



Q3 2015 Results



2 November 2015



On track to achieve full year 2015 outlook



Deliver on promises

Q3 2015

- Results in line with our expectation
- Equity position declined due to impact TNT Express and pensions

Strong Q4 expected

- Usual seasonality pattern
- Two extra working days
- Price increase December stamp
- Phasing cost savings

Recent developments

- Cost allocation methodology approved, price increase 2016 announced
- Concerns on adverse effects of regulatory measures ACM
- Nexive remains part of PostNL, MBO Whistl closed
- Agreement in principle on new social plan 2016-2020



Customer focus



Close contact with all stakeholders



People at the heart of the company



Developments regulatory environment

USO

- Approval ACM on cost allocation methodology, tariff headroom determined for 2016
- Cost savings and rate increases remain necessary to mitigate the impact from volume decline
- New tariffs announced: base stamp rate increase by €0.04 from €0.69 to €0.73

Non-USO

- Adverse effects of ACM measures limiting competitive position
- Potential longer term market effect: price increases, volume decline and pressure on future innovations
- Estimated financial impact for PostNL may add up to €30 million - €50 million annualised, fully visible within 3 to 4 years
- Full energy in developing mitigating actions, dialogue with ACM to strive for healthy competition

PostNL strives to safeguard a reliable and accessible postal network in the longer term

Continue to invest in Nexive

Positive contribution with growth potential



Current characteristics

- #2 market player in Italy
- Handling ~500 million items, covering ~80% of Italian households
- Successful propositions in mail, parcels and digital services with own delivery network

Future potential

- Expand customer base and market share by leveraging on success of Formula Certa
- Offer additional value added services to customers
- Further enhance cash profitability by increased efficiency



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On track to achieve full year 2015 outlook

Strong Q4 expected



Revenue

€780m

Q3 2014: €789m

UCOI

€23m

Q3 2014: €31m

Net cash from operating and investing activities

€18m

Q3 2014: €(74)m

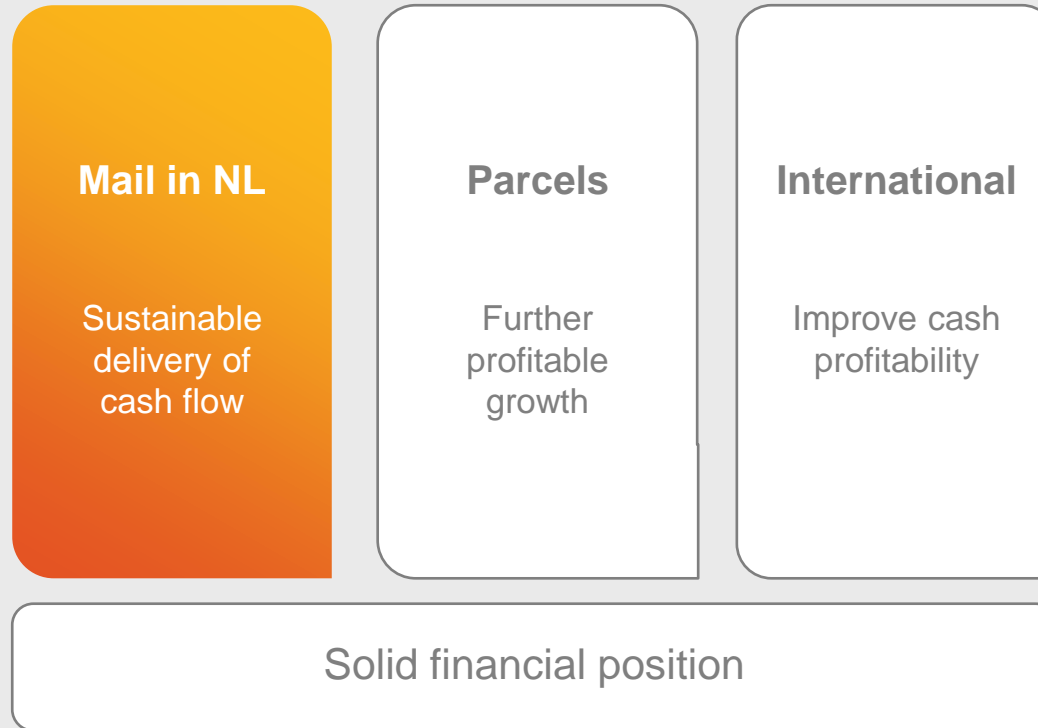
Consolidated equity

€(440)m

Q2 2015: €(357)m

- Addressed mail volume decline 11.2%
- Cost savings of €21 million
- Strong volume growth Parcels
- Improvement net cash
- Equity position impacted by share price decline TNT Express and pensions

FY 2015 outlook reconfirmed: UCOI between €280 million and €320 million



Mail in the Netherlands

Volumes following quarterly volatility



Revenue

(€ million)

Q3 15: 426 (-5%)

Q3 14: 449

Outlook 2015: - mid single digit

Underlying cash operating income

(€ million)

Q3 15: 14 (YTD margin 7.3%)

Q3 14: 21

Outlook 2015: margin 10% - 12%

Addressed mail volume decline (%)

Q3 15: 11.2

Q3 14: 11.1

Outlook 2015: -9% to -12%

Total cost savings

(€ million)

Q3 15: 21 (YTD: 58)

Q3 14: 25

Outlook 2015: 75 to 95

- Volume development in line with our expectations
- Price increase well above inflation
- Cost savings on track

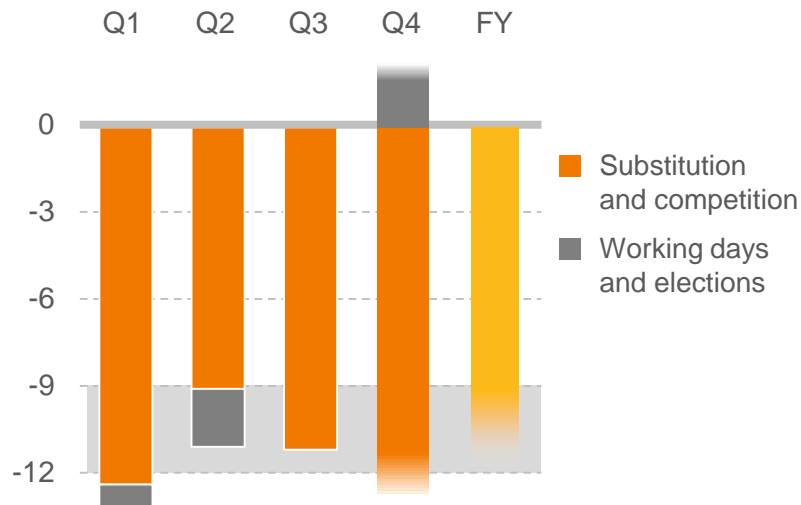


Phasing volume decline and impact restructuring plans in 2015

Two more working days and strong cost savings in Q4

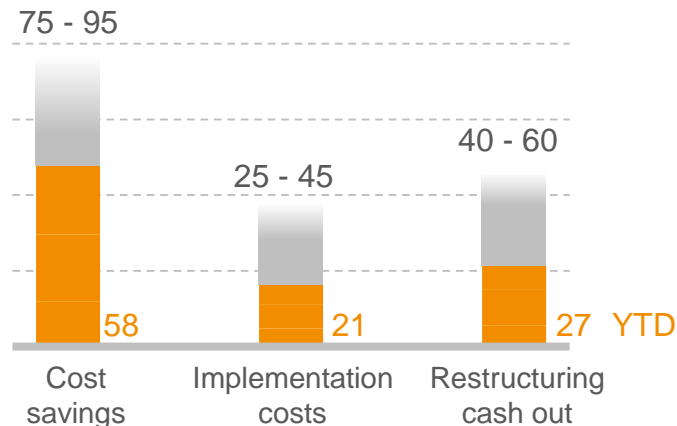


Addressed mail volume decline 2015 (%)



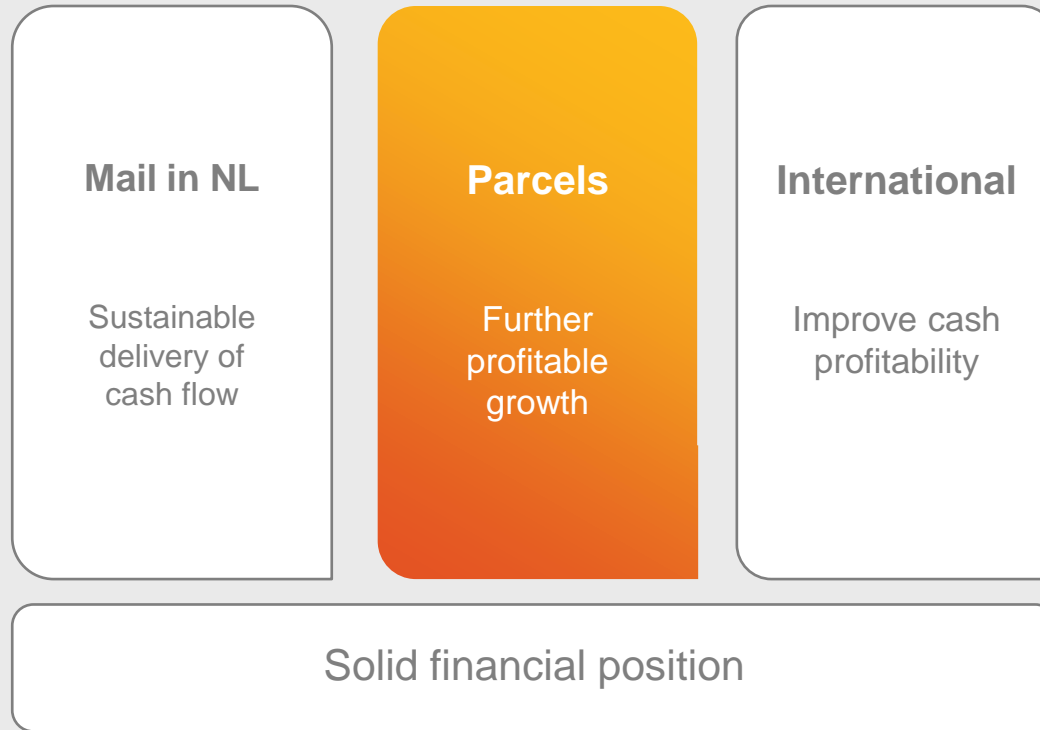
- Volume decline mainly due to substitution
- Continued focus on protecting volumes
- Q1 and Q2 less working days; Q4 two more

Restructuring plans 2015 (€ million)



- Financial impact higher in Q4
 - Overhead savings showing effect
 - Increased efficiency sorting process
 - 10 new sorting machines operational; implementation #11 started
 - Redesign car unit fully in progress





Parcels – strong volume growth

Higher subcontractor costs taken into account

Revenue (€ million)

Q3 15: 218 (+7%)
Q3 14: 204

Outlook 2015: + mid single digit

Underlying cash operating income (€ million)

Q3 15: 16 (YTD margin 9.9%)
Q3 14: 19

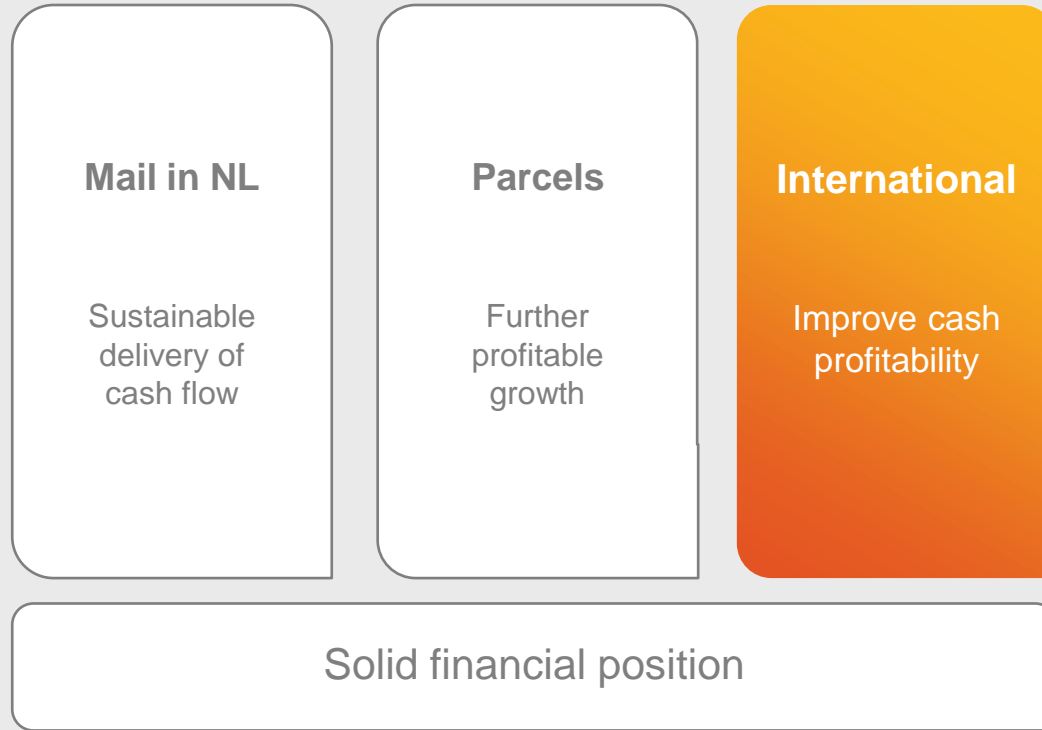
Outlook 2015: margin 11% - 13%

Volume growth (%)

Q3 15: 8.6
Q3 14: 8.1

- Continued growth in B2C in line with e-commerce
- Growth international parcels slowing down as expected
- Better operational efficiency with over 95% of volumes through NLI and almost all old distribution centres closed; with 18th NLI operational in Q4
- Higher subcontractor costs: implementation sustainable delivery model and impact from actions in July





International

Slight improvement results



Revenue

(€ million)

Q3 15: 229 (+3%)

Q3 14: 220

Outlook 2015: + low single digit

Underlying cash operating income

(€ million)

Q3 15: (1) (YTD margin 1.0%)

Q3 14: (2)

Outlook 2015: margin 1% - 3%

Note: Results from the UK reported as discontinued operations

Germany

- Improved performance mainly due to cost savings
- Reorganisation ongoing, focussing on centralisation of overhead and process optimisation delivery

Italy

- Revenue in line with last year
- Competitive pressure compensated by better product mix
- Result impacted by expected start up losses of roll out own parcel network

Strategic review Germany in progress - all options open
United Kingdom: management buy out completed



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Financial highlights

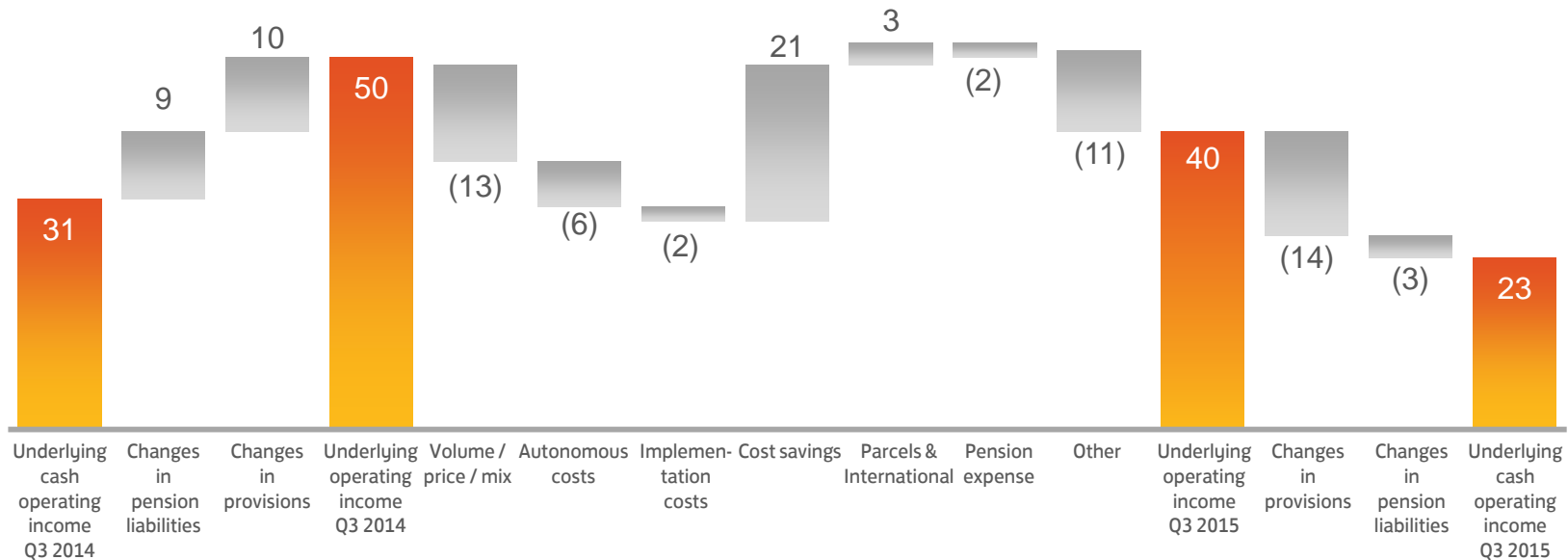
Performance in line with expectations



€ million	Q3 2015	Q3 2014	Change	YTD 2015	YTD 2014	Change
Reported revenue	780	789	-1%	2,454	2,470	-1%
Reported operating income	44	40	+10%	190	222	-14%
Restructuring related charges	(6)	7		8	8	
Rebranding, project costs and other	2	3		4	9	
Underlying operating income	40	50	-20%	202	239	-15%
Underlying cash operating income	23	31	-26%	156	166	-6%
Net cash (used in) / from operating and investing activities	18	(74)		(14)	(28)	

Underlying (cash) operating income

Underlying cash operating income (€ million)



Results per segment

€ million	Revenue		Underlying operating income		Underlying cash operating income	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Mail in the Netherlands	426	449	30	37	14	21
Parcels	218	204	17	18	16	19
International	229	220	2	(2)	(1)	(2)
PostNL Other	45	47	(9)	(3)	(6)	(7)
Intercompany	(138)	(131)				
Total PostNL	780	789	40	50	23	31

Statement of income

€ million	Q3 2015	Q3 2014	YTD 2015	YTD 2014
Revenue	780	789	2,454	2,470
Operating income	44	40	190	222
Net financial expenses	(18)	(21)	(58)	(69)
Results from investments in associates and joint ventures			(1)	
Income taxes	(7)	(7)	(38)	(45)
Profit/(loss) from continued operations	19	12	93	108
Profit/(loss) from discontinued operations	(1)	0	(45)	2
Profit for the period	18	12	48	110

Net cash from operating and investing activities

Limited tax payments and lower interest paid



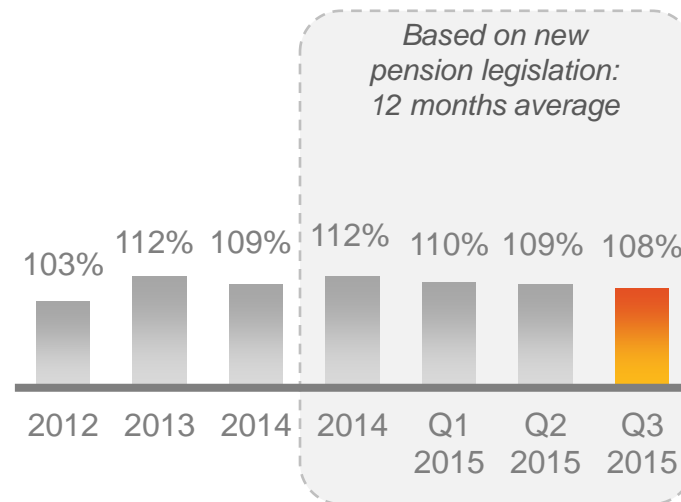
€ million	Q3 2015	Q3 2014	YTD 2015	YTD 2014
Cash generated from operations	60	40	188	145
Interest paid	(29)	(45)	(44)	(60)
Income taxes received / (paid)	(1)	(65)	(107)	(78)
Net cash (used in) / from operating activities	30	(70)	37	7
Interest / dividends received / other	1	5	0	8
Capex	(16)	(13)	(57)	(53)
Proceeds from sale of assets	3	4	6	10
Net cash (used in) / from operating and investing activities	18	(74)	(14)	(28)

	Q3 2015	YTD 2015	2015 outlook
Base capex	11	36	
Cost savings initiatives	2	8	
New Logistics Infrastructure Parcels	3	13	
Total	16	57	Max 115

Pension developments

€ million	Q3 2015
Return on plan assets lower than assumed	(185)
Defined benefit obligation	(273)
Of which:	
Lower discount rate	(273)
Change in rate of benefit increase	0
Asset ceiling	239
Minimum funding requirement	161
Total pension	(58)
Net effect on equity within OCI	(43)

Coverage ratio pension fund



- Return on plan assets negatively impacted by performance equity markets
- Lower than assumed return on plan assets and lower discount rate have limited impact on net equity position due to balancing effect asset ceiling and minimum funding requirement

Consolidated statement of financial position

Equity impacted by volatility share price TNT Express and pensions



€ million	26 Sept 2015	26 Sept 2015
Intangible fixed assets	139	<i>Consolidated equity</i> (440)
Property, plant and equipment	507	<i>Non-controlling interests</i> 6
Financial fixed assets	678	Total equity (434)
<i>of which stake in TNT Express</i>	558	Pension liabilities 553
Other current assets	518	Long-term debt 934
Cash	205	Other non-current liabilities 99
Assets held for sale	172	Short-term debt 1
		Other current liabilities 911
		Liabilities rel. to assets held for sale 155
Total assets	2,219	Total equity & liabilities 2,219

- Net debt decreased by €12 million to €702 million compared to the end of Q2 2015
- Consolidated equity declined by €83 million to €(440) million compared to the end of Q2 2015
- Corporate equity of €2,035 million, of which €(247) million distributable

Reconfirm outlook full year 2015

UCOI between €280 million and €320 million



Deliver on promises



People at the heart of the company

	Revenue	Underlying cash operating income / margin
€ million	2015	2015
Mail in NL	- mid single digit	10 to 12%
Parcels	+ mid single digit	11 to 13%
International*	+ low single digit	1 to 3%
PostNL*	stable	280 to 320 8 to 9%

- Q4 will benefit from two extra working days, the increase of the December stamp and expected strong cost savings



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See you tomorrow
at our
Strategy update



Appendix

- Condensed information discontinued operations
- Breakdown pension cash contribution and expenses



Condensed information discontinued operations

€ millions	26 Sept 2015	31 Dec 2014
Non-current assets	12	40
Current assets	144	134
Total assets	156	174
Non-current liabilities	4	0
Current liabilities	151	132
Total liabilities	155	132
€ millions	YTD 2015	YTD 2014
Revenues	620	576
Operating income	(49)	2
Income taxes	4	0
Profit/(loss) attributable to the shareholders	(45)	2
Net cash from operating activities	(7)	(10)
Net cash used in investing activities	(2)	(10)
Net cash used in financing activities	0	0
Changes in cash and cash equivalents	(9)	(20)

Breakdown pension cash contribution and expenses

Pensions	Q3 2015		Q3 2014	
€ million	Expenses	Cash	Expenses	Cash
Business segments	28	36	37	40
IFRS difference	5		(6)	
PostNL	33	36	31	40
Interest	3		5	
Total	36		36	

