Q4 & FY 2013 Results

Press release

24 February 2014

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Solid performance PostNL based on significant steps in 2013

Highlights Q4 2013

- Underlying revenue flat year on year at €1,214 million
- Underlying cash operating income up 21% year on year to €81 million

Good progress in 2013

- Underlying cash operating income up 9% year on year to €141 million
- Cost savings and price increases more than offset volume decline
- Quality increased to 95.9% from 93.9%
- Continued growth in Parcels and International
- New pension agreement to reduce cash contributions and cap top-up payments
- Net debt reduced by €426 million to €798 million; mainly due to the partial sale of the stake in TNT Express
- 2015 outlook underlying cash operating income includes €20 million impact from changes in joint venture accounting/UK and €20 million from business developments in Parcels

Key figures Q4 & FY2013

in € millions	Q4 2013	Q4 2012	% Change	FY2013	FY2012	% Change
Revenue	1,206	1,201	*0%*	4,307	4,330	*-1%*
Operating income	258	174	*48%*	404	395	*2%*
Operating margin	21.4%	14.5%		9.4%	9.1%	
Underlying revenue	1,214	1,201	*1%*	4,345	4,330	*0%*
Underlying operating income	145	116	*25%*	359	362	*-1%*
Underlying operating margin	11.9%	9.7%		8.3%	8.4%	
Underlying cash operating income	81	67	*21%*	141	130	*9%*
Underlying cash operating margin	6.7%	5.6%		3.2%	3.0%	
Profit for the period	19	167		(170)	657	
Profit for the period (excluding TNT Express)	125	110	*14%*	164	222	*-26%*
Net cash from/(used in) operating and investing activities	539	4		481	(212)	

CEO statement

Herna Verhagen, CEO of PostNL: "In 2013 we accomplished significant steps for the future of our company. Our underlying cash operating income of €141 million was in line with our outlook. A solid result in a year in which the environment was challenging.

The restart of the roll out of the restructuring in Mail in the Netherlands as announced in February 2013 worked out very well and delivered more savings and earlier than expected. At the same time, we achieved a delivery quality of 95.9% which compares to 93.9% in 2012. The improved quality resulted in an increased customer satisfaction. The €95 million of cost savings and the impact of price increases more than offset the higher than expected decline in addressed mail volume (underlying 11.6% in 2013).

Parcels delivered good growth with underlying volume increasing by 6.7%. We made further progress in the implementation of the New Logistics Infrastructure (NLI). 14 of the targeted 18 depots are now operational and handle close to 80% of our volume. In International, volumes and revenues grew and the segment contributed positively to PostNL's results.

We also strengthened our financial position through the execution of the cost savings programme, price increases and the new pension agreement. The solid performance was also visible in the development of our net cash from operating and investing activities (€32 million compared to €(212)million in 2012), that together with the partial sale of TNT Express contributed to the reduction of our net debt.

2013 was a successful year which we ended with a more solid financial foundation, more engaged employees and proof of our ability to adapt to the challenging market conditions.

Note: underlying figures are at constant currency and exclude one-offs as detailed on page 4; comparative 2012 (segmental) figures have been restated to reflect the effect of the adoption of IAS19R as well as the transfer of customer contact services from Mail in the Netherlands to PostNL Other.

Our focus remains on further adjustment of our mail operations to maintain profitability. This is necessary as we expect mail volume to decline by between 9% and 12% in the coming years. The decline in mail volume will be offset by a combination of price increases and cost savings. We increased our cost saving target for 2017 by €75 million. We expect to achieve this without any additional personnel impact beyond the bandwidth communicated in February last year of between 2,700 and 3,500 FTE in total.

We will continue to focus on growth in Parcels and fully benefit from the growing ecommerce market. This requires further extension of our services, like evening delivery, in order to meet the growing consumer demand. Changes in subcontracting mix and operational conditions are expected to have an impact on margins of Parcels.

In 2014 we aim to achieve underlying cash operating income of €180-220 million, which is another important step towards our updated 2015 targets and a clear step up from the reported €141 million in 2013. We are committed to achieve profitable growth of Parcels and International and manage Mail in the Netherlands for sustainable delivery of cash with the aim to restore cash dividend in 2016."

Review of operations Q4

Reconciliation Q4 2013 in € millions	Reported Q4 2013	One-offs	Foreign exchange	Underlying Q4 2013	Underlying Q4 2012	One-offs	Reported Q4 2012
Mail in NL	628			628	649		649
Parcels	219			219	208		208
International	441		8	449	430		430
PostNL Other	63			63	74		74
Intercompany	(145)			(145)	(160)		(160)
Revenue	1,206		8	1,214	1,201		1,201
Mail in NL	144	(28)		116	75	20	55
Parcels	24	1		25	22	(6)	28
International	(7)	16		9	10	(1)	11
PostNL Other	97	(102)		(5)	9	(71)	80
Operating income	258	(113)	0	145	116	(58)	174
Changes in pension liabilities*				(27)	(36)		
Changes in provisions*				(37)	(13)		
Underlying cash operating income				81	67		
As percentage of underlying revenue				*6.7%*	*5.6%*		

* Excluding one-offs

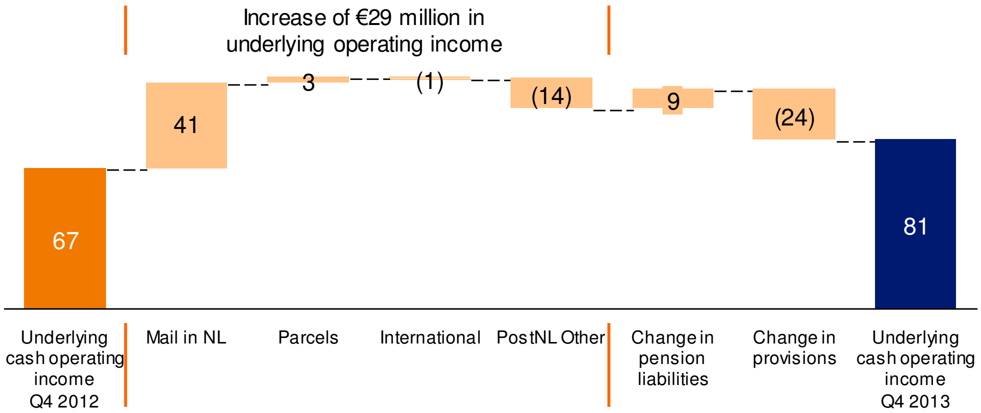
Reported revenue was €1,206 million, flat year on year. Based on constant currencies the underlying revenue was €1,214 million, which is an increase of 1% compared to the prior year. The foreign exchange effect of €8 million was caused by the decrease in the value of the GBP versus the EUR. Growth in Parcels and International compensated for the revenue decline in Mail in the Netherlands.

Reported operating income increased by 48% to €258 million, mainly as a result of the improved results in Mail in the Netherlands. The one-offs in Q4 2013 (€(113) million) consisted of €(28) million in Mail in the Netherlands (€6 million restructuring related charges and €(34) million past service pension costs), €1 million restructuring related charges in Parcels, €16 million in International (€12 million impairment of the UK activities and €4 million other one-offs) and €(102) million in PostNL Other (€4 million restructuring related charges and €(106) million past service pension costs). The one-offs of €(58) million in Q4 2012 related for €(41) million to restructuring, €(27) million to past service pension costs, €9 million impairment and €1 million to rebranding / other.

Underlying operating income increased by €29 million from €116 million to €145 million. This increase is due to cost savings (€31 million), lower implementation costs (€13 million), positive volume/price/mix effect in Mail in the Netherlands (€7 million) and the contribution from Parcels and International (€2 million), more than offsetting autonomous cost increases (€9 million), other items (€10 million) and higher pension expenses (€5 million).

The €9 million change in pension liabilities reflects the difference between the higher pension expenses (€5 million) and lower pension cash out (€4 million). The €24 million change in provisions mainly reflects higher cash out for (voluntary) redundancies.

Underlying cash operating income for the quarter was €81 million, an increase of €14 million compared to the same quarter in the prior year.



Net cash from operating and investing activities was €539 million, an increase of €535 million compared to the prior year. Adjusted for the partial sale of the stake in TNT Express (€505 million) and the interest paid related to the bond buy-backs (€(56) million), net cash from operating and investing activities increased to €32 million (2012: €(212) million) mainly due to lower capex (€20 million) and higher operational results.

At the end of 2013, net debt was €798 million, which compares to €1,293 million at the end of Q3 2013.

Review of operations FY

Reconciliation FY2013 in € millions	Reported FY2013	One-offs	Foreign exchange	Underlying FY2013	Underlying FY2012	One-offs	Reported FY2012
Mail in NL	2,161			2,161	2,270		2,270
Parcels	803			803	730		730
International	1,658		38	1,696	1,624		1,624
PostNL Other	259			259	293		293
Intercompany	(574)			(574)	(587)		(587)
Revenue	4,307		38	4,345	4,330		4,330
Mail in NL	145	72		217	178	32	146
Parcels	90	4		94	103	(6)	109
International	4	22		26	27		27
PostNL Other	165	(143)		22	54	(59)	113
Operating income	404	(45)	0	359	362	(33)	395
Changes in pension liabilities*				(114)	(155)		
Changes in provisions*				(104)	(77)		
Underlying cash operating income				141	130		
As percentage of underlying revenue				*3.2%*	*3.0%*		

* Excluding one-offs

Full year reported revenue was €4,307 million, which is flat compared to the prior year. Underlying revenue increased by €15 million compared to the prior year.

Reported operating income increased by 2% to €404 million. Underlying cash operating income increased by 9% to €141 million, which represents an underlying cash operating margin of 3.2% (FY 2012: 3.0%). This increase is mainly caused by a better performance in Mail in the Netherlands and less cash out for pensions and restructuring.

Pensions

At the end of 2013, the coverage ratio of the main pension fund was 112%, which includes the €150 million unconditional commitment of PostNL to the pension fund. The short term recovery plan of the pension fund ended because the coverage ratio was above the minimum required level at the end of 2013.

The underlying pension expense in Q4 2013 amounted to €33 million (Q4 2012: €28 million). The total cash contributions were €60 million (Q4 2012: €64 million). As of 1 January 2013, employees started to contribute to their pensions.

The new pension arrangement was approved by the trade unions' members and is effective as of 1 January 2014.

Stake in TNT Express N.V.

The book value of the stake at the end of Q4 2013 amounted to €542 million, €568 million less than at the end of Q3 2013. The decrease is the result of the partial disposal of our stake in TNT Express (€507 million), a book loss of €105 million and a fair value adjustment of €44 million of the remaining stake.

Consolidated equity

Total equity attributable to equity holders of the parent decreased to €(679) million on 31 December 2013 from €(670) million on 28 September 2013. This was the result of net profit excluding TNT Express of €125 million being more than offset by pension related losses of €72 million, the result from the stake in TNT Express of €(65) million and other €3 million.

Financial and equity position 2013 - 2016

PostNL is well financed and has access to sufficient financial resources to meet its funding needs. In the period 2013 - 2016 we expect to gradually improve our equity position.

The present negative consolidated equity does not impact the company's operations, the timing of debt reductions and access to the available credit facility or the stock exchange listing.

PostNL's financial and equity position will continue to be vulnerable to changes in interest rates which will impact the pension position. An environment of higher interest rates will have a positive effect on the financial and equity position.

Dividend 2013 and dividend policy

The distributable part of the corporate equity of PostNL N.V. was €(341) million on 31 December 2013. Negative distributable corporate equity restricts the payout of dividend. Accordingly, there will be no dividend proposal.

Our dividend policy can be summarised as follows: PostNL aims for a dividend pay out of around 75% of underlying net cash income. PostNL anticipates paying interim and final dividends annually as an optional dividend, which means that the shareholders can decide whether they want to receive cash or shares. The conditions for paying out dividend are: (1) positive consolidated equity and (2) certainty of a BBB+/Baa1 credit rating. Both conditions were not met at the end of 2013. Dividends received from TNT Express will not be not passed through to PostNL shareholders until cash dividend is restored.

Based on current parameters, PostNL expects to resume dividend in 2016

Sustainable delivery

Subject		Q4 2013
Operations Mail in NL	Centralisation in controlled manner whilst maintaining quality	▪ 24 depots migrated (115 depots since start) ▪ Optimisation depots ▪ Organisational preparations for cancellation Monday delivery finalised ▪ Quality level in 2013 of 95.9%, above the required level
Marketing & Sales / overhead	Lean management structure	▪ Focus on expenses yields results ▪ Reduction of staff on track
Pensions / CLA	Towards sustainable labour costs and lower risk pensions	▪ New pension arrangement; lower pension contribution and potential top-up payments capped
Price	Enhance sustainable profitability of mail products	▪ Base price stamps increased as of 1 January 2014 ▪ Price increases bulk mail negotiated
Regulatory developments	Underpinning cost savings and price increases	▪ Cancellation Monday delivery and Sunday collection as of 1 January 2014 approved by the Senate ▪ New tariff mechanism with direct link to volume decline
Financial position	Debt reduction	▪ Net debt reduced from €1,224 million to €798 million; mainly explained by partial sale of stake in TNT Express

In 2014, we will continue to work diligently to execute our strategy to realise sustainable delivery of cash in Mail in the Netherlands and profitable growth in Parcels and International. We expect a higher addressed mail volume decline in the period 2014-2017 than previously assumed and therefore need to further adjust our cost base and continue our price policy of tariff increases. We have increased our cost savings target for 2017 by €75 million, which to a large extent, will be realised through more savings coming from existing plans and to a lesser extent by new plans.

For Parcels we focus on long term growth opportunities and will invest in extension of our services. We expect a further shift in the customer and product mix. The final stage of the implementation of the NLI will be reached, which contributes to efficiency and adds capacity. We also expect to play an active role in the public discussion on the position of independent workers. We will continue to invest in the relationship with our subcontractors with first steps taken in 2013. These developments come at the expense of our margin in Parcels, which will become increasingly visible.

Outlook

The outlook for 2014 and 2015 includes the IFRS joint venture accounting (visible in Mail in the Netherlands and International) and excludes the contribution of our UK operations as we currently assume a successful closure of the joint venture agreement with LDC. This will have a negative impact on underlying cash operating income of approximately €20 million in 2015. The business related adjustment of €20 million mainly relates to margin pressure in the Parcels business. As a result of these adjustments, we expect an underlying cash operating income in 2015 of €260 million - €330 million. In the intermediate year 2014, we expect to deliver an underlying cash operating income of €180 million - €220 million, up from the reported €141 million in 2013.

Outlook	Underlying revenue		Underlying cash operating income / margin		
in € millions	*Restated 2013*	2014	*Restated 2013*	2014	2015
Mail in NL	*2,060*	- low single digit	*3.8%*	6 to 8%	8 to 10%
Parcels	*803*	+ mid single digit	*11.1%*	11 to 13%	11 to 13%
International	*885*	+ mid single digit	*1.6%*	1 to 3%	2 to 4%
Total	***3,435***	+ low single digit	***137***	**180 - 220**	**260 - 330**

Other indicators		
in € millions	*2013*	2014
Volume decline addressed mail	*11.9*	9-12%
Cost savings	*95*	95-115
Related cash out from provisions	*94*	50-70
Capex	*117*	~140
Regular employer pension contributions	*247*	~180
Employer pension expenses	*151*	~140

Segmental overview

Key figures by segment

	Underlying revenue			Underlying operating income			Underlying cash operating income		
in € millions	Q4 2013	Q4 2012	% Change	Q4 2013	Q4 2012	% Change	Q4 2013	Q4 2012	% Change
Mail in NL	628	649	-3%	116	75	55%	71	39	82%
Parcels	219	208	5%	25	22	14%	25	22	14%
International	449	430	4%	9	10	-10%	9	10	-10%
PostNL Other	63	74	-15%	(5)	9		(24)	(4)	
Intercompany	(145)	(160)				0%	-	-	0%
PostNL	1,214	1,201	1%	145	116	25%	81	67	21%

Note: underlying figures are at constant currency and exclude one-offs

	Underlying revenue			Underlying operating income			Underlying cash operating income		
in € millions	FY2013	FY2012	% Change	FY2013	FY2012	% Change	FY2013	FY2012	% Change
Mail in NL	2,161	2,270	-5%	217	178	22%	69	20	
Parcels	803	730	10%	94	103	-9%	89	100	-11%
International	1,696	1,624	4%	26	27	-4%	27	27	
PostNL Other	259	293	-12%	22	54	-59%	(44)	(17)	
Intercompany	(574)	(587)							
PostNL	4,345	4,330		359	362	-1%	141	130	9%

Note: underlying figures are at constant currency and exclude one-offs

Mail in the Netherlands

Mail in the Netherlands' addressed mail volume decreased by 12.9% in Q4 (underlying 13.4%, includes working day adjustment). The main reason for this decline remains substitution, price increases had a limited impact on volume. Underlying revenue decreased by 3%, helped by a positive price effect on addressed mail (including the contribution of the tariff increase per 1 August 2013 and the tariff increase of the December stamp) and revenue mix.

Underlying cash operating income in Mail in the Netherlands increased by €32 million to €71 million. Cost savings (€25 million), lower implementation costs (€13 million), a positive volume/price/mix effect in addressed mail (€7 million) and lower internal charges (€17 million) more than offset the autonomous cost increases (€9 million), other costs increases (€9 million) and higher cash out for pension and restructuring (€12 million).

Parcels

Parcels continued to show strong volume growth (+7.5% underlying). Revenue increased by 5% to €219 million explained by volume growth and a change in customer/product mix, resulting in a lower average price per parcel. Underlying cash operating income increased to €25 million from €22 million last year. When adjusted for lower internal charges (€2 million) and other incidentals (€(2) million), business performance improved by €3 million.

In the quarter we acquired part of the operations of Fiege to become the leading two men handling company in the Benelux.

The New Logistics Infrastructure (NLI) programme is on track for completion in 2015. At the end of Q4, 14 depots were operational as part of the NLI. Currently, close to 80% of volumes are running through the new NLI network. In Q4, capital expenditures for NLI were €11 million.

International

Underlying revenue in € millions	Q4 2013	Q4 2012	% Change	FY2013	FY2012	% Change
United Kingdom	202	203	0%	766	750	2%
Germany	146	129	13%	553	506	9%
Italy	58	53	9%	223	203	10%
Spring and Other	43	45	-4%	154	165	-7%
International	449	430	4%	1,696	1,624	4%

International underlying revenue increased by 4% to €449 million. Underlying cash operating income was €9 million compared to €10 million in Q4 2012. When excluding the effect from the implementation costs for the roll out of E2E in the UK and incidentals from Compador in Germany, the result slightly improved compared to last year.

In the **United Kingdom**, revenues amounted to €202 million, flat compared to the prior year.

LDC and PostNL have reached an agreement in December to establish a joint venture, which will allow TNT Post UK to roll out its E2E postal delivery service. Closing of the transaction is subject to a number of conditions and is currently expected in the second half of 2014. E2E volumes reached a level of 1.2 million items per week and progress was made with further costs and efficiency improvements. E2E services in Manchester have started in November.

In **Germany**, revenues grew to €146 million (+13%) driven by good volumes, both from new and existing clients. In 2013, Germany was break-even on operating income (adjusted for Compador incidentals and management fee). We have filed a complaint with the Bundesnetzagentur against DP InHaus to stop unfair competition. Continued support from the Bundeskartellamt and Bundesnetzagentur is needed and will foster a competition friendly market environment.

In **Italy**, revenues increased to €58 million (+9%). Formula Certa's volumes and revenues continued to show strong growth. The coverage of Formula Certa increased to 74% of households.

PostNL Other

PostNL Other represents head office entities, including the difference between the recorded IFRS employer pension expense for the pension plans and the actual cash payments received from all segments. Revenue decreased by €11 million to €63 million due to lower internal revenues. In Q4 results were impacted by the re-allocation of, amongst others, full year cost savings from PostNL Other to Mail in the Netherlands and Parcels. Underlying cash operating income declined by €20 million to €(24) million. The impact of cost savings (€6 million) was more than offset by higher restructuring cash out (€5 million), the re-allocation as mentioned above (€19 million) and other items (€2 million).

Consolidated financial statements

Consolidated statement of financial position in € millions	31 December 2013	Restated 31 December 2012	Restated 1 January 2012
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	95	111	121
Other intangible assets	48	57	55
Total	143	168	176
Property, plant and equipment			
Land and buildings	345	303	238
Plant and equipment	128	140	112
Other	37	42	32
Construction in progress	29	51	69
Total	539	536	451
Financial fixed assets			
Investments in associates	6	1,373	940
Other loans receivable	5	4	3
Deferred tax assets	56	70	20
Available for sale financial assets	542	0	0
Total	609	1,447	963
Pension assets			548
Total non-current assets	1,291	2,151	2,138
Current assets			
Inventory	8	9	9
Trade accounts receivable	378	432	417
Accounts receivable	21	50	41
Income tax receivable	1	4	3
Prepayments and accrued income	102	116	121
Cash and cash equivalents	469	391	668
Total current assets	979	1,002	1,259
Assets classified as held for sale	194	63	52
Total assets	2,464	3,216	3,449
LIABILITIES AND EQUITY			
Equity			
Equity attributable to the equity holders of the parent	(679)	(301)	(290)
Non-controlling interests	7	9	11
Total	(672)	(292)	(279)
Non-current liabilities			
Deferred tax liabilities	37	41	110
Provisions for pension liabilities	544	535	474
Other provisions	128	117	201
Long-term debt	1,263	1,615	1,607
Accrued liabilities	1	2	0
Total	1,973	2,310	2,392
Current liabilities			
Trade accounts payable	165	233	219
Other provisions	69	91	132
Other current liabilities	204	240	291
Income tax payable	59	28	94
Accrued current liabilities	549	595	600
Total	1,046	1,187	1,336
Liabilities related to assets classified as held for sale	117	11	
Total equity and liabilities	2,464	3,216	3,449

Consolidated income statement in € millions	Q4 2013	Restated Q4 2012	FY2013	Restated FY2012
Net sales	1,204	1,198	4,296	4,317
Other operating revenue	2	3	11	13
Total operating revenue	1,206	1,201	4,307	4,330
Other income	1	2	7	31
Cost of materials	(44)	(53)	(167)	(187)
Work contracted out and other external expenses	(590)	(574)	(2,142)	(2,140)
Salaries, pensions and social security contributions	(225)	(302)	(1,288)	(1,323)
Depreciation, amortisation and impairments	(43)	(40)	(132)	(115)
Other operating expenses	(47)	(60)	(181)	(201)
Total operating expenses	(949)	(1,029)	(3,910)	(3,966)
Operating income	258	174	404	395
Interest and similar income	5	8	10	33
Interest and similar expenses	(91)	(32)	(184)	(132)
Net financial expenses	(86)	(24)	(174)	(99)
Results from investments in associates		(21)	36	(13)
Reversal of/(impairment) of investments in associates	(106)	78	(369)	448
Profit/(loss) before income taxes	66	207	(103)	731
Income taxes	(47)	(40)	(67)	(74)
Profit for the period	19	167	(170)	657
Attributable to:				
Non-controlling interests	1	1		1
Equity holders of the parent	18	166	(170)	656
Earnings per ordinary share (in € cents) [1]	4.1	37.7	(38.6)	149.1
Earnings per (diluted) ordinary share (in € cents) [1]	4.1	37.7	(38.6)	149.1

1 Based on an average of 439,973,297 outstanding ordinary shares (2012: 439,973,297).
2 Based on an average of 440,867,038 outstanding diluted ordinary shares (2012: 439,973,297).

The profit for the period related to the stake in TNT Express is reported in the lines 'results from investments in associates' and 'reversal of/(impairment) of investments in associates'. In Q4 2013, profit for the period excluding the results from the stake in TNT Express was €125 million (Q4 2012 restated: €110 million). FY 2013 profit for the period excluding the results from the stake in TNT Express was €164 million (FY 2012 restated: €222 million).

Consolidated statement of comprehensive income in € millions	Q4 2013	Restated Q4 2012	FY2013	Restated FY2012
Profit for the period	19	167	(170)	657
Other comprehensive income that will not be reclassified to the income statement				
Pension asset ceiling/minimum funding requirement, net of tax	(140)		(140)	
Actuarial gains/(losses) pensions, net of tax	68	206	(90)	(661)
Share other comprehensive income associates			(5)	
Other comprehensive income that may be reclassified to the income statement				
Currency translation adjustment, net of tax	1	(1)		1
Gains/(losses) on cashflow hedges, net of tax	1	(8)	(1)	(1)
Share other comprehensive income associates	(3)	(8)	(19)	(3)
Change in value of available-for-sale financial assets	44		44	
Total other comprehensive income for the period	(29)	189	(211)	(664)
Total comprehensive income for the period	(10)	356	(381)	(7)
Attributable to:				
Non-controlling interests	1	1		1
Equity holders of the parent	(11)	355	(381)	(8)

Consolidated statement of cash flows in € millions	Q4 2013	Restated Q4 2012	FY2013	Restated FY2012
Profit/(loss) before income taxes	66	207	(103)	731
Adjustments for:				
Depreciation, amortisation and impairments	43	40	132	115
Share-based payments	1	-	4	-
(Profit)/loss on assets held for sale	(1)	(2)	(6)	(13)
(Profit)/loss on sale of Group companies/joint ventures	-	-	-	(1)
Negative goodwill on acquisition of Group companies	-	2	-	(15)
Interest and similar income	(5)	(8)	(10)	(33)
Interest and similar expenses	91	32	184	132
(Reversal of) impairments and results of investments in associates	106	(57)	333	(435)
Investment income	191	(33)	501	(365)
Pension liabilities	(167)	(147)	(318)	(266)
Other provisions	(13)	(57)	(12)	(132)
Changes in provisions	(180)	(204)	(330)	(398)
Inventory	1	-	1	-
Trade accounts receivable	(22)	(7)	(22)	(9)
Other accounts receivable	4	(6)	18	(8)
Other current assets	17	48	-	4
Trade accounts payable	22	4	(26)	10
Other current liabilities excluding short-term financing and taxes	20	68	(15)	3
Changes in working capital	42	107	(44)	0
Cash generated from operations	163	117	160	83
Interest paid	(91)	(36)	(150)	(99)
Income taxes received/(paid)	(7)	(20)	55	(40)
Net cash (used in)/from operating activities	65	61	65	(56)
Interest received	1	(1)	6	11
Dividends received	1	1	9	2
Acquisition of subsidiairies and joint ventures (net of cash)	-	-	-	15
Investments in associates	(1)	(1)	(1)	(1)
Disposal of associates	505	-	505	-
Capital expenditure on intangible assets	(14)	(9)	(27)	(29)
Capital expenditure on property, plant and equipment	(23)	(48)	(90)	(175)
Proceeds from sale of property, plant and equipment	5	4	14	27
Other changes in (financial) fixed assets	-	-	-	(2)
Changes in non-controlling interests	-	(3)	-	(4)
Net cash (used in)/from investing activities	474	(57)	416	(156)
Changes related to non-controlling interests	-	-	(3)	(2)
Proceeds from long term borrowings	1	1	1	4
Repayments of long term borrowings	(363)	-	(363)	-
Proceeds from short term borrowings	(2)	(19)	1	-
Repayments of short term borrowings	-	7	(1)	(67)
Repayments of finance leases	(1)	-	(2)	(1)
Net cash used in financing activities	(365)	(11)	(367)	(66)
Total change in cash	**174**	(7)	**114**	(278)
Cash at the beginning of the period	330	398	391	668
Cash included in assets held for sale	(35)	-	(35)	-
Exchange rate differences	-	-	(1)	1
Total change in cash	174	(7)	114	(278)
Cash at the end of the period	469	391	469	391

Consolidated statement of changes in equity

in € millions	Issued share capital	Additional paid in capital	Currency translation reserve	Hedge reserve	Available-for-sale financial assets	Other reserves	Retained earnings	Attributable to equity holders of the parent	Non-controlling interests	Total equity
Balance at 31 December 2011	31	151	8	(12)		(1,478)	1,700	400	14	414
Effect of adoption IAS19R						(690)		(690)	(3)	(693)
Balance at 1 January 2012	31	151	8	(12)		(2,168)	1,700	(290)	11	(279)
Total comprehensive income			1	(1)		(664)	656	(8)	1	(7)
Appropriation of net income						1,091	(1,091)	0		0
Final dividend previous year	2	(2)						0		0
Interim dividend current year	2	(2)						0		0
Other						(3)		(3)	(3)	(6)
Total direct changes in equity	4	(4)	0	0		1,088	(1,091)	(3)	(3)	(6)
Balance at 31 December 2012	35	147	9	(13)		(1,744)	1,265	(301)	9	(292)
Total comprehensive income				(1)	44	(254)	(170)	(381)		(381)
Appropriation of net income						325	(325)	0		0
Share-based compensation						4		4		4
Other						(1)		(1)	(2)	(3)
Total direct changes in equity	0	0	0	0	0	328	(325)	3	(2)	1
Balance at 31 December 2013	35	147	9	(14)	44	(1,670)	770	(679)	7	(672)

Other

Working days

Working days	Q1	Q2	Q3	Q4	Total
2012	65	61	65	64	255
2013	63	61	65	65	254
2014	62	62	65	66	255

Press releases since the third quarter 2013 results

3 December 2013	Agreement on implementation and funding of a new PostNL pension arrangement
5 December 2013	PostNL announces intention to sell part of its stake in TNT Express; proceeds will be used to reduce its debt position
6 December 2013	PostNL announces proceeds from sale of part of its stake in TNT Express; proceeds will be used to reduce its debt position
6 December 2013	PostNL announces tender offer for outstanding bonds
13 December 2013	LDC and PostNL to form joint venture to roll out E2E delivery in the UK
13 December 2013	PostNL announces indicative results of tender offer for outstanding debt
13 December 2013	PostNL announces final results of tender offer for outstanding debt
10 January 2014	PostNL opens parcel points at GAMMA and KARWEI home improvement centres

Financial calendar

16 April 2014	Annual General Meeting of Shareholders
6 May 2014	Publication of Q1 2014 results
4 August 2014	Publication of Q2 & HY 2014 results
3 November 2014	Publication of Q3 2014 results

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Audio webcast and conference call Q4 2013 results

On 24 February 2014, the press conference will start at 9.30 CET and can be followed live via an audio webcast on **www.postnl.com**. The conference for analysts and investors will start at 14.00 CET and can be followed live via an audio webcast on **www.postnl.com**.

Additional information

Additional information available at **www.postnl.com**.

Warning about forward-looking statements

Some statements in this press release are 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industries in which we operate and management's beliefs and assumptions about possible future events. You are cautioned not to put undue reliance on these forward-looking statements, which only speak as of the date of this press release and are neither predictions nor guarantees of possible future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.