



PostNL Holding B.V.
Corporate Communications

Transcript press conference

PostNL Q4 & Full Year 2014

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Dick Kors

Good morning ladies and gentlemen, welcome here in the room as well as to everybody listening via the webcast. For our English listeners please be advised we also have an English translation available on our website. This audio cast will also be published on our website. My name is Dick Kors, media relations. Next to me is Herna Verhagen, our CEO, and next to Herna, is Jan Bos, our CFO. Herna will start with the operational highlights of 2014. Herna.

Herna Verhagen

Okay. The year results for 2014. Before I elaborate on these results, I like to talk about some of the innovations we introduced in 2014 and there was a reason if you think about, how can you be and remain market leader. It all relates to innovation. Innovation is also important for growth in the future. You see some examples depicted here, some have been mentioned earlier, some of them are new. The food box is something that we presented during last year's Q4 figures. That was an idea at the time. This is a box that we devised together with the University of Wageningen containing fresh products at a temperature that retain it fresh for 19 hours. We have launched it and in several provinces in the Netherlands we already market and pilot these food boxes. Sunday delivery is another illustration of our innovations. That means that for consumers such as you and me who would like to receive our parcels on a Sunday, it is also delivered on Sunday to several customers. What is important is that you need to indicate that you like to receive that parcel on Sunday, but we have seen a lot of interest. Another type of innovation is the new generation of sorting machines. We developed these together with one of our suppliers. What is special about the sorting machine is that unlike the present machines, it takes small letters, large letters and sealed letters, so letters wrapped in plastic, sorts them and positions them in sequence. We have already placed two of these machines and in 2015 we are going to install the others throughout the Netherlands. They are an important element of our cost savings programme for 2015 and beyond. Another pilot concerns city logistics in Delft, city distribution. At the edge of Delft we have a distribution centre where packages can be presented and electric cars transport them throughout the city centre of Delft. We believe that city distribution, especially carbon dioxide neutral distribution, figure among the important developments for the future and we are piloting them at this time. Of course these innovations are





not contributing immensely to the 2014 results, but we do consider these innovations crucial to remain innovative in the future and to remain the market leader.

Now results for 2014. The overall result of PostNL in 2014 is strong and provides a solid foundation for 2015. Revenue growth is up slightly by 2% to € 4,25 billion. Underlying cash operating income is up to € 293 million and that is nearly double of the results from 2013. Net cash is also excellent at € 124 million in 2014. We contributed with growth in Parcels to the tune of 8.8% volume growth in 2014. Our cost savings programmes contributed to this and increases in the cost of stamps. In 2014 we had two of those increases. So our international volumes continue to grow as reflected in the revenue from International, which has led to ongoing improvement in the net cash and good pension results arising from our pension agreement that we reached at the end of 2013. Equally importantly in addition to our good financial results, we also did well in customer satisfaction and employee motivation. They are both up too, as is the quality of post and parcel deliveries. They are also up with respect to 2013. So overall a strong year for PostNL.

I would like to provide a bit more detail for each segment. I will start with Mail the Netherlands and then move on to Parcels and subsequently International. Now starting with Mail the Netherlands. The importance of Mail in the Netherlands in the years ahead is to continue delivering cash flow. In 2014 they more than did that. You see that in the fact that volumes declined by 10.7%, slightly more than in 2013, but that volume decline was more than offset by cost savings, € 127 million in cost savings in 2014 of which € 32 million in pensions and the increase of the stamp price. Most of this is attributable to cost savings. That yielded a positive effect in underlying cash operating income. You see that to the tune of € 78 million in 2013 to € 231 million in 2014. Of course there are some one offs that we have discussed in 2014 as well, such as the bilaterals as well as the good weather in 2014 that in the end always reduces absentees due to sickness and better quality. We have also phased a restructuring cash out, which means that in 2014 a cash out shifted slightly to 2015, 2016 and 2017 and we reached new CLA's both for PostNL and our mail deliverers and Saturday deliverers. They have all been balanced. That means that they contribute to keeping our cost manageable and on the other hand accommodate some of the desires from our employees. In my view it is extremely important that overall given all the changes introduced in the company and I will elaborate on these changes later on, we have yielded a quality of 96.7% which is well above the legal minimum of 95%.

This strong year was driven primarily by cost savings. Now, elaborating on those cost savings. Two years ago in February 2013 we issued a target in which we stated that until 2017 we would be achieving cost savings of € 365 million. That target is unchanged and that migration is presently taking place. In 2013 and 2014 our cost savings totalled € 222 million. The cost savings target was € 365 million. It is in part due to change in reducing the size we work at, but also by making operations more efficient. Part of these cost savings are attributable to savings from overhead, overhead both in production and at the head office and in marketing and sales as well as the





transition which was virtually seamless from a six day week delivery to a five day week delivery and of course our new pension agreement also contributes to our cost savings. Now for 2015 and beyond our cost savings target is € 75 to € 95 million and the plans that should deliver this for us, are largely plans that were launched in 2013 and 2014 and will come to full prosperity in 2015 and beyond. Of course we intend to optimize the sites we operate and to improve our routes and to ensure that our fleet runs more efficient routes. Part of this will involve integrating our fleet with parcels as well as by replacing some of our car routes by scooters. We will be implementing a leaner organisation and it will be more efficient, both at the head office and at marketing and sales and in overhead production will also continue to optimize our retail network. In 2015 as stated this will yield between € 75 and € 95 million and this also reflects the foundation of our plans for cost savings ongoing in 2016 and 2017. The volume decline was 10.7% in 2014 which was within the projected bandwidth of 9 to 12%. 10.7% largely both from substitution and partly from competition. In addition to cost savings our pricing is important. What we said is that between 2013 and 2017 on average we would increase our prices well above inflation both for bulk mail, so post sent by large clients, as well as for domestic single items, so individual items, cards that you send to your mam or grandma. In 2013 we achieved this as we did in 2014. Thanks to our negotiations at the end of 2014 we continue to realise this for 2015.

A third important element in Mail the Netherlands, one that we address in each presentation, concerns regulatory developments. In 2014 there were three important regulatory cases and these progressed. I am going to reveal them briefly. First the Postal Act. The Postal Act matters for us, because it gives us the opportunity to reduce the number of letter boxes and post offices in the Netherlands. At the start of 2015 this was approved in the Dutch House of Representatives and it is now about to be voted on by the Senate. If the Senate approves, then from 1 July we expect the transition to implementing this reduction in post offices and letter boxes. This plan will progress over the course of years. Then the Postal regulation. The Postal Regulation concerns our tariff head room in 2015 and in 2016 and beyond. It relates to the cost distribution between universal services and non-universal services and at present ACM, the regulator, is reviewing that and we are awaiting the outcome of that review to get answers concerning our head room for additional price increases. As for significant market power, the significant market power was the subject of the initial vision by ACM just before Christmas. They stated that they believe that in some markets PostNL has significant market power and they proposed various measures. At present this is ongoing, so we are in the midst of a process that will lead ACM to issue its final vision about significant market power. Our opinion which we have substantiated thanks to various external studies, is that PostNL does not have significant market power. If you examine how the postal market is changing in the Netherlands and basically worldwide, this largely reflects substitution and the fact that we send less mail and receive less mail and is far less attributable to competition. You can see that based on our volume decline. 80% of our volume decline results from substitution. Of course this is a concern and will remain so in the year ahead. Depending on ACM's vision we will try to take mitigating measures to curtail any of that this might have. If significant market power will have effects, we don't expect





them before 2016 and beyond. Mail the Netherlands, a good strong year, driven mainly by changes in the company, the cost savings programmes and to a small extent by stamp cost increases and mainly by listening carefully to customers and retaining a lot of our volume.

Now Parcels. Parcels are driven by additional growth which needs to be profitable. 2014 was a year of strong volume growth in parcels, also in International volumes. Volume growth in Parcels in 2014 was 8.8% for the year as a whole. That is reflected in the revenue, which rose by 6% to € 854 million and is also reflected in underlying cash operating income which increased by nearly 10% to € 98 million. That strong growth is driven largely by e-commerce, the fact that we order more and more from web shops which has to be delivered to your home by a distributor, in this case PostNL. We have also experienced growth in our international volumes, especially the milk powder to China plays a role and I believe that is more incidental than structural. That's why I mentioned it. This is largely because of the growth in packages that is concerning the parcel volume growth, but it is also because our infrastructure is increasingly efficient. That is clear from the results. This is because thanks to our new logistical infrastructure. We have opened 17 depots and the last one will be opened this year. Nearly all our parcels are sorted and distributed by these new depots. Now the impact of subcontractors that we announced last year during the year figures is in keeping with expectations and will remain so in 2015. In addition we noticed that Mail and Parcels are increasingly working together and achieving synergies. A good year for Parcels with strong volume growth. This volume growth as I just indicated, results from growing e-commerce. As PostNL we are expanding our services and we will be boosting that e-commerce market. We announced this last year in February that we would be investing in expanding services that would ultimately benefit our customers. These are both the customers that send and the customers who receive. You have heard about some of these examples in the course of 2014. This reflects what we have accomplished over the course of a year. For example the app mijnpakket.nl, my parcel, has many, many customers that follow their parcels on that app, 3.5 million customers. Also if you are not at home at the time the parcel deliverer arrives, you can say, come and deliver my parcel the day afterwards or reroute my parcel. We have 600 additional parcel points in addition to the 2100 locations for postal offices we already have. We now have 600 more where you can process parcels or easily collect your parcel or present your parcel for return. We continued our further roll out for Sunday and evening delivery. Which is special is that in November and December there were 3 days in which we distributed over 1 million parcels a day. Over 1 million parcels a day means that in the Netherlands 1 out of every 7 Dutch households receives a parcel on average.

Now, in our to business segment we are very dynamic. We have done this by expanding our services including guaranteed delivery before noon and before 10 a.m. as well as the introduction of being able to manage the number of parcels you receive at a time. That is called dedicated customer service. So it is dedicated attention to our customers who ask questions about their parcels by telephone. We are receiving growing volumes and client wins there as well. What we mentioned earlier concerning Parcels, other services such as Extra@Home, home delivery of heavy products, or





Mikropakket, valuable products. We have experienced growth there as well and are hard at work improving our quality and our services. Services are primordial to remain market leader and they are also primordial to continue boosting the e-commerce markets and the growth in e-commerce markets.

International. In International the adagio is to enhance cash profitability and that is certainly important for 2015. In International we have seen an increase in revenue to € 1,7 billion primarily attributable to the UK and Italy. The underlying cash operating income is down from € 24 million to € 8 million. This is because of the cost we incurred in 2014 to roll out end to end, our last mile delivery in England and it also relates to the fact that in Germany we were bothered by stiff competition especially in prices.

A few highlights for each country. First England. In England we have experienced revenue growth which relates largely to the change in product mix, this means that we will be doing more parcels in England in addition to the letters of course. And it also relates to Royal Mail's increase in rates which we were able to pass on to our customers as well. The second important point is that in England of course we have started launching end to end in 2012 and in 2014 in the first half year we opened a few more cities. By now we are active in four cities in London with end to end post delivery. In December of 2014 we put rolling out the end to end on hold, because we had to await the vision of the postal market from the regulator. This arrived at the end of December 2014 and embodies enough positive elements for us to team up with LDC to realise this joint venture, which is ongoing as we speak. In Germany we note that our revenue results are stabilising or declining slightly. This minor decline is because of the price competition, it is not because of the decline in volume because whatever we have lost in our consolidation business in volume was gained back in other businesses, but they did not compensate the margin. This means that we have launched strong cost savings programmes here in 2014 and will carry those forward to 2015. What remains important in Germany is that the regulator needs to support us. Italy. In Italy we are continuing to grow, so in 2014 once again the volumes in Formula Certa continued to grow. This also led us to expand our coverage ratio, we now serve nearly 80% of Italian households and deliver post there. They have launched a pilot in parcels that we deliver via our own distribution network and that is a big success. There is some price competition in Italy because of Poste Italiane, but overall we have had a good year in Italy and see positive trends. As for 2015 International is very important in ongoing focus on cash profitability. That is where our focus will be.

If I consider 2014, that was a strong year for PostNL. This is a year in which we examine revenue as well as the underlying operating income. Some of the results are attributable to ongoing growth in Parcels, others from ongoing savings in delivering mail. This provides a solid foundation for 2015. In 2015 we expect that our promises concerning underlying cash operating income will be kept and our guidance of € 280 to € 320 million composed of the 10 to 12% operating income margin of Mail the Netherlands, Parcels 11 to 13% and International 1 to 3%. That coincides with a clear focus on





customers, good contact with all our stakeholders and ultimately with our own people that are the heart of our company. Strong performance in 2014 creates a solid base for 2015. Now, I will ask Jan to elaborate on 2014 and to substantiate those results as well as to look ahead to 2015. Thank you.

Jan Bos

Thank you Herna. I will discuss mainly the Q4 results. To demonstrate the actual performance of our company we correct for exchange effects and one offs. If you look at the revenue and adjust for exchange effects the underlying revenue is up by 3% over Q4 and underlying operating income rose by € 4 million or 4% to € 148 million. The one offs for which the underlying result needs to be adjusted, concern pensions and they arise from benefits from the pension agreement last year and the new pension legislation in 2014 and they amount to € 140 million and € 36 million. Then our key performance indicators, the underlying cash operating income, takes into account the cash effects for pensions and for restructuring. And the underlying cash operating income is up from € 84 million to

€ 182 million, which is € 38 million improvement. Herna said we focus mainly on cost savings whilst lower spending on pensions and restructurings which have offset the effects of volume declines in the Netherlands. They have more than offset that as well as higher organic costs.

As for net cash flow from operating and investing activities, net cash from operating and investing activities that was also up in Q4 to € 172 million. That is adjusted because last year we had the sale of TNT Express and the early bond buy back. Adjusting for that the net cash flow equals € 172 million which is a substantial improvement with respect to 2013. Now, this bridge shows the development of the underlying cash operating income and the underlying operating income. First underlying operating income is up by € 4 million and you will see there that the volume mix and price effects had a minor negative impact aside from organic cost increases, which were more than offset by cost savings and the far better results in Parcels which overall yielded a € 4 million increase in our underlying operating income. In addition we spent less on pensions and less on restructuring. They contributed to a far better underlying cash operating income from € 84 to € 122 million.

Now, as for the Statement of Income. If you are considering profit, that was down slightly from € 125 to € 116 million. Adjusting for the results from TNT Express which was accounted for in our profits last year, so that decrease of € 9 million from € 125 to € 116 million is attributable to the one off positive change in pension from € 140 million last year and € 36 million this year. If you correct for that, you will see the net profit improving considerably in Q4 if you adjust for those.

Now our cash flow. First cash generated from operations, that is improved by € 49 million and that is primarily thanks to improved operational performance, both in profitability and in working capital. There has also been a substantial improvement in paid interest. This is primarily because last year we had the early bond buy back and now we have a lower net debt which means that our interest cost are lower as well. Investments were lower as well in Q4 to the tune of € 5 million and on balance





that yielded improved development for net cash flow with an improvement from € 96 million to € 172 million in Q4 2014. You see the same for 2014 as a whole.

Now our balance sheet. First equity remains negative, but has improved with respect to the previous quarter to the tune of € 146 million. I will tell you more about that later on. Our net debt is substantially better from € 178 million to € 683 million and our singular consolidated equity which gives a better impression of the value of the firm, is nearly € 2 billion, of which € 239 million negative non distributable reserves.

Now, as for our dividend policy, as you know this relates to credit rating and a positive consolidated equity. If you look at what we can influence, so mainly our operating results and we expect to be able to improve our equity by about 60%, but 40% will continue to depend on interest change and the share prices of TNT Express. We continue to aim to pay out dividend in 2016, but the interest rates will need to improve as well as our share value in TNT Express.

Now, outlook. I will give some details to substantiate our outlook. First anticipated volume decline. In 2015 we envisage 9 to 12% volume decline. Cost savings will equal € 75 to € 95 million, lower than in 2014, but keep in mind that in 2014 we achieved about € 30 million in benefits from the pension agreement that we won't have this year. In that respect our cost savings are basically in line with 2014. Our implementation costs are similar, slightly higher to 2014. The same holds true for restructuring cost and these are stated under cash outs and provisions. Pension cash outs were a bit lower as well from € 169 to € 150 million. This is mainly because we have seen that our employees are retiring a bit later, which has reduced the cost of early retirement because those are being deferred to subsequent years.

Now finally our investments are slightly up with respect to 2014 at about € 115 million, largely due to investing the new generation of sorting machines in Mail the Netherlands. That takes us to the expected revenue in Mail the Netherlands. These will continue to decrease. We expect in 2015 mid-single digit decrease in revenue because of the ongoing volume decline which will be offset only in part to price increases. We also expect that cost savings will allow us to maintain our underlying cash operating income margin at 10 to 12% for 2015. In Parcels we also envisage mid-single digit growth in revenue driven by the strong growth in e-commerce and in 2015 we expect to maintain our margin at 11 to 13% there. International, our revenue expectations exclude our results from England. We expect low single digit growth and our result margin will improve between 1 to 3% in 2015. Overall we envisage stable revenue with an underlying cash operating income between € 280 to € 320 million. This target corresponds with an earlier bandwidth from € 270 to € 330 million. For 2015 one important point is that we expect a different seasonal cycle in our results. We expect much of our results in the second half of the year. As Herna indicated, in 2014 we established a solid foundation toward our target for 2015 and I like to hand you over to Dick for the Q&A.





Dick Kors

Thanks Jan and Herna. We will take your questions and answer them now. If you take the floor, please state your name and the medium you represent and please use the microphone that the ladies have at the back of the room. For those of you in our call please press star 1 when you ask your question, but we will take questions from the room first and then from the call. Who would like the floor? Wouter.

Wouter van Bergen, De Telegraaf

Your last remark on those changes in the results for the year as a whole, what is the reason for that?

Jan Bos

It is mainly because of working days. There were more working days in Q4.

Wouter van Bergen, De Telegraaf

Okay, those were my questions for the moment. Thank you.

Bo van Houwelingen, NRC Q

Herna, do you send any letters yourself?

Herna Verhagen

I send cards. I send quite a few cards.

Bo van Houwelingen, NRC Q

From where?

Herna Verhagen

Well, when I am on holiday or birthday cards, people who are ill or have babies or get married or just because you think about someone.

Bo van Houwelingen, NRC Q

What about Valentine's day?

Herna Verhagen

I did not do that this year.

Bo van Houwelingen, NRC Q

Did you receive any cards?

Herna Verhagen

Yes, I did receive cards.





Bo van Houwelingen, NRC Q

Okay, what was in the last parcel you received?

Herna Verhagen

The last parcel I received, that was for Valentine's Day, that is not very long ago. I received a wonderful letter and some cards to send.

Bo van Houwelingen, NRC Q

How nice, okay, thank you.

Wilco Voordouw, de Persdienst

I wonder why growth in packages in the year ahead, why do you estimate that will be so low if you are assuming last year's growth of 8.8%.

Herna Verhagen

What you see in mid-single digit growth is a revenue growth and the 8.8% is volume growth. So that is the difference.

Wilco Voordouw, de Persdienst

Now my second question. Last year the price of stamps was increased twice. What do you anticipate for this year?

Herna Verhagen

Once, we anticipate one price increase for 2015, not two.

Wilco Voordouw, de Persdienst

Could you tell me a bit more about the joint venture in England? What is in the pipeline, how extensive is it and why did you exclude it from the overall picture?

Herna Verhagen

This is because we are fully confident that the joint venture will be realised. We announced this at the end of 2013, but then Ofcom launched an investigation that related less to the joint venture than to the English postal market. We waited for that and that took until December 2014 which meant that in January we restarted talks with LDC to achieve this joint venture agreement. This also relates to the fact that there were sufficient positive results in the findings of Ofcom's investigation and the vision they shared. In the coming months but no later than the end of the first half of this year, we expect to have concluding talks with LDC, which is our joint venture partner in England.

Herna Verhagen





The joint venture concerns the entire firm, so that means the entire firm in the UK. The talks that we started and that was a year and a half ago, we said that end to end can be very successful in England, but we don't want to do these investments alone, we need a partner that is LDC. That is being structured by a joint venture in which we will have a minority on our total business in England.

Ellen Proper, Dow Jones

I have a question about International. If we consider the revenue, that is an interesting volume growth of 10%. A little remains from operational profit. This is largely because of the cost of the roll out of end to end in England. What do you anticipate for 2015? Will there be additional cost and what you estimate those?

Herna Verhagen

The result changes of International in 2014 are partially because of end to end, but more so because of Germany where due to competition and price decreases, our result was far more negative than we expected. Because of that combination our result declined from € 24 to € 8 million in 2014. As for end to end I just indicated that we are trying to realise that joint venture and after that we will start the roll out of end to end again. But in the joint venture accounting you will see that once the joint venture has come about, you won't see that in the UCOI figures. But as for Germany as I indicated, we launched cost savings programmes and additional volume growth in 2014. Ultimately International is driven entirely by the improved cash profitability.

Ellen Proper, Dow Jones

So you don't expect Germany to have such a negative impact on the operating profit next year. My question about 2014 was that you did account for the roll out of end to end in the results for International for 2014.

Herna Verhagen

That is correct. The year end results you see for 2014 include England.

Ellen Proper, Dow Jones

Thank you, those were my questions.

Heleen Boex, Algemeen Dagblad

I have a question about the price of postage stamps, because there is talk of a budget stamp. Do you expect that to happen?

Herna Verhagen

Well, what Mr Kamp agreed with the politicians is that we will examine options this year for introducing a second stamp in the Netherlands and that is what we will be doing this year.





Heleen Boex, Algemeen Dagblad

So you don't expect it to be launched this year?

Herna Verhagen

No, I don't expect to.

Heleen Boex, Algemeen Dagblad

Now about your car fleet. We read in the newspapers that 550 jobs will be cut there. Will those people be transferred to a different division, such as Parcels. Is that possible?

Herna Verhagen

Regarding those reports, we have stated that this is news that we communicated in 2013. This means that the number of fte stated, these are full time equivalents that we communicated back in 2013, which are within the bandwidth of 2700 to 3500 fte. So the 550 people from the car fleet service are within that and 250 fte will be transferred to Parcels. We are looking for other solutions for the remaining employees, either within our company or via Mobility. We have successfully given people guidance from work within PostNL to work outside PostNL. We will be getting that by going together with those people. Please note that this is not new, these were plans we previously announced.

Dick Kors

Shall we listen to any questions from the call? No questions from the call. Well, back to the floor.

Wilco Voordouw, de Persdienst

Could you tell me a bit more about Sunday delivery? I understand that you are the only party in the Netherlands at this time that does that. Have you had to recruit additional people for the Parcel service? How is that progressing? Can you give us an impression of how it is going?

Herna Verhagen

We have launched Sunday delivery in the summer of 2014. We started with a pilot. We offer Sunday delivery only for people that opt for that. They have to state that they will like to receive their parcel on Sunday and then we will deliver it. We started with one customer and have now expanded to five. There are other companies that want their parcels delivered to customers on Sunday. It is going great, the quality is great and the people are very satisfied, the people who want their parcel on Sunday like to have their parcel delivered on Sunday, because it is something they really like to have. So we are satisfied and happy and this holds true as well for both the senders and the recipients. Sunday delivery is carried out with our car fleet staff. These are the people that we handle Sunday delivery together with. We always use a combination of our own people and outside recruits. That is how we operate.





Ellen Proper, Dow Jones

I like to get back to the decision by the Dutch competition authority. They made a draft decision that went against PostNL. PostNL still has to give regional competitors access to the business post network. My question is basically after this decision, PostNL stated that they could no longer be a dominant market factor. Could this mean that in the near future PostNL will no longer be willing to operate under the strict regulations of the Dutch government or the universal postal service?

Herna Verhagen

No, it does not mean that. We are happy to carry out these universal service operations and we want to remain reliable and accessible, that means that we will need to change to compensate and accommodate the volume decline. What we have said to ACM is that we don't believe that there is any significant market power. In our view you need to consider a communication market rather than a purely physical letter market. Our real competitor is substitution, so that is in the communication market and it does not concern physical competition. We have substantiated this based on some external studies confirming this. And that is the vision that we shared with ACM, the regulator, as a consequence of their initial vision that they presented at the end of December.

Ellen Proper, Dow Jones

So in the future the ACM will need to examine digital competition more than just physical competition and will need to adjust the postal regulations to accommodate that.

Herna Verhagen

Yes, of course ACM will be considering this in the course of this year. We expect them in the spring or early summer to issue a final view on significant market power.

Dick Kors

I am looking around the room, does anybody have additional questions? Heleen.

Heleen Boex, Algemeen Dagblad

Yes, perhaps where you started the innovations necessary to remain market leaders. You also spoke about a pilot in Delft with city transport. Can you tell us more when that is likely to be rolled out to other parts of the country?

Herna Verhagen

We are already in talks with several cities, so we expect to be able to pilot with carbon dioxide neutral distribution in other inner cities. Delft is the first one where a few weeks ago we had the official kick off, although informally we already started at the end of 2014. For both consumers and companies in Delft inner city we deliver parcels with electric vehicles, so that relieves traffic congestion due to all the lorries and busses driving around the city and also enhances the environment. This is a joint effort with the city of Delft and first we hope to learn some lessons, what





do people appreciate, what they don't appreciate and we also think it is truly important for the future. If you want to avoid additional congestion of cars in the inner cities and hope to improve the environment in the inner cities as well, we think that this pilot is extremely viable.

Dick Kors

I believe that we can wrap up now. I believe Heleen's question was the last one. Thank you very much for your questions and I like to thank Herna and Jan for their presentations. We will be conducting some interviews. If you have some other pressing questions, please ring me or my co-workers and we will answer you as quickly as possible. Thank you very much and see you again next time.

