



4Q-13 Trading Update

Investor presentation
Brussels – February, 12th 2014

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Financial figures contained in this communication are unaudited and the annual financial statements 2013 have not yet been submitted the Board of Directors nor approved by the Shareholders Meeting.

The final consolidated results for the full year ended December 31, 2013, audited by bpost's statutory auditors, will be published on March 26th, 2014.

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¹ as defined among others under the U.S. Private Securities Litigation Reform Act of 1995

Highlights

Normalized¹, EUR million



Topic	Results	Last 2013 Outlook
Total operating income (Revenues)	<ul style="list-style-type: none"> 4Q-13 : € 640.9m (+0.6%) FY13 : € 2,428.6m (+0.5%) 	Stable revenues
EBITDA	<ul style="list-style-type: none"> 4Q-13 : € 121.6m (€ +15.0m; +14.1%) FY13 : € 536.9m (€ +34.9m; +7.0%) 	At least maintain operating results and operating margins
EBIT	<ul style="list-style-type: none"> 4Q-13 : € 86.8m (€ +14.0m; +19.2%) FY13 : € 436.1m (€ +32.0m; +7.9%) 	
Domestic Mail	<ul style="list-style-type: none"> 4Q-13 : -4.1% (underlying volume) FY13 : -4.2% (underlying volume) 	Decline between 4 and 4.5%
Parcels	<ul style="list-style-type: none"> Domestic volumes 4Q-13 : +8.0% Organic growth FY13 : +40.5 m 	
Productivity	<ul style="list-style-type: none"> FY13: - 1,082 FTE (-3.9%) 	Between -800 and -1,200 FTE per year
Dividend	<ul style="list-style-type: none"> Total dividend of € 1.13 per share gross proposed <ul style="list-style-type: none"> – Interim dividend already paid : € 0.93 – Final dividend of € 0.20 based on net profits of Nov and Dec at 85% payout. 	

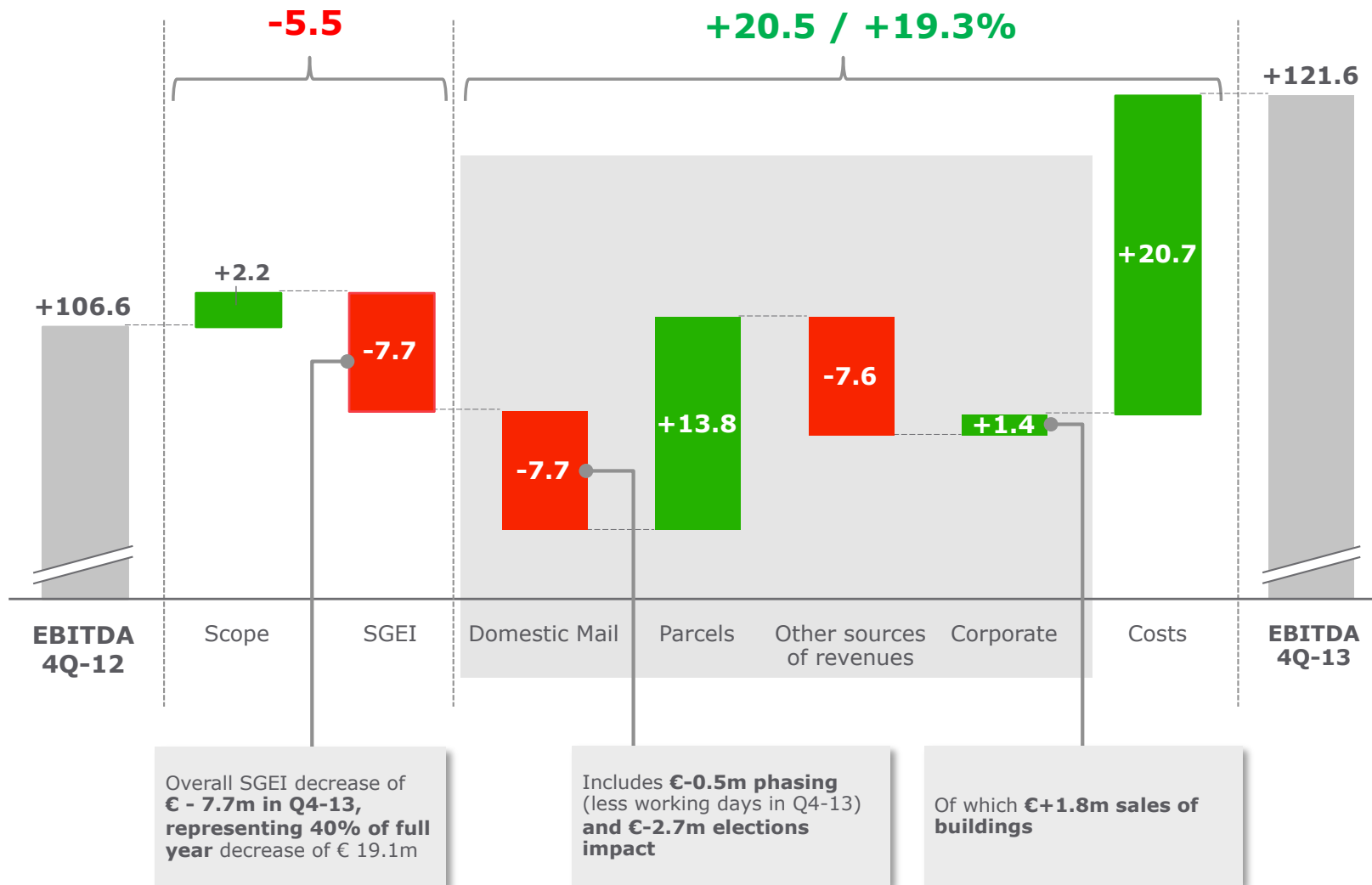
¹ Normalized figures are neither audited nor have been subject to a limited review

Strong 4Q-13 EBITDA performance thanks to parcels growth, cost discipline and favourable movements on provisions. Domestic mail volume decline slightly higher than last two quarters but in line with expectations.



EBITDA, Normalized¹, EUR million

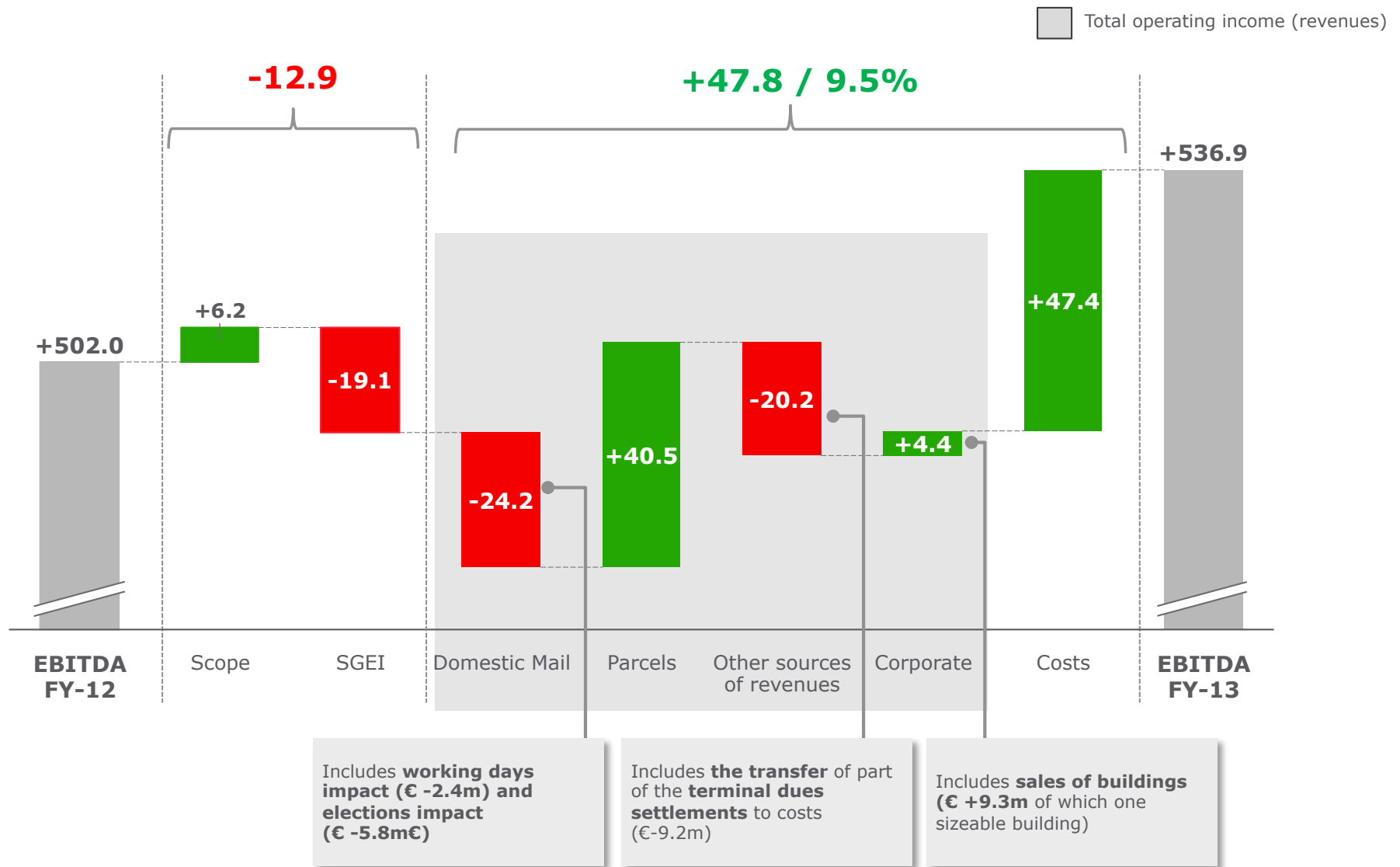
■ Total operating income (revenues)



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Strong 2013 EBITDA performance thanks to parcels growth, cost discipline and productivity improvements

EBITDA, Normalized¹, EUR million



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Final dividend of € 0.20/share gross will be proposed to reach a total dividend payment of € 1.13/share gross



Based on the communicated dividend policy, taking into account the interim dividend paid and subject to Board and Shareholders' meeting approval

Interim dividend paid in December 2013 (€, gross per share)	€ 0.93
Final dividend payment (proposed) (€, gross per share)	€ 0.20
Total proposed dividend for 2013	€ 1.13

Dividend	
bpost S.A./N.V. net profits after tax November to December 2013 (BGAAP)	€ 47.5 m
Pay-out ratio	X 85%
Proposed dividend for the last 2 months	€ 40.4 m
Dividend payment, € gross per share	€ 0.20

Summary of key financials 4Q-13

Solid improvement of the margin and bpost's net profit

EUR million

4Q-13, EUR millions					
	Reported		Normalized ¹		
	2012	2013	2012	2013	% change
Total operating income (revenues)	637.1	640.9	637.1	640.9	0.6%
Operating expenses	632.7	519.4	530.5	519.4	2.1%
EBITDA	4.4	121.6	106.6	121.6	14.1%
<i>Margin (%)</i>	<i>0.7%</i>	<i>19.0%</i>	<i>16.7%</i>	<i>19.0%</i>	
EBIT	-29.4	86.8	72.8	86.8	19.2%
<i>Margin (%)</i>	<i>-4.6%</i>	<i>13.5%</i>	<i>11.4%</i>	<i>13.5%</i>	
Profit before tax	-56.1	85.5	46.1	85.5	85.5%
Income tax expense	-18.2	32.8	16.6	32.8	
Net profit	-37.9	52.7	29.6	52.7	78.0%
FCF²	-26.4	12.6	-24.2	12.5	151.7%
bpost S.A./N.V. net profit (BGAAP)	1.0	72.7	68.5	72.7	6.1%

2012: gain on pending litigation provision (€ 22.7m) and loss on provision relating to European Commission Decision (€ 124.9m)

¹ Normalized figures are neither audited nor have been subject to a limited review

² Operating free cash flow = cash flow from operating activities + cash flow from investing activities

Summary of key financials FY-13

EUR million



FY-13, EUR millions					
	Reported		Normalized ¹		
	2012	2013	2012	2013	% change
Total operating income (revenues)	2,415.7	2,443.2	2,415.7	2,428.6	0.5%
Operating expenses	1,994.8	1,891.7	1,913.7	1,891.7	1.1%
EBITDA	420.9	551.4	502.0	536.9	7.0%
<i>Margin (%)</i>	17.4%	22.6%	20.8%	22.1%	
EBIT	323.0	450.7	404.1	436.1	7.9%
<i>Margin (%)</i>	13.4%	18.4%	16.7%	18.0%	
Profit before tax	272.7	456.8	353.7	442.2	25.0%
Income tax expense	98.5	168.9	126.0	168.9	
Net profit	174.2	287.9	227.7	273.3	20.0%
FCF²	-16.8	125.9	284.1	249.0	-12.4%
bpost S.A./N.V. net profit (BGAAP)	171.9	248.2	239.4	248.2	3.7%

2013: gain of **EUR 14.6m** from sale of Certipost divisions

2012: net loss of € 81.1m due to:

- 1) Gain on partial curtailment of employee benefit plan **€ 21.1m**
- 2) Gain on pending litigation provision **€ 22.7m**
- 3) Loss on provision relating to European Commission Decision **€ 124.9m**

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² Operating free cash flow = cash flow from operating activities + cash flow from investing activities; normalization excludes the impact of the 2012 and 2013 repayment of prior compensation, following the 2012 EU ruling

Key events and scope elements affecting results

Topic	Description	High-level impact
Changes in scope	Sale of Certipost <ul style="list-style-type: none"> 4Q-13 figures exclude any revenue as well as cost related to Certipost activities¹ sold in January 2013 	<ul style="list-style-type: none"> Decrease of € 2.0m in operating income and decrease of € 2.2m in operating expenses vs. 4Q-12
	Consolidation of Landmark Global <ul style="list-style-type: none"> Following the acquisition of Landmark Global in December 2012, related operating income and operating expenses are consolidated in 2013 financials 	<ul style="list-style-type: none"> Additional operating income of € 13.7m and additional operating expenses of € 11.7m in 4Q-13
	MSI parcels revenue <ul style="list-style-type: none"> MSI parcels revenues now reported under International Parcels (all revenues of MSI were previously reported under International Mail) 	<ul style="list-style-type: none"> Transfer of € 4.6m of 4Q-12 of revenues from International Mail to International Parcels to make 4Q-13 revenues comparable
Change in State Compensation (SGEI)	<ul style="list-style-type: none"> 5th Management Contract leads to a change in methodology for the determination of the State Compensation, from "Fully Distributed Cost" to "Net Avoided Cost" 	<ul style="list-style-type: none"> Overall SGEI decrease of € 7.7m in 4Q-13, totaling € 19.1m for FY13 Decrease of Domestic Mail related SGEI (esp. Press) compensated by introduction of compensation for the Retail Network SGEI

¹ Activity of business documents exchange (e.g., invoices, orders, ...) through electronic communication platform or partially on paper

Total operating income (revenues) of € 640.9m in 4Q-13, stable versus last year on an organic basis



Normalized, EUR million

		2012	Scope	SGEI	Organic ¹	2013	Organic
Domestic mail	Transactional mail	266.2		-1.5	-5.1	259.6	-1.9%
	Advertising mail	76.9		-0.8	-2.1	74.0	-2.7%
	Press	106.5		-25.3	-0.5	80.7	-0.5%
Parcels	Domestic parcels ²	36.8			2.2	39.0	6.0%
	International parcels	2.1	18.3		12.5	32.9	595.2%
	Special logistics	5.0			-0.9	4.1	-18.0%
Additional sources of revenues and retail network	International mail	64.1	-4.6		-4.3	55.2	-6.8%
	Valued added services	24.6	-2.0	-0.2	0.5	22.9	2.0%
	Banking and financial	56.0		-0.7	-2.5	52.8	-4.5%
	Others	6.0		20.8	-1.2	25.6	-20.4%
Corporate		-7.2			1.4	-5.8	-19.1%
TOTAL		637.1	11.7	-7.7	-0.2	640.9	-0.0%

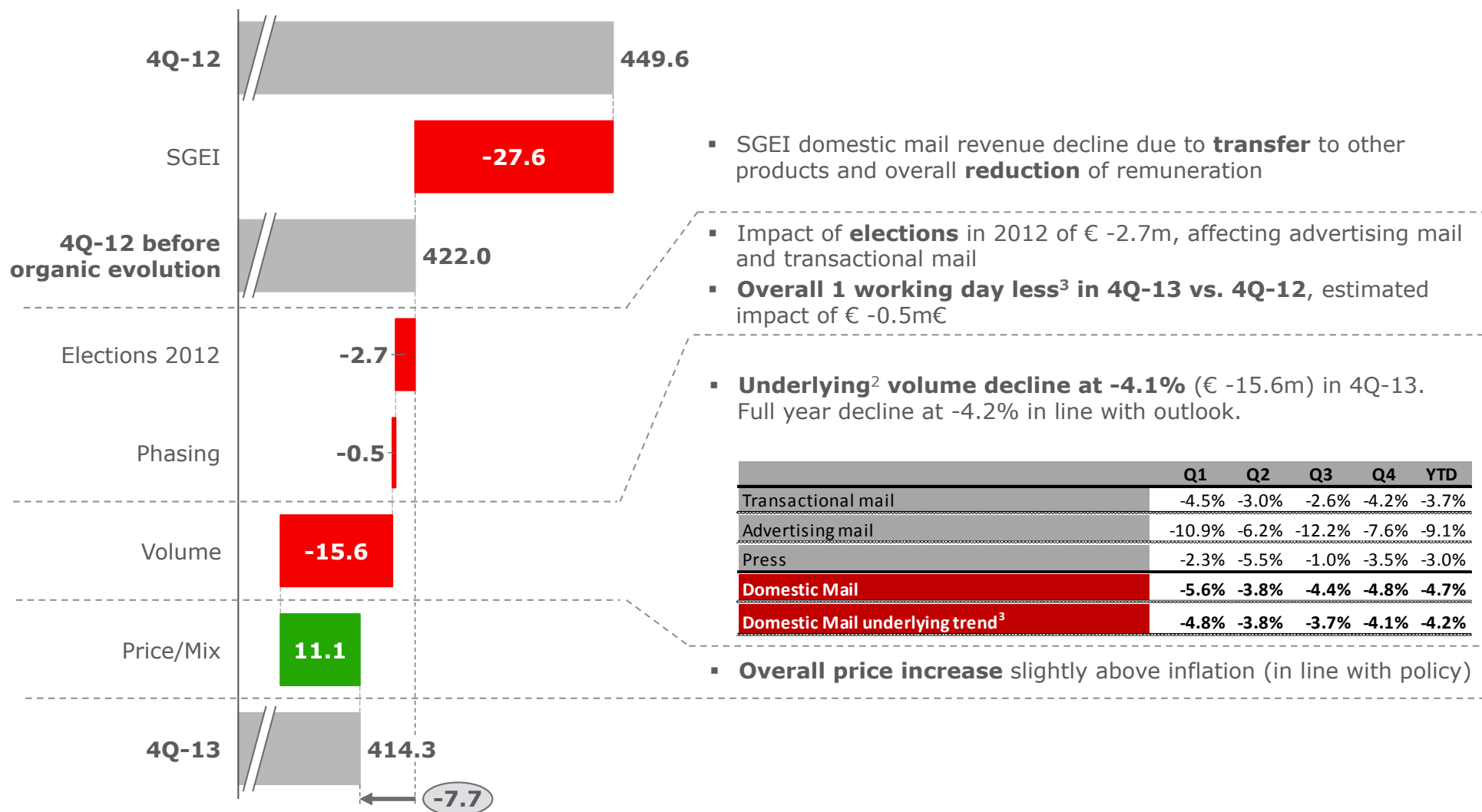
¹ Organic including phasing impacts, see further

² Domestic Parcels including parcels from Domestic, Inbound & Solutions

Underlying 4Q-13 domestic mail volumes decline at -4.1%, slightly higher than second and third quarters but in line with FY expectations



Normalized¹ total operating income (revenues), EUR million



¹ Normalized figures are neither audited nor have been subject to a limited review

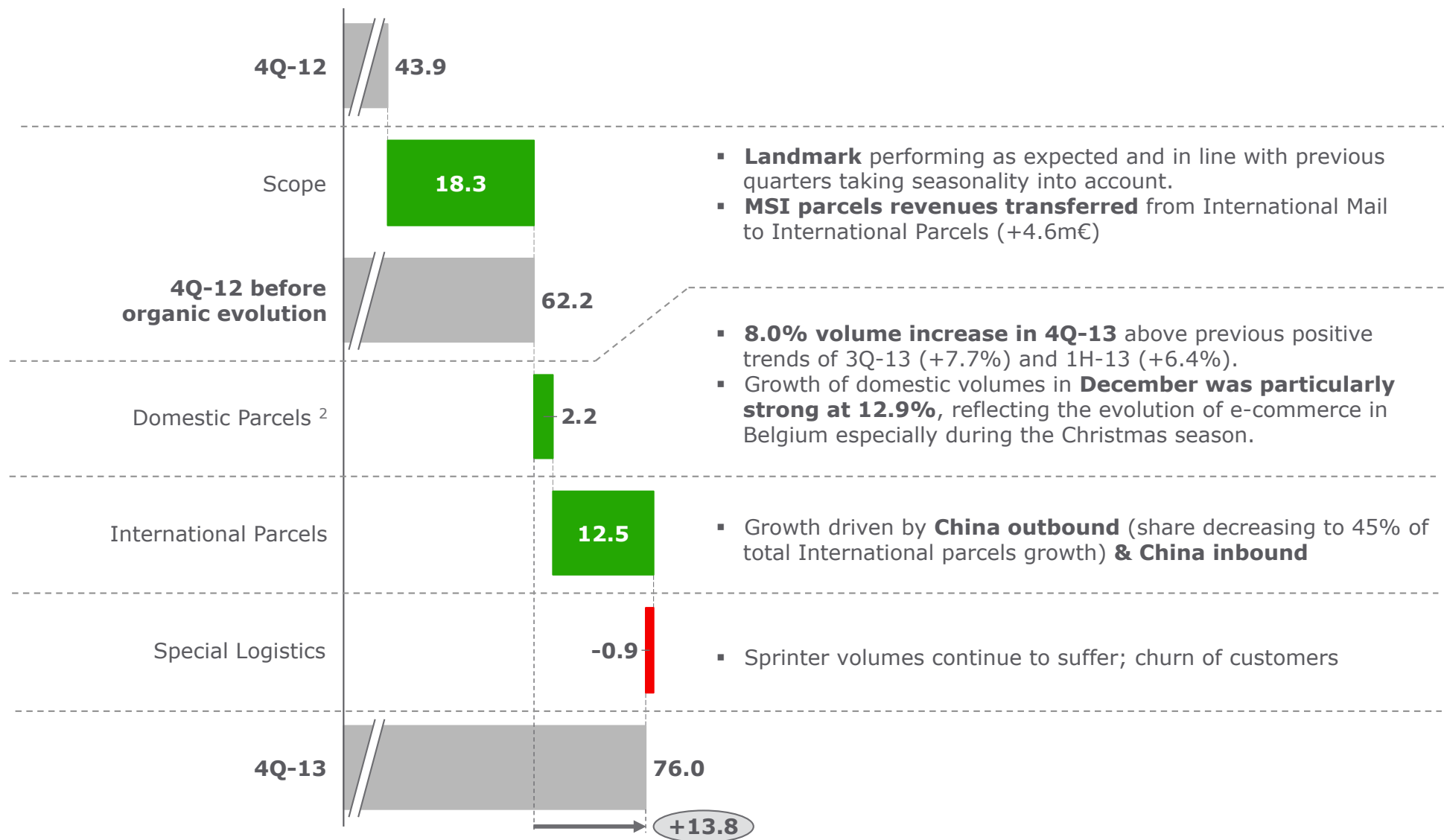
² Excluding impact of less working days and elections held in 2012

³ In terms of working days, 1Q-14 and 2Q-14 will be equal to same quarters of 2013. In 3Q-14 we will have 1 business working day less and in 4Q-14 we will have 1 business working day more than in 2013. In both cases, the number of working days in the post offices is equal in 2014 and 2013.

Sustained growth in parcels in 4Q-13 and good performance linked to the end of year online shopping



Normalized¹ total operating income (revenues), EUR million



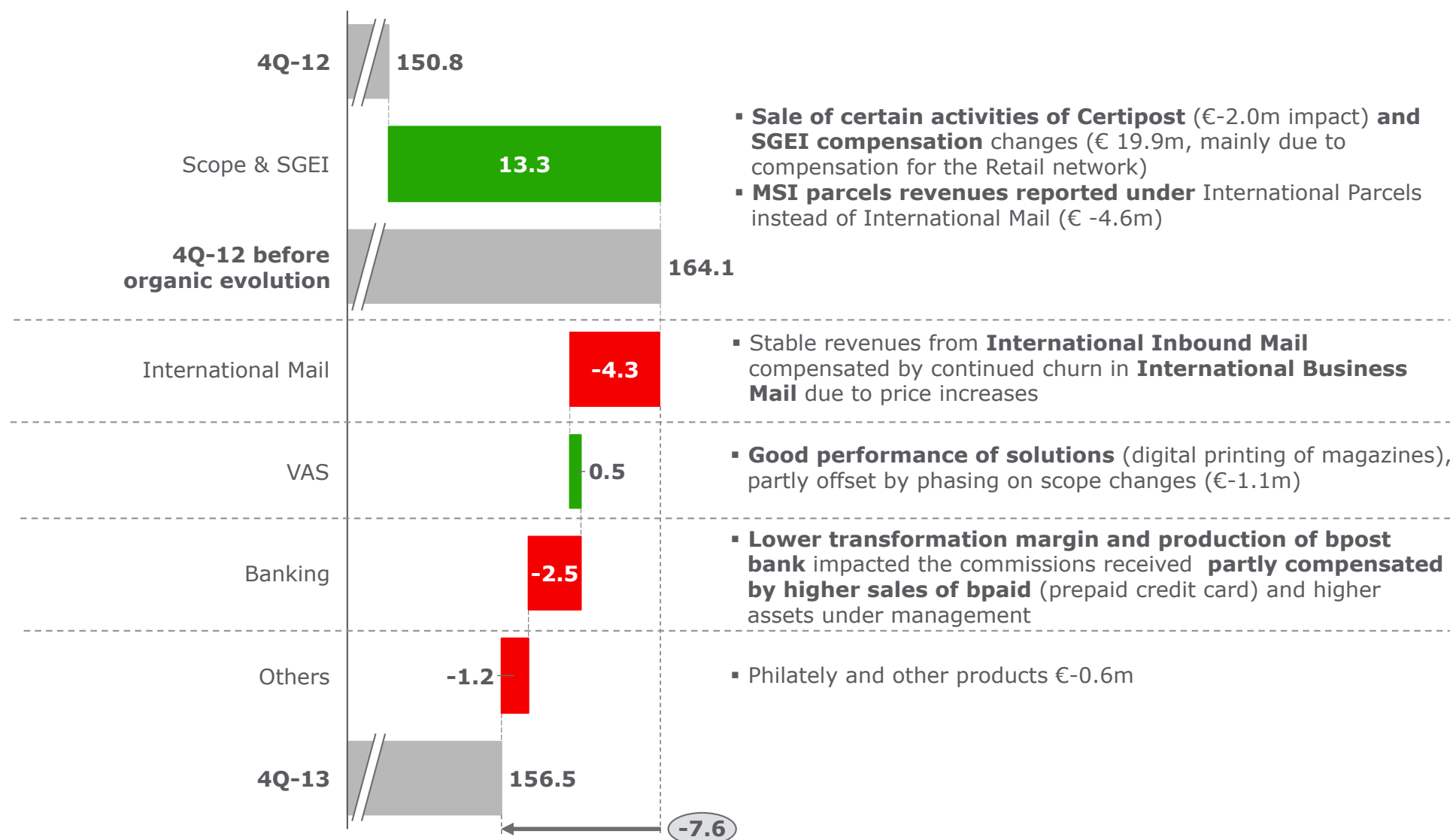
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² Including Domestic Parcels, Inbound Parcels & Solutions

Other sources of revenues impacted by International Mail and Banking revenues



Normalized¹ total operating income (revenues), EUR million

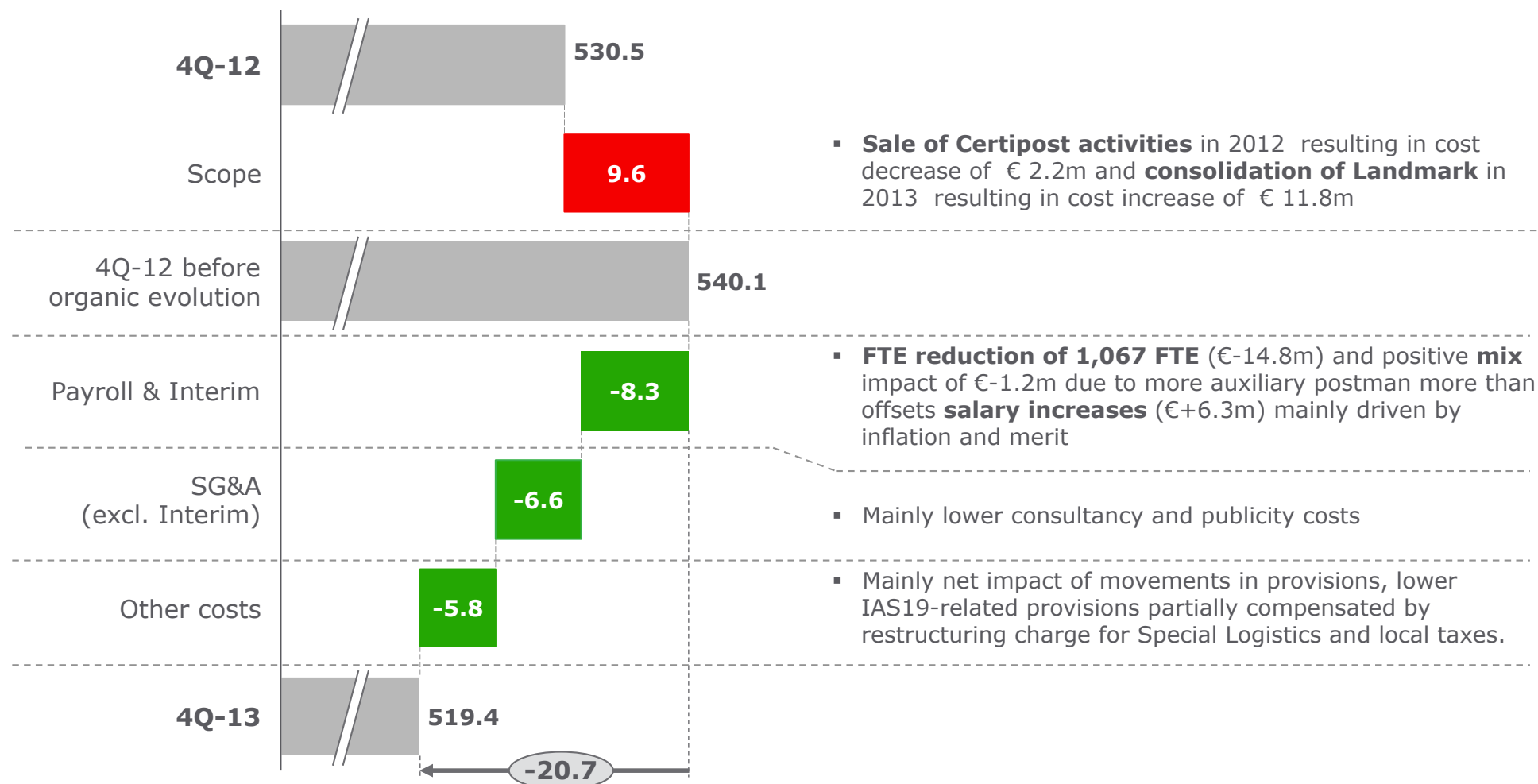


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Productivity improvement ahead of expectations, cost discipline and movements in provisions impacted positively costs



Operating expenses excl. depreciation and amortization, Normalized¹, EUR million



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Positive operating free cash flow¹ of EUR 12.5 million in Q4-13



Normalized, EUR million

	Q4-12	Q4-13	Delta
+ Cash flow from operating activities	24.9	46.4	+21.5
+ Cash flow from investing activities	-49.2	-33.9	+15.4
= Operating free cash flow ¹	-24.2	12.5	+36.9
+ Financing activities ²	-406.6	-195.3	+211.3
= Net cash movement	-430.8	-182.8	+248.1
Capex	35.4	37.2	+1.8

Last year mainly capital decrease of € 220m and exceptional dividend of €198m. This year mainly € 186m of dividend.

Mainly due to purchase of Landmark (€ 7.7m) and 20% of MSI (€ 5.9m) in 2012.

¹ Operating free cash flow = cash flow from operating activities + cash flow from investing activities; excludes the impact of the 2012 and 2013 repayment of prior compensation, following the 2012 EU ruling

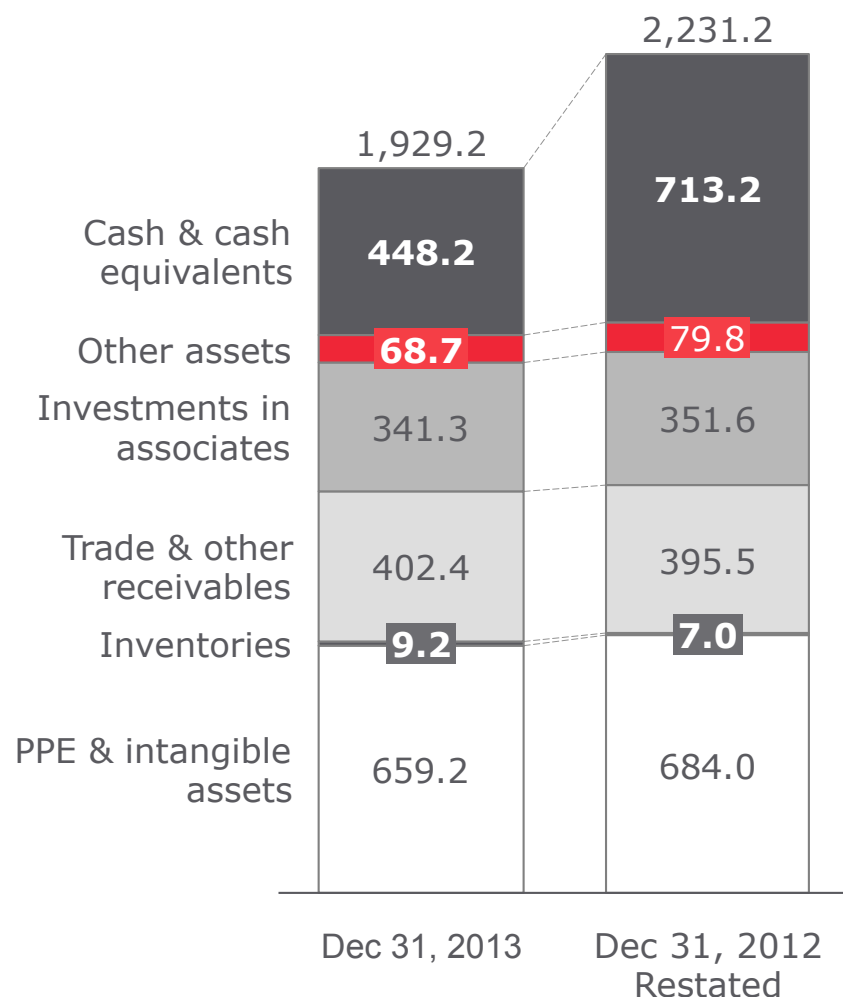
² Financing activities included deposits received from third parties

Strong balance sheet structure

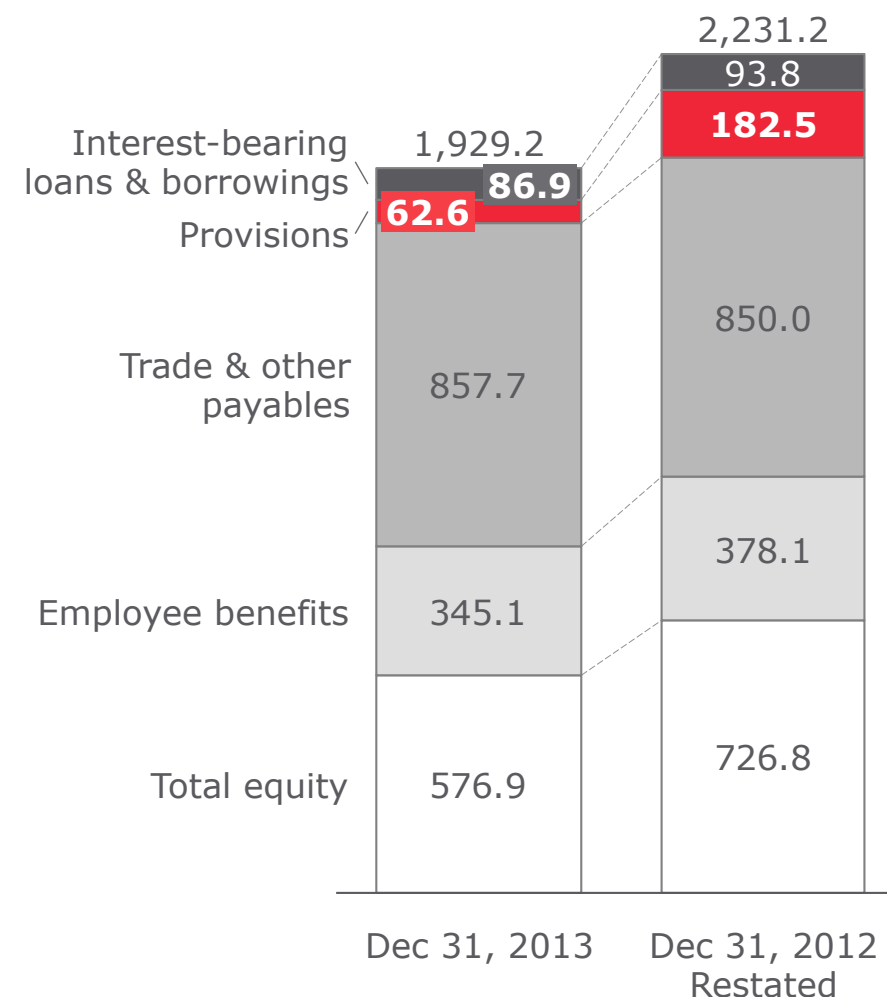
EUR million



Assets



Equity and liabilities



¹ restated for IAS19R applied as from 1 January 2013.

Key takeaways



- **In the 4th quarter**

- **Parcels** performance keeping its momentum,
 - slightly higher volume decline in **domestic mail**,
 - **productivity improvements** ahead of expectations,
 - and **continued cost discipline...**
 - **... resulting in improved operational margins and net profit**
-

- **For the full year**

- **Disciplined execution of the strategy** delivering
 - **results** better than last 2013 outlook
 - **Strong profit performance**
-

- Based on the net profit of bpost N.V./S.A. (Belgian GAAP) for November and December, a **final dividend of € 0.20 gross per share will be proposed** (total dividend **for the year € 1.13 gross per share**)

- Our plans prudently take a volume decline of **Domestic Mail** of 5.0% into account
- **Parcels volumes growth** should be above the 2013 performance
- Taking the phasing of the **productivity improvement initiatives** into account, the FTE reduction for 2014 is expected to be at the low end of the reference range of 800 to 1200 FTE/year
- We are confident to be able to **at least maintain operating results (EBITDA and EBIT)** on a normalized basis (2013 has been impacted by non-recurring revenues)
- We do not anticipate any material exceptional cash outflows during the year which means that **cash generation should follow the normal seasonality. Net capex is expected at € 90m**

Appendix



Operating free cash flow¹ of EUR 249.0 million in FY-13

EUR million



	FY-12	FY-13	Delta
+ Cash flow from operating activities	372.2	329.7	-42.5
+ Cash flow from investing activities	-88.1	-80.7	+7.4
= Operating free cash flow¹	284.1	249.0	-35.1
+ Financing activities ²	-713.4	-513.8	+199.6
= Net cash movement	-429.3	-264.7	+164.6
Capex	84.3	79.2	-5.1

- € +15.1 m from the sale of Certipost
- € -37.5 m from capital increase of bpost bank
- € -6.8m MSI shares purchase
- € +16.5 m from sale of PPE
- € -5.1m from lower Capex

Better operational performance compensated by less favourable working capital evolution, mainly due to:

- € -37.4m from payment of fine for the competition claim
- € 20m from Q1-12 flattered by late payment of Terminal Dues by some other postal operators
- € 11.2m delay in payments by State entities in 2013
- € 4m unfavourable inventory evolution
- € 3m advance Gout acquisition

¹ Operating free cash flow = cash flow from operating activities + cash flow from investing activities; excludes the impact of the 2012 and 2013 repayment of prior compensation, following the 2012 EU ruling

² Financing activities includes repayment of SGEI overcompensation, capital decreases, dividend payments, treasury shares and deposits received from third parties

IFRS/BGAAP

EUR millions



MILLION EUR	4Q-12	4Q-13	FY12	FY13
IFRS net profit (reported)	-37.9	52.7	174.2	287.9
BGAAP net profit (reported)	1.0	72.8	171.9	248.2
Difference reported IFRS - BGAAP	38.9	20.1	-2.3	-39.6

Certipost	-14
IAS19/impairment/provisions	-15
Deferred taxes	5
All others	6

Certipost	-29
IAS19/impairment/provisions	-1
Deferred taxes	-7
All others	0

Reconciliation will be provided in the usual format with the Annual Financial Statement and statbook on March, 26th 2014.

Total operating income (revenues) of EUR 2,428.6m in FY13 stable on an organic basis

Normalized, EUR million



		2012	Scope	SGEI	Organic ¹	2013	Organic
Domestic mail	Transactional mail	982.7		-5.9	-15.5	961.3	-1.6%
	Advertising mail	287.3		-2.9	-8.5	275.9	-3.0%
	Press	406.4		-92.1	-0.2	314.1	-0.0%
Parcels	Domestic parcels ²	134.0			7.9	141.9	5.9%
	International parcels	11.4	44.1		36.0	91.5	315.8%
	Special logistics	19.6			-3.4	16.2	-17.3%
Additional sources of revenues and retail network	International mail	221.0	-4.6		-17.1	199.3	-7.7%
	Valued added services	95.8	-7.9	-0.9	2.4	89.4	2.5%
	Banking and financial	217.3		-3.0	-5.1	209.2	-2.3%
	Others	19.0		85.7	-0.4	104.3	-2.1%
Corporate		21.1			4.4	25.5	20.8%
TOTAL		2,415.7	31.6	-19.1	0.4	2,428.6	0.0%

¹ Organic including phasing impacts, see further

² Domestic Parcels including parcels from Domestic, Inbound & Solutions