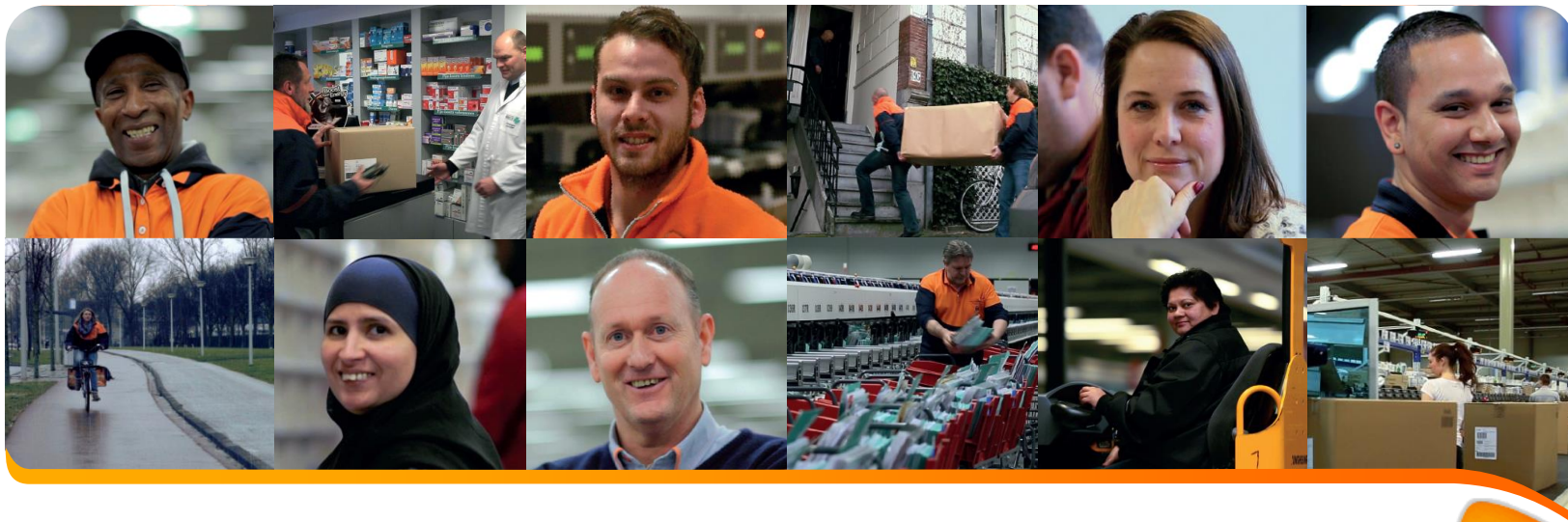


Q2 2014 Results

4 August 2014





Business update

Financials

Q&A

Note to this presentation: due to the adoption of IFRS 11 and IAS 28, results from joint ventures are not included in revenue and income but recognized in the line Results from investments in associates/joint ventures. Reported results include the results of our UK activities as the LDC transaction is not finalised. Outlook is given on figures excluding the UK. For comparison reasons, we include in the appendix revenue and income figures excluding the results of the UK activities.

Strong performance in Q2 supports outlook increase

New guidance announced on 7 July



Q2 2014

Reported revenue

€1,016 million

(Q2 2013: €991 million)

Underlying cash operating income

€60 million

(Q2 2013: €23 million)

Update outlook 2014

Underlying cash operating income

€260 - €290 million

(increased from high end of €180 - €220 million)





Mail in the Netherlands

Continued strong performance



(€ million)	Q2 2014	Q2 2013
Revenue	479	482
Underlying cash operating income	48	3
Addressed mail volume	-11.2%*	-11.3%
Total cost savings	29	17

- Strong performance due to cost savings and tight cost control beyond restructuring
- Positive impact price increases and mix effect
- One-off gain from cross-border mail
- Lower pension cash out
- Balanced new CLA
- High delivery quality maintained at 97.1% with increased customer satisfaction

Cost savings coming in early

Smooth execution restructuring plans



- Strong performance in cost savings by faster reduction of locations: 22 depots migrated
- Optimisation migrated depots ahead of schedule
- Smooth migration to five-day delivery model
- Increased efficiency car unit
- Agreement with works council on redesign of car unit
- Reduction overhead Operations on track
- Implementation leaner organisation in head office and marketing & sales as planned

2017 cost savings target unchanged

Positive impact pricing policy and change in product mix



Pricing policy

Pricing	2013	2014	2013 - 2017
Bulk mail	✓	✓	Well above inflation
Domestic single items	✓	✓	Well above inflation

Product mix effect

- Relatively slower decline of single mail
 - Positive shift within bulk mail
- Positive impact on revenue and underlying cash operating income

Update on regulatory environment

Postal Act

- Amended Postal Act is expected to be sent to Parliament in September 2014

Significant market power

- After market consultation; ACM will focus on unsorted 24-hour bulk mail; view expected after summer

Tariffs

- ACM is expected to decide on cost allocation and tariff headroom based on new tariff mechanism in Q3 2014





Parcels performance in line with expectations

Strong volume growth



(€ million)	Q2 2014	Q2 2013
Revenue	204	194
of which:		
external	164	149
internal	40	45
Underlying cash operating income	21	20
Volume growth*	+8.2%	+6.9%

- Better operational efficiency as a result of NLI implementation
- Ongoing change in customer mix resulted in limited decline average price
- Higher subcontractor costs
- Tariff increase for single parcels as of 1 August 2014

Business initiatives

- Delivery on 6 days and 2 evenings
 - Evening delivery on Tuesday and Thursday
 - Sunday sorting and Monday distribution started
- Pilots: Sunday delivery and fresh food delivery service
- Roll out additional parcel points in the Netherlands aiming at 3,000 parcel points
- Conversion 300 drop-off points to parcel points in Belgium



New logistics infrastructure (NLI)

- 16 depots operational
- 28 old distribution centres and 3 sorting centres closed
- >80% volume through NLI
- Further efficiency improvement, high quality retained

Update sustainable delivery - Q2



(€ million)	Q2 2014	Q2 2013
Reported revenue	409	394
Underlying cash operating income	2	4

UK

- Revenue increased 3% adjusted for currency effect
- Further investments in roll out E2E
- First views Ofcom on complaint expected in Q3 2014

Germany

- Higher volumes in national and regional business
- Continued fierce competition in consolidation business

Italy

- Further volume growth Formula Certa
- Increase of household coverage on track
- Rebranding to Nexive completed





Strong performance in HY reflected in increased outlook



Main drivers

1. Smooth execution restructuring plans resulted in cost savings coming in early at lower restructuring cash out
2. Impact overall focus on cost control beyond restructuring
3. Higher average price due to positive mix effect
4. Positive impact from incidentals, mainly cross-border mail

Update 2014 targets

- Underlying cash operating income
€260 - €290 million
(previously €180 - 220 million, YTD €137 million)
- Cost savings
€115 - €135 million
(previously €95 - 115 million, YTD €70 million)
- Restructuring cash out
€40 - €60 million
(previously €50 - 70 million, YTD €23 million)

HY result fuels confidence to deliver 2015 targets



2014

Further solidify
the foundation

- Further adjust mail operations to maintain profitability
- Build to expand Parcels and International
- Towards sustainable delivery of cash and lower financial risk

2015

Fit for the future

- Running efficient and high-quality mail and parcel networks
- Further restore credit rating
- Towards dividend in 2016





Business highlights

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Financial highlights

Higher underlying cash operating income



€ million	Q2 2014	Q2 2013	Change	HY 2014	HY 2013	Change
Reported revenue	1,016	991	3%	2,049	2,027	1%
Reported operating income	85	35	137%	184	108	70%
<i>Restructuring related charges</i>	(1)	36		1	44	
<i>Rebranding and project costs</i>	4	-		6	-	
Underlying operating income	88	71	24%	191	152	25%
Underlying cash operating income	60	23	160%	137	46	197%
Net cash from operating and investing activities	(5)	(36)		18	(135)	

Underlying results per segment

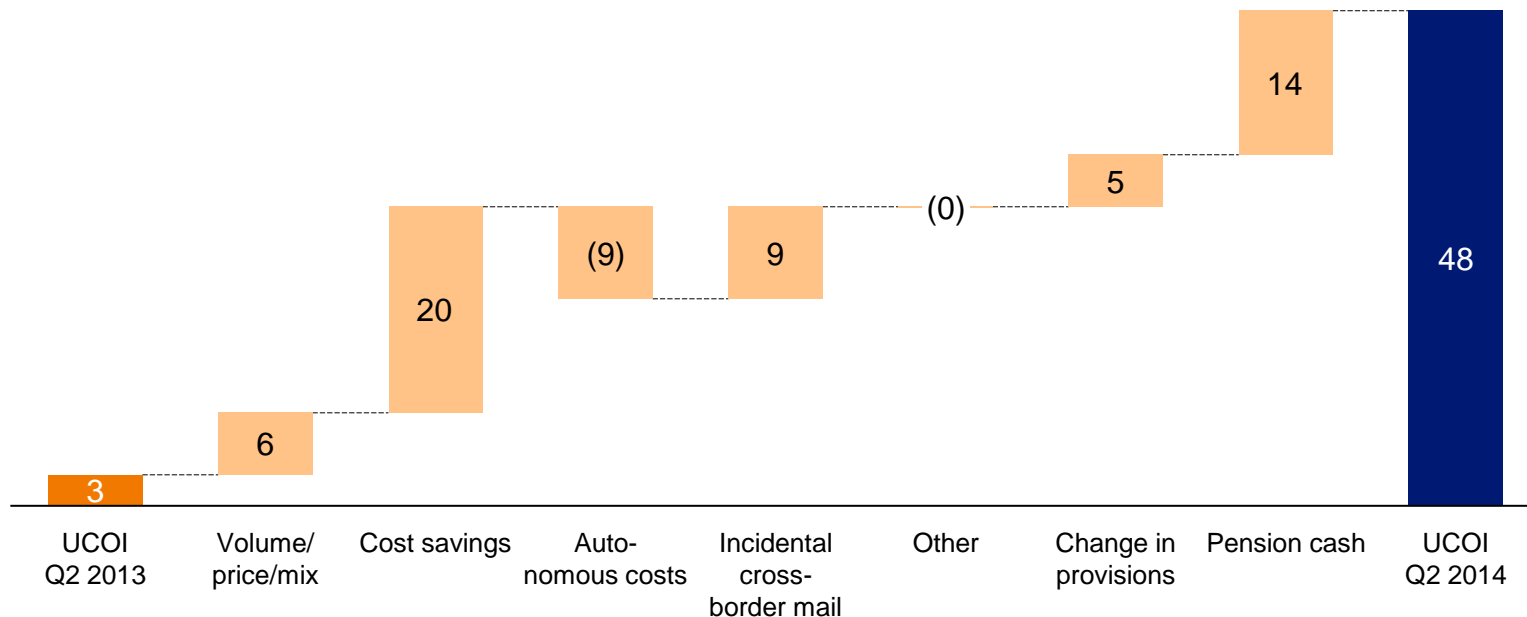


€ million	Revenue		Underlying operating income		Underlying cash operating income / margin			
	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014		Q2 2013	
Mail in the Netherlands	479	482	69	34	48	10.0%	3	0.6%
Parcels	204	194	22	21	21	10.3%	20	10.3%
International	409	394	1	5	2	0.5%	4	1.0%
PostNL Other / Intercompany	(76)	(79)	(4)	11	(11)		(4)	
Total PostNL	1,016	991	88	71	60	5.9%	23	2.3%
	HY 2014	HY 2013	HY 2014	HY 2013	HY 2014		HY 2013	
Mail in the Netherlands	976	995	153	76	110	11.3%	4	0.4%
Parcels	405	392	48	48	46	11.4%	44	11.2%
International	818	797	3	10	4	0.5%	10	1.3%
PostNL Other / Intercompany	(150)	(157)	(13)	18	(23)		(12)	
Total PostNL	2,049	2,027	191	152	137	6.7%	46	2.3%

Development of Mail in the Netherlands



€ million



Statement of income



€ million	Q2 2014	Q2 2013	HY 2014	HY 2013
Revenue	1,016	991	2,049	2,027
Operating income	85	35	184	108
Net financial expenses	(24)	(28)	(48)	(59)
Results from investments in associates / joint ventures	(1)	(1)		39
Reversal of / (Impairments) of investments in associates				(481)
Income taxes	(16)	(3)	(38)	(14)
Profit for the period	44	3	98	(407)
<i>Profit for the period (excluding TNT Express)</i>	42	5	96	37

Net cash from operating and investing activities



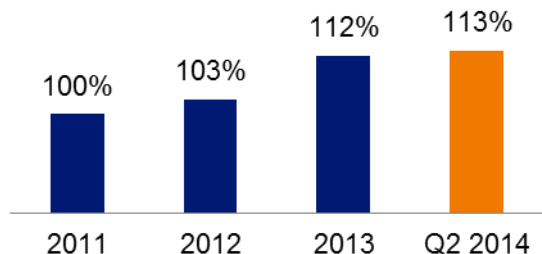
€ million	Q2 2014	Q2 2013	HY 2014	HY 2013
Cash generated from operations	33	2	87	(65)
Interest paid	(14)	(16)	(15)	(17)
Income taxes paid	(6)	(3)	(14)	(10)
Net cash from / (used in) operating activities	13	(17)	58	(92)
Interest / dividends received / other	2	6	3	6
Capex	(25)	(30)	(49)	(58)
Proceeds from sale of assets	5	5	6	9
Net cash from / (used in) operating and investing activities	(5)	(36)	18	(135)

Continued focus on cash



€ million		Q2 2014	YTD 2014	2014 (updated outlook)
Cost savings initiatives	Savings	29	70	115-135
	Restructuring cash out	12	23	40-60
	Implementation costs	7	12	25-45
€ million		Q2 2014	YTD 2014	2014 (updated outlook)
Capex	Base capex	13	30	
	Cost savings initiatives	1	2	
	New Logistics Infrastructure Parcels	11	17	
	Total	25	49	Around 120

Coverage ratio main pension fund



- Coverage ratio Q2 2014: 113.4%
 - Positive return on assets pension fund
 - Interest rates decreased

Pensions € million		Q2 2014		Q2 2013 restated	
		Expenses	Cash	Expenses	Cash
Business segments	(A)	33	46	44	62
IFRS difference	(B)-(A)	(4)		(11)	
PostNL	(B)	29	46	33	62
Interest		5		3	
Total		34		36	

Consolidated statement of financial position



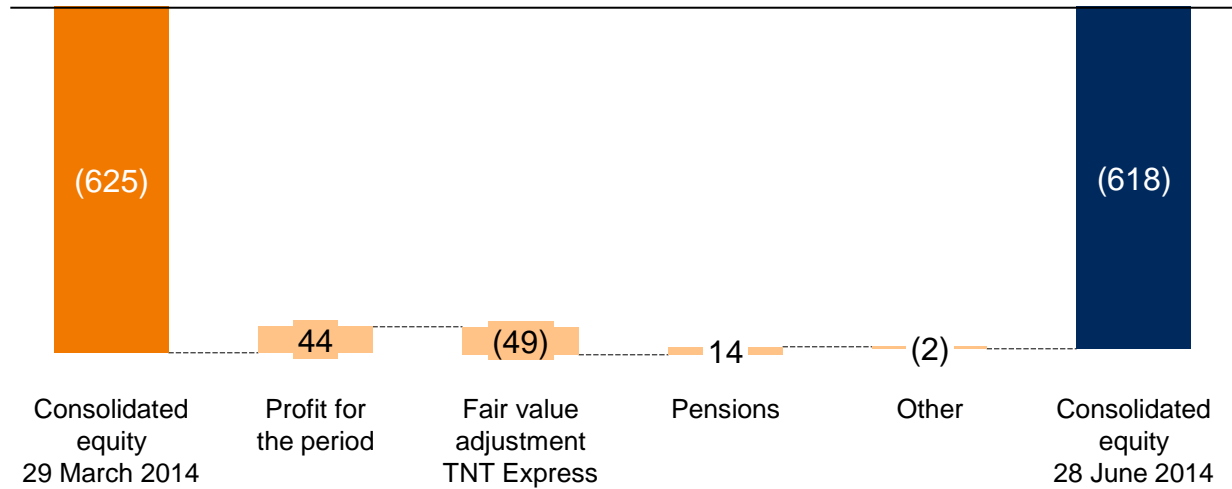
€ million	28 June 2014		28 June 2014
Intangible assets	127	Consolidated equity	(618)
Property, plant and equipment	529	Non-controlling interests	6
Financial fixed assets	611	Total equity	(612)
of which TNT Express	523	Pension liabilities	521
Other current assets	499	Long-term debt	924
Cash	487	Other non-current liabilities	142
Assets held for sale	197	Short-term debt	358
		Other current liabilities	982
		Liabilities rel. to assets held for sale	135
Total assets	2,450	Total equity & liabilities	2,450

- Net debt of €788 million
- Corporate equity of €1,879 million
- Equity includes €17 million restatement opening balance 2013

Development consolidated equity



€ million



- Improved IFRS discount rate methodology: impact of 0.3% higher interest rate on defined benefit obligation results in positive effect on equity

Increased outlook based on strong performance HY



€ million	Revenue	Underlying cash operating income / margin	
	Outlook 2014	Previous outlook 2014	Outlook 2014
Mail in NL	- low single digit	6 to 8%	9 to 11%
Parcels	+ mid single digit	11 to 13%	11 to 13%
International*	+ mid single digit	1 to 3%	1 to 3%
Total	+ low single digit	180 – 220**	260 - 290

Main drivers

1. Smooth execution restructuring plans resulted in cost savings coming in early at lower restructuring cash out
2. Impact overall focus on cost control beyond restructuring
3. Higher average price due to positive mix effect
4. Positive impact from incidentals, mainly cross-border mail

* International excluding UK activities

** High end of guided range (6 May 2014)



Business highlights

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Appendix

- KPIs excluding UK



Impact activities UK – overview Q2 2014



Revenue, € million	Reported 2014	Activities UK	2014 ex UK	2013 ex UK
Mail in NL	479		479	482
Parcels	204		204	194
International	409	191	218	215
PostNL Other / Intercompany	(76)	(2)	(74)	(77)
PostNL	1,016	189	827	814

UCOI, € million	Reported 2014	Activities UK	2014 ex UK	2013 ex UK
Mail in NL	48		48	3
Parcels	21		21	20
International	2	2	0	2
PostNL Other / Intercompany	(11)		(11)	(4)
PostNL	60	2	58	21

Impact new joint venture accounting and UK - income statement



<i>€ million</i>	Q2 2013 reported	JVs	Q2 2013 restated	UK	Q2 2013 ex UK
Revenue	1,025	(34)	991	(177)	814
Operating income	36	(1)	35	(2)	33

<i>€ million</i>	Q2 2014 reported	UK	Q2 2014 ex UK
Revenue	1,016	(189)	827
Operating income	85	(2)	83

