



Q1 2013 Results

7 May 2013

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Business highlights Q1 2013

Financials

Q&A

Note to this presentation: comparative 2012 figures have been restated to reflect the effect of the adoption of IAS19R as well as the transfer of the customer contact services from Mail in the Netherlands to PostNL Other

Overview Q1 2013



	Mail in NL	Parcels	International
Volumes	Addressed -9.5% ¹ ▼	Like for like +6.2% ▲	Solid growth ▲
Underlying revenues	€538 million ▼	€198 million ▲	€419 million ▲
Underlying cash operating income	€(1) million ▼	€24 million ▲	€7 million ▲
	<ul style="list-style-type: none"> Reorganisation progressing according to plan 	<ul style="list-style-type: none"> Roll out NLI on 50% milestone 	<ul style="list-style-type: none"> Positive contribution from all countries



Mail in the Netherlands

Reorganisation progressing according to plan



(€ million, %)	Q1 2013	Q1 2012
Underlying revenues	538	569
Underlying cash operating income	(1)	22
Addressed mail volumes	-9.5% ¹	-7.9%
Cost savings	9	11

- Q1 service quality 96.1% – above statutory level
- Definitive CLA Mail Netherlands
- In principle CLA for mail deliverers
- Controlled roll out reorganisation
 - 35 depots migrated in Q1 2013
 - positive advice Works Council on adjusted roll out plan reorganisation Operations
 - voluntary outflow employees on track

Regulatory developments

Adjustments to Universal Service Obligation



USO

- Minister intends to increase basic rate for letters by €0.06 as of 1 July
- Minister announced further need for modernisation of USO, vision on postal market to be presented in May
- Application for net cost compensation 2011 withdrawn

Monday delivery and SMP legislation

- Amendment to cancel Monday delivery sent to Parliament
- Decision making on legislation will be in 2013
- Implementation SMP by ACM will take one to two additional years



Parcels – strong like-for-like volume growth

New logistical infrastructure 50% milestone reached



(€ million, %)	Q1 2013	Q1 2012
Underlying revenues	198	161
Underlying cash operating income	24	23
Volumes (like-for-like)	+6.2%	+4.6%

- External revenue growth €20 million of which €10 million from trans-o-flex
- Results impacted by restructuring charges for trans-o-flex and temporary migration costs due to transfer from old to new infrastructure
- Further improvement efficiency, high quality retained
- New logistical infrastructure
 - Nine depots operational
 - 45-50% volumes through new network
 - Old sorting centre (Dordrecht) closed, all processes transferred to new structure

International

Continuation of improvement in results



(€ million)	Q1 2013	Q1 2012
Underlying revenues	419	397
Underlying cash operating income	7	5



UK

- Good overall growth
- Positive evaluation pilot E2E; expansion into London SW area started
- Search co-investor started
- No need for Ofcom to apply regulations that restrict E2E

Germany

- Higher volumes: new and existing customers
- Cost savings according to plan
- Postcon revenues not affected by actions Compador

Italy

- Continued strong growth: direct mail and registered mail
- Formula Certa coverage up to 69%

Sustainable delivery of cash in 2015



Pricing

- 1 January 2013 basic rate up to €0.54
- USO: intention Minister +€0.06 on 1 July 2013

Roll out reorganisation

- Successful start with migration 35 depots
- Positive advice Works Council on implementation new roll out
- Voluntary outflow employees on track
- Quality restored above statutory level
- Redesign head office management structure and commercial organisation completed
- Implementation organisation started

Synergies

- Preparations pilot combining parcel and mail deliveries in rural areas
- PO box delivery Parcels and registered mail integrated in NLI structure

Pensions

- Ongoing discussions with pension fund on joint proposal PostNL and unions for changes to the pension arrangement

Parcels

- Good progress in the roll out of the new logistical infrastructure

International

- Further improvement profitability in all three countries



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Financial highlights



€ million	Q1 2013	Q1 2012 restated	Change
Reported revenues	1,071	1,067	0.4%
Reported operating income	74	110	-32.7%
Restructuring related charges	8	1	
Rebranding costs		1	
Underlying operating income	82	112	-26.8%
Underlying cash operating income	22	49	-55.1%
Net cash (used in) / from operating and investing activities	(104)	(7)	

2012 figures restated for comparative reasons



€ million	Revenues			Underlying operating income				Underlying cash operating income		
	Q1 2012	Transfer related	Q1 2012 restated	Q1 2012	IAS 19R related	Transfer related	Q1 2012 restated	Q1 2012	Transfer related	Q1 2012 restated
Mail in NL	579	(10)	569	52	10	1	63	21	1	22
Parcels	161		161	22	2		24	23		23
International	397		397	5			5	5		5
PostNL Other / intercompany	(70)	10	(60)	44	(23)	(1)	20	0	(1)	(1)
Total PostNL	1,067	0	1,067	123	(11)	0	112	49	0	49

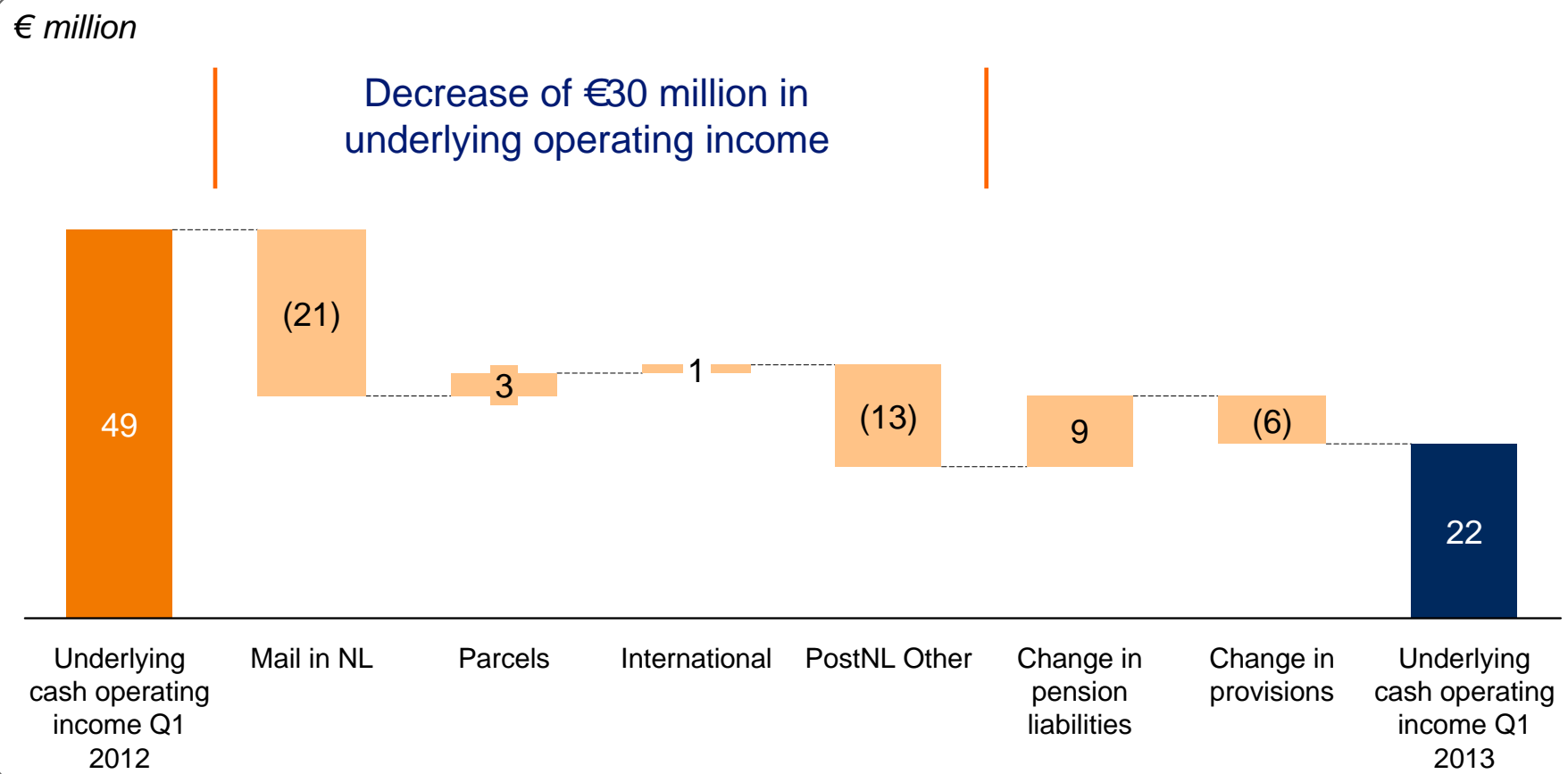
- Transfer customer contact services from Mail in NL to PostNL Other
- Effect of adoption IAS 19R

Underlying results per segment



€ million	Underlying revenues			Underlying operating income			Underlying cash operating income		
	Q1 2013	Q1 2012 restated	Change	Q1 2013	Q1 2012 restated	Change	Q1 2013	Q1 2012 restated	Change
Mail in NL	538	569	-5.4%	42	63	-33.3%	(1)	22	
Parcels	198	161	23.0%	27	24	12.5%	24	23	4.3%
International	419	397	5.5%	6	5	20.0%	7	5	40.0%
PostNL Other / intercompany	(79)	(60)		7	20		(8)	(1)	
Total PostNL	1,076	1,067	0.8%	82	112	-26.8%	22	49	-55.1%

Reconciliation underlying cash operating income



Statement of income



€ million	Q1 2013	Q1 2012
Revenues	1,071	1,067
Operating income	74	110
Net financial expenses	(31)	(25)
Results from investments in associates	39	1
Reversal of / (impairment) of investments in associates	(481)	570
Income taxes	(11)	(23)
Profit for the period	(410)	633
<i>Profit for the period (excluding TNT Express)</i>	32	62

Net cash from operating and investing activities



€ million	Q1 2013	Q1 2012
Cash generated from operations	(72)	53
Interest paid	(1)	(3)
Income taxes paid	(7)	(33)
Net cash from operating activities	(80)	17
Interest / dividends received	1	7
Capex	(29)	(47)
Proceeds sale of assets	4	16
Net cash from operating and investing activities	(104)	(7)

Continued focus on cash



€ million	Q1 2013	2013 outlook
Cost savings	12	40-60
<i>Related cash out from provisions</i>	25	100-120
<i>Related implementation costs</i>	8	40-60
Base capex	10	
Capex, cost savings related	3	
Capex, NLI Parcels	16	
Total capex	29	~150

	30 March 2013	2015 outlook
Working capital	~ - 8%	- 4 to - 6%

Consolidated statement of financial position



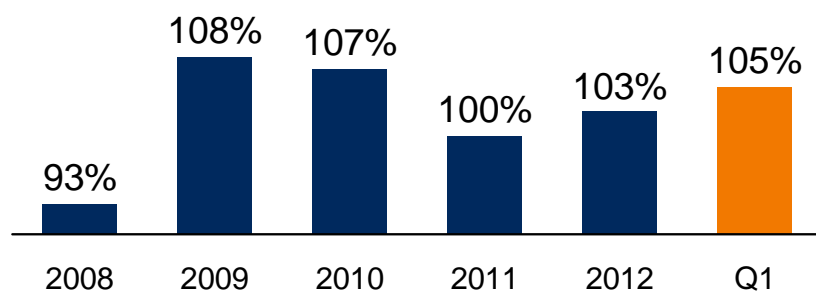
€ million	30 March 2013		30 March 2013
Intangible assets	165	Total equity	(689)
Property, plant and equipment	538	Non controlling interests	9
Pension assets	22	Pension liabilities	444
Other financial fixed assets	985	Long term debt	1,606
Other current assets	630	Other non-current liabilities	152
Cash	285	Short term debt	8
Assets held for sale	60	Current liabilities	1,145
		Liabilities held for sale	10
Total assets	2,685	Total equity & liabilities	2,685

- Net debt €1,326 million
- Corporate equity €1,205 million

Pension developments



Coverage ratio



- Full year pension expenses expected to be around €150 million in 2013
- Full year cash contributions expected to be around €240 million in 2013 (excluding top-up payments)
- Conditional invoice of €13 million cancelled

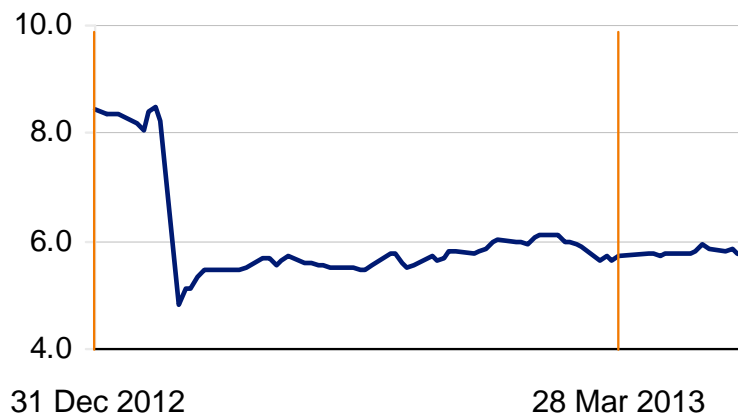
Pensions € million	Q1 2013 ¹		Q1 2012 restated	
	Expenses	Cash	Expenses	Cash
Business segments	41	64	44	68
PostNL Other	(9)		(17)	
PostNL	32	64	27	68
Interest	6		(1)	
Total	38		26	

¹ Excluding top-up payments of €64 million

Stake TNT Express



Share price development TNT Express



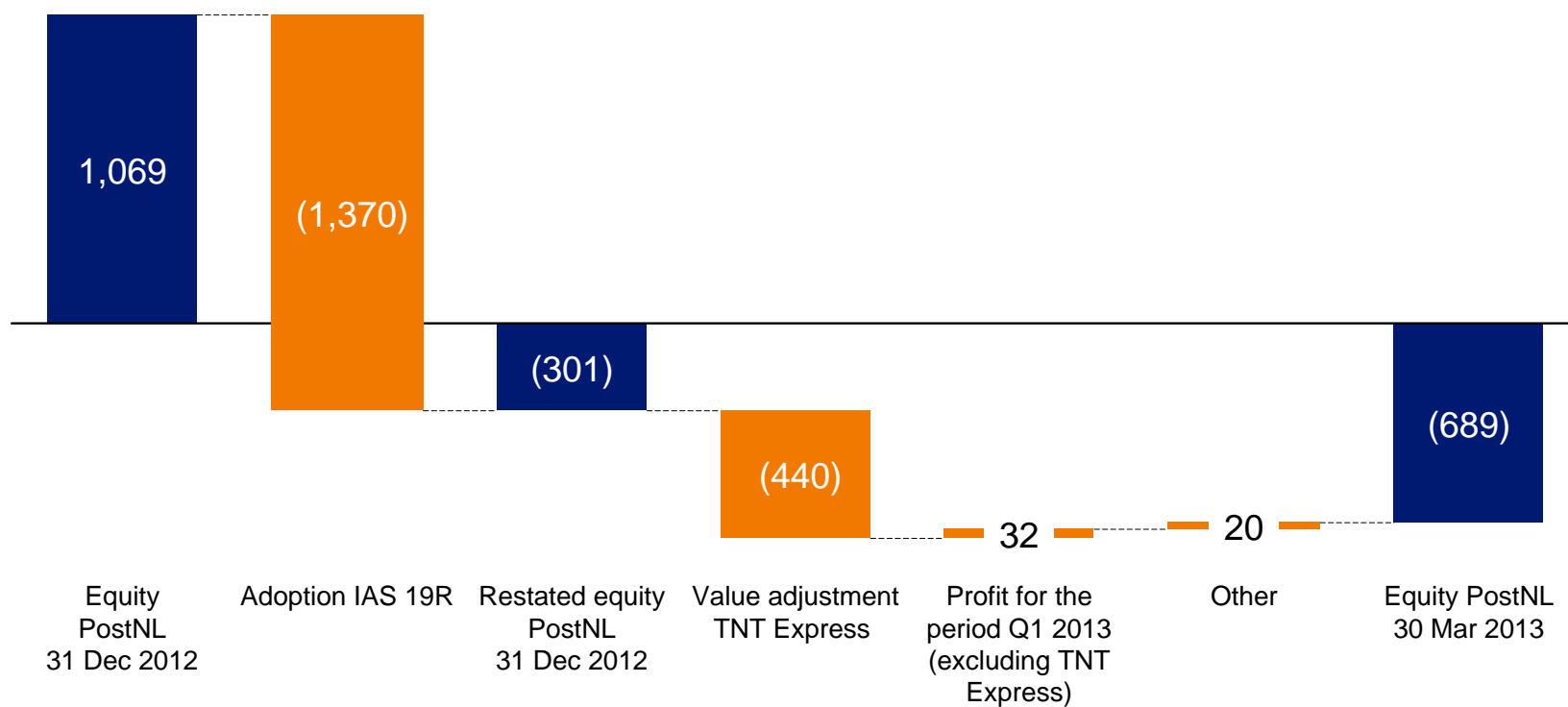
- Value adjustment TNT Express Q1: €(440) million
- Bid of UPS was cancelled in January 2013
- As of 1 January 2013 accounted for as investments in associates; comparative figures for 2012 will be restated as of Q2
- Sjoerd Vollebregt, recommended by PostNL, has been appointed by the AGM as member of the Supervisory Board of TNT Express

Development consolidated equity Q1 2013

Positive consolidated equity expected in 2016 ¹



€ million



¹ at current parameters

Credit ratings downgrade in line with expectations

Current developments impact financial and business risk profile



S&P's
BBB-, outlook negative

Moody's
Baa3, negative

	Rationale
Financial risk profile	<ul style="list-style-type: none">Financial ratios weak in 2012 and 2013: restructuring cash out, pension debtStake TNT Express not included
Business risk profile	<ul style="list-style-type: none">Higher than expected volume declinesComplex restructuring programme
Qualitative credits	<ul style="list-style-type: none">Monetisation of our TNT Express stake in medium term

Certainty of BBB+ / Baa1 credit rating expected in 2016 ¹



¹ at current parameters

Outlook 2013 reconfirmed



€ million	Revenues		Underlying cash operating income / margin	
	2012	Underlying 2013	2012	2013
Mail in NL	2,270 ¹	- mid single digit	0.9% ¹	-2 to 0% ²
Parcels	730	+ high single digit	13.7%	11 to 13%
International	1,624	+ mid single digit	1.7%	1 to 3%
Total	4,330	stable	130	20 to 60
			3.0%	0 to 2%

- Outlook reconfirmed based on Q1 results and seasonality

¹ Actuals 2012 adjusted for transfer of customer contact services from Mail in NL to PostNL Other

² Note: subject to pension arrangement



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