORKING ENVIRONMENT REPORT		

(G4-LA6)	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender. WORKING ENVIRONMENT REPORT		
(G4-LA7)	Workers with high incidence or high risk of diseases related to their occupation. WORKING ENVIRONMENT REPORT		
(G4-LA8)	Health and safety topics covered in formal agreements with trade unions. WORKING ENVIRONMENT REPORT		

LAST NED TABELLEN I EXCEL

Training and Education

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-LA9)	Average hours of training per year per employee by gender, and by employee category.		
(G4-LA10)	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. WORKING ENVIRONMENT REPORT		
(G4-LA11)	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.		

LAST NED TABELLEN I EXCEL

Diversity and Equal Opportunity

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-LA12)	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity. WORKING ENVIRONMENT REPORT		

Equal Remuneration for Women and Men

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-LA13)	Ratio of basic salary and remuneration of women to men by employee cateogry, by significant locations of operation.		

LAST NED TABELLEN I EXCEL

Supplier Assessment for Labour Practices

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-LA14)	Percentage of new suppliers that were screened using labour practices criteria. INTEGRITY REPORT		
(G4-LA15)	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken. INTEGRITY REPORT		

LAST NED TABELLEN I EXCEL

Labour Practices Grievance Mechanisms

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-LA16)	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms.		

Social: Human Rights

Investment

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-HR1)	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.		
(G4-HR2)	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		

LAST NED TABELLEN I EXCEL

Non-discrimination

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-HR3)	Total number of incidents of discrimination and corrective actions taken. DIVERSITY REPORT		

LAST NED TABELLEN I EXCEL

Freedom of Association and Collective Bargaining

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-HR4)	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.		

Child Labour

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-HR5)	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.		

LAST NED TABELLEN I EXCEL

Forced or Compulsory Labour

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-HR6)	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.		

LAST NED TABELLEN I EXCEL

Security Practices

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-HR7)	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations.		

LAST NED TABELLEN I EXCEL

Indigenous Rights

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-HR8)	Total number of incidents of violations involving rights of indigenous peoples and actions taken.		

Assessment

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-HR9)	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.		

LAST NED TABELLEN I EXCEL

Supplier Human Rights Assessment

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-HR10)	Percentage of new suppliers that were screened using human rights criteria. INTEGRITY REPORT		
(G4-HR11)	Significant actual and potential negative human rights impacts in the supply chain and actions taken. INTEGRITY REPORT		

LAST NED TABELLEN I EXCEL

Human Rights Grievance Mechanisms

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-HR12)	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.		

Social: Society

Local Communities

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-SO1)	Percentage of operations with implemented local community engagement, impact assessments, and development programs.		
(G4-SO2)	Operations with significant actual and potential negative impacts on local communities.		

LAST NED TABELLEN I EXCEL

Anti-corruption

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-SO3)	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified. INTEGRITY REPORT		
(G4-SO4)	Communication and training on anti-corruption policies and procedures. INTEGRITY REPORT		
(G4-SO5)	Confirmed incidents of corruption and actions taken. INTEGRITY REPORT		

LAST NED TABELLEN I EXCEL

Public Policy

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-SO6)	Total value of political contributions by country and recipient/beneficiary.		

Anti-competitive Behaviour

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-SO7)	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes. INTEGRITY REPORT		

LAST NED TABELLEN I EXCEL

Compliance

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-SO8)	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		

LAST NED TABELLEN I EXCEL

Supplier Assessment for Impacts on Society

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-SO9)	Percentage of new suppliers that were screened using criteria for impacts on society. INTEGRITY REPORT		
(G4-SO10)	Significant actual and potential negative impacts on society in the supply chain and actions taken. INTEGRITY REPORT		

LAST NED TABELLEN I EXCEL

Grievance Mechanisms for Impacts on Society

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-SO11)	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.		

Social: Product Responsibility

Customer Health and Safety

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-PR1)	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.		
(G4-PR2)	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.		

LAST NED TABELLEN I EXCEL

Product and Service Labeling

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-PR3)	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.		
(G4-PR4)	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.		
(G4-PR5)	Results of surveys measuring customer satisfaction. STAKEHOLDERS		

Marketing Communications

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-PR6)	Sale of banned or disputed products.		
(G4-PR7)	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsoprship, by type of outcomes.		

LAST NED TABELLEN I EXCEL

Customer Privacy

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-PR8)	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. INTEGRITY REPORT		

LAST NED TABELLEN I EXCEL

Compliance

GRI INDICATOR	DESCRIPTION	REPORT	COMMENTS
(G4-PR9)	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		

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Organisation

Over 20,000 quality-conscious employees, in 14 countries, ensure that Ina and all of our other customers receive what they are waiting for.

The Group

Posten Norge 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

Posten Norge will be the world's most future-oriented mail and logistics group.

Business concept

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

Development goals for 2016

Posten Norge's Group strategy is to develop an integrated and industrialised Nordic mail and logistics business.

This entails that:

The Group will develop leading positions in all the Nordic countries within selected service areas. It will offer Nordic solutions to Nordic and international customers in the Nordic market.

The Group's value chains shall be reduced in number and integrated into a single distribution and terminal network with a coordinated customer interface. All information about products and capacity will be available in the entire value chain across geographical and organisational units.

The Group will create increased customer value and competitiveness through standardisation, the development of module-based solutions, industrial customisation and continuous improvement.

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 and strategies

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

- Satisfied customers
- Leading market positions
- Profitable growth and a competitive increase in value
- Attractive workplaces and a good working environment

Posten Norge has defined the following Group-wide challenges for developing its prerequisites and ability to achieve the Group's main goal:

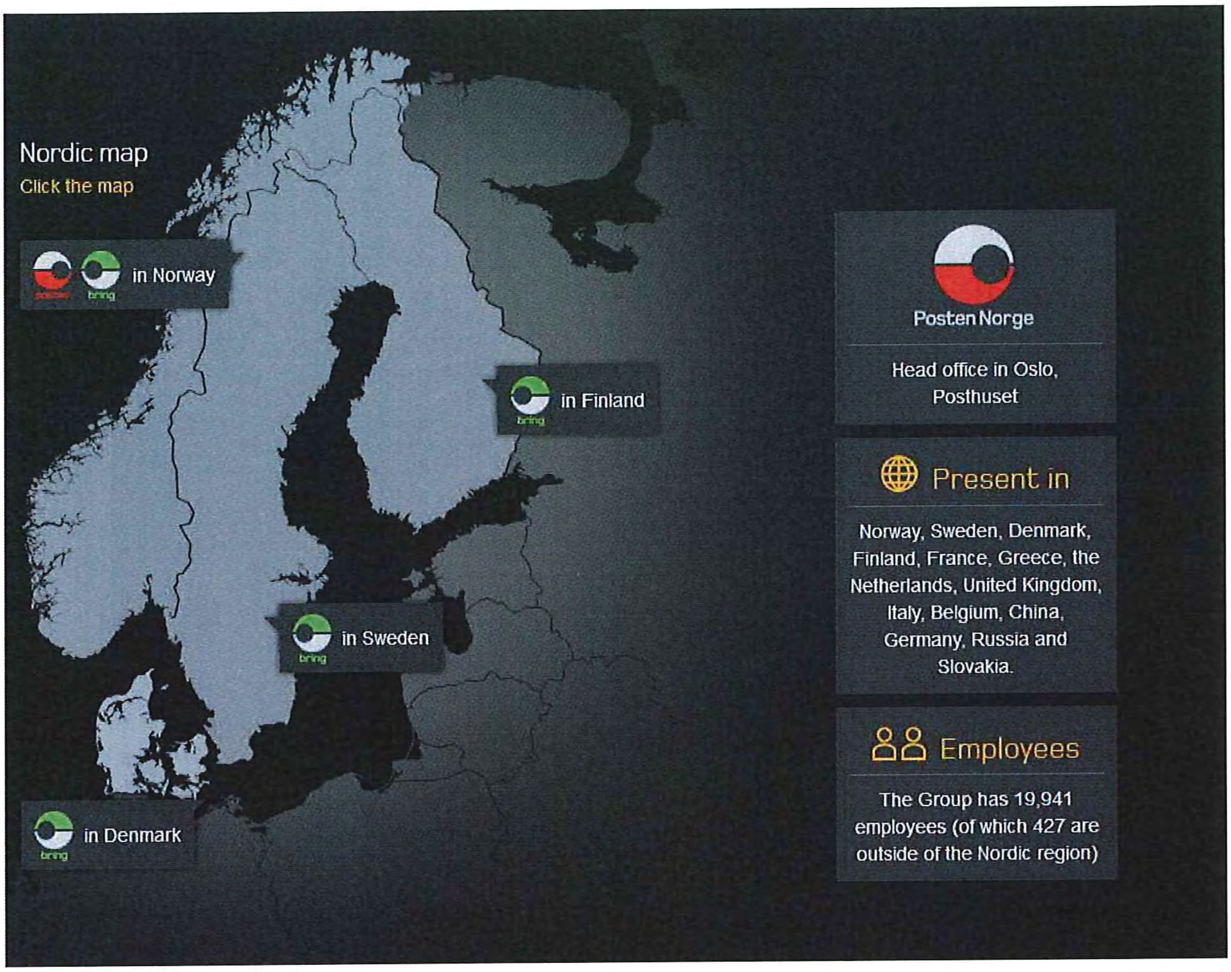
- Stronger customer orientation and "winning the customer's heart"
- Strengthening cross-sales and increasing synergies
- Industrialisation and continuous improvement
- Leading environmental position as a competitive advantage
- Attractive workplace, leader within HSE
- Communication with the market via two brands, Posten and Bring

Leadership principles

To be a leader in the Group means to set goals, release energy and control resources. The Group's leaders must practise value-based leadership that balances involvement and control. Good managers are a prerequisite for employees to be happy and to give their best. Leaders are role models in their behaviour and must bring the Group's values to life.

Our leaders are characterised in that they:

- are visible
- are clear
- take and give responsibility
- develop and inspire employees


Nordic map
Click the map
in Norway
in Finland
in Sweden
in Denmark
Posten Norge
Head office in Oslo, Posthuset
Present in
Norway, Sweden, Denmark, Finland, France, Greece, the Netherlands, United Kingdom, Italy, Belgium, China, Germany, Russia and Slovakia.
Employees
The Group has 19,941 employees (of which 427 are outside of the Nordic region)

Norway

Nordic map
Click the map
bring
Freight transport by road, sea, air or rail, express logistics and courier services, temperature-controlled logistics services, parcel distribution, development and operation of complete supply chains for companies, warehousing solutions, distribution of letters, goods and advertising, customer dialogue and CRM.
posten
Sales and customer service, Post in Shops, post offices, rural delivery persons, business centres, terminals.
Present in
All of Norway
Employees
15,916

Sweden


Nordic map
Click the map
bring
Freight transport by road, sea, air or rail, express logistics and courier services, temperature-controlled logistics services, parcel distribution, development and operation of complete supply chains for companies, warehousing solutions, distribution of letters, goods and advertising, customer dialogue and CRM.
Present in
Stockholm, Helsingborg, Gothenburg, Malmö, Jönköping and Örebro. In total over 50 offices in the whole of Sweden.
Employees
3,166

Finland

Denmark

Group management

Corporate Management consists of Gunnar Henriksen, Tone Wille, Tim Jørnsen, Dag Mejdell, Gro Bakstad, Elisabeth Hegg Gjølme, Randi Løvland and Tore K. Nilsen.

Group structure

Posten Norge is organised as four divisions and three corporate staff units. Group management consists of the Group CEO and seven Group Directors.

Group management deals with issues and decisions relating to the Group's strategy, budgets, follow-up of results, significant investments, pricing strategies, and issues of significance to Posten Norge's reputation, market and customers, as well as issues of a fundamental and strategic nature. Group Directors lead the divisions or corporate staff units and report to the President and CEO.

Line responsibility

The four divisions are: Mail, Logistics Norway, Logistics Nordic and E-commerce. 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 services with the associated service and quality.

Professional responsibility

The Group has established corporate staffs with responsibility for common functions and Group development within the areas of HR/HS&E, Communications and Economy/Finance/IT. There is also a Group-wide Lean unit. Corporate staff members are professional driving forces who help support business strategies, and help to develop a professional environment within 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.

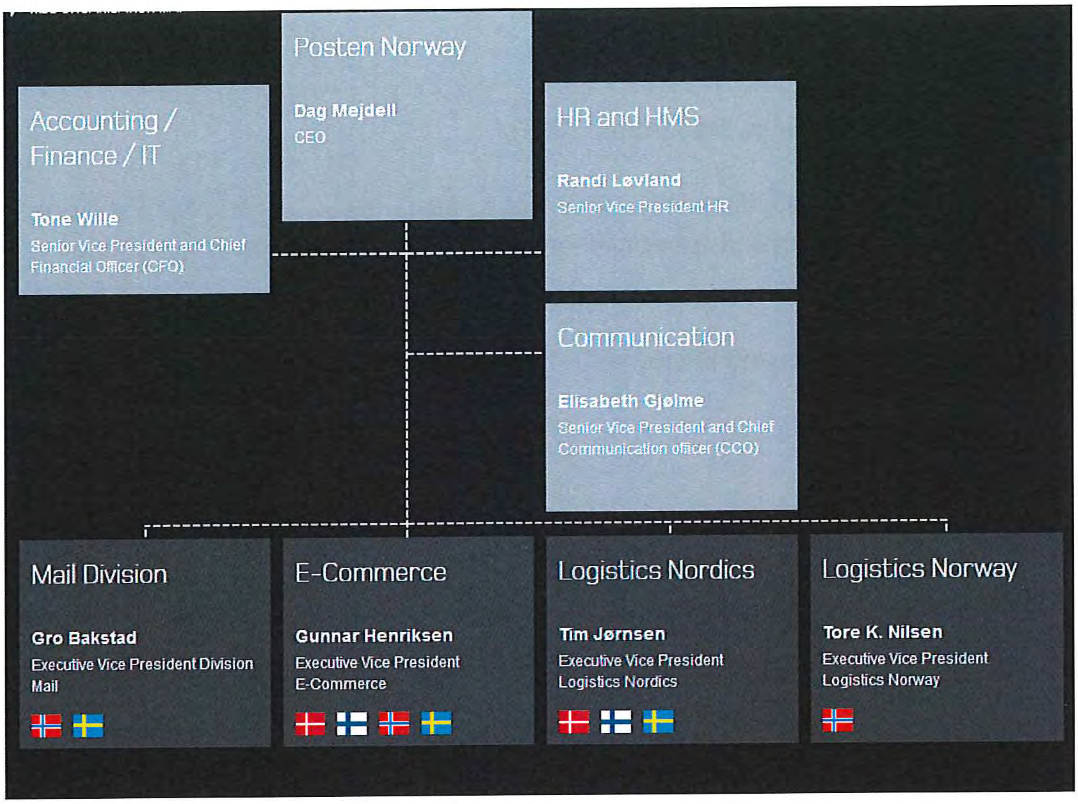
The Mail division is responsible for traditional postal services in Norway (including statutory services), as well as in Sweden through Bring Citymail. In addition, the division is responsible for operating the Group's activities within digital services and dialogue services. The Mail division continuously adapts its costs and capacity, and develops new physical and digital services and infrastructure.

The Logistics Norway division develops and delivers the Group's services within the logistics segment in Norway. The division operates the domestic parcel and freight terminals and transports mail, parcels and freight. The division is particularly focused on realising economies of scale in its network, ensuring interaction and cooperation with the Mail and Logistics Nordic divisions, and developing integrated solutions in order to meet customers' needs.

The Logistics Nordic division is responsible for the Group's services within the logistics segment in Sweden, Denmark and Finland, as well as the Express brand throughout Scandinavia. The divisions shall establish, develop and operate networks for parcels and freight in the Nordic countries, and develop Sweden's position as a natural hub for logistics moving into and out of the Nordic region.

The geographical organisation of the logistics segment is based upon the different positions and strengths in the Nordic countries. The logistics divisions shall serve customers in a uniform manner, optimise national networks and utilise economies of scale across countries and business areas.

The E-commerce division is an important growth area for the Group. A dedicated E-commerce division is established in order to support activities and develop special competence and new, customised solutions. The division serves the Group's largest customers within the B2C segment and is also responsible for services and concept development targeted towards all e-commerce customers. The E-commerce division provides no production itself, but is responsible for ensuring an efficient interface between other divisions that are responsible for deliveries.



Dag Mejdell

Born: 1957

President and CEO (since January 2006)

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

Education: Master of Economics and Business Administration

Tore K. Nilsen

Born: 1956

Executive Vice President Logistics Division (since October 2012)

Previous positions: Executive Vice President Division Mail at Norway Post, Group Director at Securitas, Divisional Manager at Security Service Europe

Education: Norwegian Police Service

Tone Wille

Born: 1963

Senior Vice President/CFO/IT (since September 2012)

Previous positions: Director of Finance and corporate governance at Division Mail at Norway Post, Investment Director at Norfund, Senior VP and CFO at GE Energy (Norway) AS and former Kværner Energy AS

Education: Master of Economics and Business Administration

Tim Jørnsen

Born: 1966

Executive Vice President Logistics Nordic Division (since October 2012)

Previous positions: CEO of Palletways Europe GMBH, CEO of UPS Norden

Education: Bachelor of Business Administration

Randi Løvland

Born: 1957

Senior Vice President of HR and HS&E (since September 2008)

Previous positions: Transport Director and Communications Manager at Norway Post, Division Director and Strategy Manager at Bravida Oslo and Akershus AS, Union Manager in The Norwegian Post Organization

Education: Norway Post

Gro Bakstad

Born: 1966

Executive Vice President Mail Division (since September 2012)

Previous positions: Senior Vice President/CFO at Norway Post, Financial Advisor at Procorp, Director of Finance at Ocean Rig

Education: Master of Economics and Business Administration and CPA

Elisabeth Hegg Gjølme

Born: 1960

Senior Vice President of Communications (since April 2000)

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

Education: Bachelor of Business Administration

Gunnar Henriksen

Born: 1959

Executive Vice President E-Commerce Division (since November 2012)

Previous positions: Senior Vice President Sales and Customer Service, Mail Division, Norway Post, Director Postal offices network, Norway Post, Director Banking, Norway Post. Various positions in the banking industry and in 3M Group in the Nordic countries and USA

Education: Master of Economics and Business Administration

Our brands

Posten Norge meets the market with two brands: Posten for the private market and Bring for the business market.

Posten – We live to deliver

Posten is responsible for the daily distribution of mail throughout Norway, and has the post office network and the services for private customers.

- **Services:** Offers a broad spectrum of mail services and emphasises secure delivery and freedom of choice for mail and parcel recipients via a good selection of delivery options.

- **Background:** Posten was established in 1647 and has 366 years of experience in the distribution of letters and parcels in Norway. Read about our history.

- **Reputation**: MMI/Ipsos's 2013 reputation survey showed that Posten had moved up a full 20 places, from 39th to 19th place. This makes Posten the company that has made the most progress in the survey compared with the previous year. 64 per cent of respondents state that they have a positive impression of Posten, compared with 57 per cent in the preceding year.

Bring – Finding New Ways

Bring is one of the Nordic region's largest suppliers of postal and logistics services.

- **Background:** After ten years of acquisitions of various companies with different brands, Norway Post AS brought these under the same umbrella in 2008 and launched the Bring brand.

• **Strong brand:** Since its inception, Bring has quickly established itself as a well-known, strong and preferred brand in the Nordic market, and is now one of the Nordic region's biggest supplier of postal and logistics services.

Among the target group of senior and middle managers, surveys in autumn 2013* showed that awareness of Bring was at 91 per cent in Norway, 66 per cent in Sweden and 31 per cent in Denmark.

* *Ipsos MMI carries out these surveys twice a year.*

Bring offers the market a range of services:

- parcel services with a Nordic-wide distribution network
- express and courier services for both regular and occasional deliveries
- goods transport by road, sea, air or rail
- warehousing solutions for most types of products, whether these involve large volumes, bulk storage or individual pallets
- temperature-controlled logistics services – delivery and storage of fresh, refrigerated and freezer goods from the producer to the table
- fourth party logistics solutions – develops and operates complete supply chains for companies
- distribution of letters and advertising – tailored solutions or basic distribution services
- customer dialogue and CRM based on customer insight, CRM tools and the customer's own experience database

Sponsoring handball in Norway and Sweden

Posten Norge is the general sponsor for Norges Håndballforbund (NHF). This collaboration contributes to the profiling of Posten and Bring throughout Norway. At the same time, handball-related activities provide a good opportunity to bring employees from different parts of te Group together and build unity and pride. The agreement with NHF was re-negotiated in 2014 and runs until July 2018. The new agreement is worth close to MNOK 30 for the four years.

The Group also collaborates with the Swedish handball association, as a sponsor for both the women's and men's national team. This is in order to increase awareness of Bring in the Swedish market.

Corporate Governance

Each year the Board of Directors of Posten Norge submits a statement concerning the compliance of the Norwegian Code of Practice for Corporate Governance (NUES recommendation).

Below (points 1-15) is a statement of how the points in the NUES recommendation have been followed in Posten Norge AS (Posten). This includes both details of how the principles have been met, the reason for any non-compliance, if applicable, and how Norway Post rectified any non-compliance with the recommendation.

The Norwegian government is the company's sole owner. As a result of this, Posten's corporate governance deviates from point 4 of the NUES recommendation on the equal treatment of shareholders and transactions with related parties, point 5 on the free sale of shares, point 6 on general meetings, point 7 on election committees and point 14 on company takeovers.

The Board must also provide information on corporate governance in accordance with Section 3-3b of the Norwegian Accounting Act. The statement below follows the NUES recommendation's systematic structure. Point 16 contains a summary of where the information required by Section 3-3b of the Norwegian Accounting Act can be found.

Point 1 Statement on corporate governance

The Board of Directors emphasises the importance of establishing and further developing a high standard for corporate governance, equivalent to Norwegian standards for best practice, including the NUES recommendation, see www.nues.no/en/.

Posten is a limited company wholly-owned by the Government. The Group's corporate governance is based on and in accordance with Norwegian law and the Norwegian Government's ownership policy in force at any given time.

Good corporate governance is a prerequisite for a profitable and powerful company. 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 been given an important social responsibility with its licence from the Ministry of Transport and Communications - that of ensuring nationwide, high quality and cost-effective postal services. This 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 its activities - with regard to employees and its operating environment, such as its customers, suppliers and business partners. The Group's values are Integrity, Respect, Cooperation, Openness and Courage. In addition to this platform of shared values, ethical guidelines and leadership principles have been established.

These ethical guidelines are also included in the Group's integrity programme. The aim of the integrity programme is to increase awareness and knowledge about how to handle typical ethical dilemmas. This will help to ensure that the Group always takes human rights, anti-corruption, working conditions, HSE, discrimination and environmental conditions into consideration.

Point 2 Business

Posten's social responsibility is to ensure the provision of nationwide, high quality and cost-effective postal services in Norway. This social responsibility is described in Posten's licence given by the Ministry for Transport and Communications. The current licence applies until 31 December 2016.

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

All of these conditions are stated in section 3 of Posten's articles of association. The complete articles of association are found at http://www.postennorge.no/om-posten/styring-og-ledelse/vedtekter.

As well as meeting the service requirements in the social responsibility, 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.

This also means that imposed non-profit services that are part of the social responsibility is to be financially compensated by the owner.

Within this framework Posten has developed over the past decade into an industrial group that operates in the mail and logistics business areas with the Nordic region 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 adapting to new customer requirements, competiveness, market position and profitability.

The Board of Directors establishes 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.

The following fundamental principles form the basis for the development of the Group:

- Posten shall undertake its social duties in accordance with the adopted licence requirements.

- Posten's business shall be customer oriented, effectively serve customers' requirements and be available where the customer is located.

- Posten shall be a trusted third party to its customers

- Posten shall ensure a unified culture and common values.

- Posten shall develop strong, profitable and sustainable market positions within the areas in which the Group operates.

- Posten shall work to extract cost benefits through efficiency measures, coordination of the value chain, industrialization and continuous improvement of processes, as well as transparent and integrated business management.

- Posten shall be an environmental leader and work actively to reduce the company's impact on the external environment. Norway Post shall develop good and attractive workplaces.

- Posten shall develop good and attractive workplaces.

Continuous improvement is an important common denominator in the development of the Group. This entails continuous work with product and services portfolios, structures, processes and systems, to increase the customer value overall and reduce unnecessary use of resources.

Posten also recognises the importance of corporate social responsibility in how its operations affect people, the environment and society. This is achieved by reducing the impact of its activities on the external environment as well as developing the Group as an attractive workplace with a diverse and inclusive work 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.

Posten'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. The Group works continuously in a goal-oriented manner to reduce absence due to sickness and the number of employees who are newly incapacitated for work and to avoid lost-time injuries.

With the establishment of a Group-wide integrity programme the Group is actively working to prevent corruption and contributing to respect for human and workers' rights. In this way Posten's Board wishes to focus on how the Group's operations can promote the work with social responsibility, both internally and externally, towards the different stakeholders of the Group. Refer to the Sustainability Report.

Point 3 Company's capital and profits

Equity

As at 31 December 2013 the Group's equity was MNOK 6,090, which gave an equity ratio of 36.3 percent of the Group's total assets. This level is deemed adequate with regard to the Group's required solidity in order to implement the company's goals and strategies within an acceptable risk profile.

Dividend

Posten's general meeting is not bound by the Board's proposal for the distribution of dividends, cf. section 20-4 (4) of the Companies Act, and the company is thus subject to the Government dividend policy in force at any given time. The Norwegian government's dividend policy for Posten is that 50 percent of Group post-tax profits can be paid as a dividend. However, before the annual dividend is determined an independent assessment of the Group's financial situation and future prospects shall be carried out.

Point 4 Equal treatment of shareholders and transactions with related parties

Posten has only one share class. All shares are owned by the Norwegian state and managed by the Ministry of Transport and Communications.

Posten and the state as owner have 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 to the owner.

Posten deviates from the NUES recommendation on this point. Due to government ownership the NUES recommendation on different share classes and 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 28.

Point 5 Free sale

All shares are owned by the Norwegian state and managed by the Ministry of Transport and Communications. In accordance with section 3 of its articles of association, Norway Post is to operate as a limited company wholly-owned by the Government.

Posten deviates from the NUES recommendation on this point. Due to government ownership, the Board deems this point of the NUES recommendation not to be relevant for Norway Post.

Point 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.

Posten deviates from the NUES recommendation on this point because the Companies Act section 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, President and 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.

Point 7 Election committee

The Norwegian Government, through the Minister of Transport and Communications, is the only shareholder, and the company therefore does not have an election committee. The Board of Directors is appointed by the general meeting in accordance with section 20-4 (1) of the Norwegian Companies Act. Posten deviates from the NUES recommendation on this point.

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

A Group-wide scheme was established for the election 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 elected and have voting rights.

Point 8 Corporate assembly and Board of Directors, composition and independence

Corporate assembly

Posten is subject to the main rule of the Norwegian 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 section 6-35 of the Norwegian Companies Act. The same agreement gives the right to an expansion of employee representation on the Board of Directors from three to four representatives.

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 nominated by the general meeting. As the sole shareholder the Norwegian state represented by the Ministry of Transport and Communications designates and selects all the shareholder-appointed Board members. There are currently six shareholder-appointed Board members. There are no deputies for the shareholders' representatives on the Board of Directors.

By virtue of the agreement the employees have the right to elect up to four members of the Board of Directors.

The Board of Directors has in 2013 consisted of 6 men and 4 women. There has not been made any changes in the composition of the Board in 2013 – neither for the shareholder-appointed Board members nor the employee representatives. Among the shareholder-appointed members, then women amounted to 50 per cent, and among the employee representatives, the women amounted to 25 per cent.

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 its members stand for election at the same time.

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

Independence of the Board of Directors

The Board of Directors assesses the independence of its members on a continuous basis. As at 31 December 2013 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 their evaluations or decisions as Board members of Posten.

Point 9 The Board's work

Duties of the Board of Directors

The Board of Directors of Posten is responsible for the overall management of the Posten 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 President and CEO's work form part of the instructions for the Board of Directors of Norway Post.

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

The Board ensures 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 presentations by the President and CEO. The Company expects these presentations to constitute a good and satisfactory basis for considering the matter. The Board has appointed a Vice-chairman of the Board who functions as chairman if the Chairman of the Board cannot or ought not lead the work of the Board.

The Board held 9 board meetings in 2013, of which 7 were ordinary and 2 were extraordinary board meetings.

The Board carries out an annual evaluation of its work and its competence. The Board is also evaluated by the company's 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: to prepare the Board's follow-up work on reporting processes for the financial accounts (including ongoing contact with the company's external auditor regarding the audit of the annual financial statements), to supervise the systems for internal control and risk management and to supervise 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 Director's remuneration committee

A remuneration committee has been established which consists of three 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 President and CEO. The committee otherwise contributes to the thorough and independent handling of remuneration issues for leading employees.

Point 10 Risk management and internal control

The Board of Directors' responsibility for risk management and internal control is set out in the company's articles of association and internal governing documentation as well as in 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 establishes how the management and control of the Group shall be carried out. The documents set 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 committed to integrating risk management and internal control into the Group'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. This risk analysis is based on the Group' strategy, business plans and targets. The process is 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. This is followed up with actions and recommendations in order to manage and control the individual risk factors and avoid events that can adversely affect the Group's operations and reputation.

A central monitoring process for internal control has also been established to help ensure that there is adequate and effective internal control for specified risk areas. One element in this process is to propose specific measures to improve internal control. The implementation of proposed measures 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. In addition, processes have been implemented to ensure that the Group carries out systematic reporting of corporate social responsibility.

Posten's consolidated financial statements are presented in accordance with the applicable IFRS regulations. The Group's reporting process for the financial accounts is described in the Group's governing documentation, which includes procedures and rules for monthly, quarterly and annual reporting. The Group's accounting principles are described in more detail in the Group's accounting manual. The reporting and consolidation of financial accounting information is carried out in a common reporting system. The Group utilises a common Group account plan and the Group accounts department makes use of both built-in system controls and manual controls to ensure complete and consistent accounting information. The consolidation of accounting information takes place at multiple levels within the Group. Subsidiaries are responsible for their Group/Company accounts being reported in accordance with the Group's principles and routines.

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 and continuous efforts are made to increase awareness of this standard. Norway Post also established an integrity programme which shall help to ensure a high and precise ethical standard with regard to anti-corruption, competitive practices, social dumping and the handling of information. The Group's suppliers and business partners are required to comply with the same standard.

Openness is one of the Group's core values and 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 for the prevention and rectification of non-compliance. All employees and business partners are therefore encouraged to report any censurable and/or illegal conditions as soon as possible. This is a part of the individual's responsibility.

A corporate unit for misconduct has been established to ensure good and safe receipt and follow-up of reports. The corporate unit for misconduct shall ensure that the reports are not met with negative reactions or sanctions. The Board of Directors' audit committee reviews the report from the Group's corporate unit for misconduct every six months.

Point 11 Remuneration to the Board of Directors

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. Details of the remuneration for the Board members in 2013 are presented in note 2.

Point 12 Remuneration to senior executives

The Board has prepared a statement concerning the determination of salaries and other benefits for the General Manager and other senior executives. This statement is prepared in accordance with Section 8, last paragraph of the articles of association and builds upon the principles in the Government's guidelines for state ownership on this subject.

The statement shall be presented to the ordinary general meeting.

The Board considers incentive systems to be an important tool for focusing 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 will be covered by the company's business.

Routines have been established to ensure that more than just the closest manager is involved in the decision-making process concerning employment, pay and bonuses. In such situations, the person making the decision/manager shall obtain approval from his/her immediate superior.

The statement concerning the determination of salaries and other benefits for the General Manager and other senior executives is included in note 2.

Point 13 Information and communication

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

Financial information is reported quarterly at stipulated times as set out on the company's website in accordance with the Oslo Stock Exchange's information requirements.

These reports are made available at www.postennorge.no, in both Norwegian and English.

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

The history of Posten Norge

Some of the milestones in our 367-year history.

1647: The Norwegian postal service is established by the Danish governor in Norway, Hannibal Sehested.

1719: The State assumes responsibility.

1827: The need to improve postal delivery along the coast and abroad makes the postal service into the country's first steamship company.

1854: Posten is also on board when the first railway is established from Christiania to Eidsvoll. The Railways Act of 1848 stated that mail should be carried by train and that postal stations should be located in train 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.

1872: The postcard is introduced.

1920: Norway's first official air route opens with Posten on board.

1943: The postgiro is introduced in Norway.

1950: Norway's Postal Savings Bank is established.

1968: Postcodes are introduced to manage better the increasing volume of mail.

1976: Oslo postal terminal and the Postgiro building is built.

1984: Changeover from contents-based classification of letter post to pricing according to time of forwarding (A, B and C post).

1995: Postbanken is established as an independent bank following the merger of Postbanken and Postgiro. In the same year Posten buys Statens Datasentral, merges it with Posten's Datasentral and renames it Posten SDS (latterly EDB ErgoGroup, now Evry).

1996: Posten Norge changes from an administrative agency of the government to a state owned company with «limited liability»: Posten Norge BA.

1998-2007: Posten Norge carries out a number of acquisitions in heavy goods and express transport. This includes the purchase of Citymail in Sweden.

2000: Posten's plans for transforming traditional post offices to Post in Shops are approved by Parliament.

2002: Parliament makes Posten Norge a limited company: The Posten Norge Group.

2008: The new brand Bring is launched, while the Posten logo is modernised.

2010: Posten Norge's South Eastern Norway terminal at Lørenskog is officially opened by King Harald.

2011: Norway's new digital mail system, Digipost, opens 4 April.

2014: Posten's digital mailbox, Digipost, is chosen as the public sector's digital mail supplier.

Point 14 Company takeovers

Posten deviates from the NUES recommendation on this point. Posten's articles of association state that the company shall operate as a limited company wholly-owned by the Government, and the Board therefore deems this point of the NUES recommendation not to be relevant for Norway Post.

Point 15 Audit

Posten 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 and gives his view of the Group's accounting principles, risk areas, internal control procedures 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.

Point 16 Requirements of Section 3-3b of the Norwegian Accounting Act

The Board must also provide information on corporate governance in accordance with Section 3-3b of the Norwegian Accounting Act. Below is an overview of where in the statement above this information is described.

1. «details of the recommendations and rules on corporate governance which cover the enterprise or which the enterprise otherwise decides to follow»: see point 1 Statement on corporate governance.

2. «information about where the recommendations and rules mentioned in no. 1 are publicly available»: see point 1 Statement on corporate governance.

3. «reasons for any non-compliance with the recommendations and rules mentioned in no. 1»: There are five cases of non-compliance described in detail in point 4 Equal treatment of shareholders, point 5 Free sale of shares, point 6 General Meeting, point 7 on election committees and point 14 Company takeovers.

4. «a description of the main elements in the company's, as well as the Group's if Group accounts are also prepared, systems for internal control and risk management related to the accounts reporting process»: see point 10 Risk management and internal control

5. «provisions of the Articles of Association which fully or partly expand or exclude provisions of chapter 5 of the Public Limited Companies Act»: see point 6 General Meeting.

6. «the composition of the Board of Directors, corporate assembly, representative and control committee; if applicable any working committee for these bodies, as well as a description of the main elements in the applicable instructions and guidelines for the bodies' and, if applicable, the committees' work»: see point 8 Corporate assembly and Board of Directors, composition and independence and point 9 The Board's work.