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takes care of it

Third quarter 2015 results

Analyst call

Koen Van Gerven, CEO
Koen Beeckmans, CFO

Brussels – November 6, 2015

Investor presentation - Interim financial report 3Q15

Financial Calendar

More on www.bpost.be/ir

03.12.2015
(17:45 CET)
Results first 10 months 2015

08.12.2015
Ex-dividend date
(interim dividend)

10.12.2015
Dividend payment date

09.03.2016
(17:45 CET)
Annual results FY2015

02.05.2016
(17:45 CET)
Quarterly results 1Q16

11.05.2016
Ordinary General Meeting of Shareholders

17.05.2016
Ex-dividend date

19.05.2016
Payment date of the dividend

08.08.2016
(17:45 CET)
Quarterly results 2Q16

09.11.2016
(17:45 CET)
Quarterly results 3Q16

05.12.2016
(17:45 CET)
Results first 10 months 2016

Disclaimer

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

Highlights of 3Q15 – Strong results

Revenues down 3.3%

- Improved Domestic Mail performance and solid Parcels contribution, offset by lower SGEI compensation and management decision to curtail some International Mail activities with positive impact on EBIT

€ 550.5m

Improved underlying Domestic Mail volume trend

- Driven by pick up in Advertising Mail and better performance in Press

-4.7%

Excellent Domestic Parcels growth

- Domestic: record quarterly volume performance (e-commerce and C2C driven) against an already very strong quarter last year (+10.3%). Price/mix effect at -3.1%
- International: continued organic growth from US, positive FX contribution, but slower growth from and to China

+13.5%

€ +4.2m

Significant cost savings and strong productivity improvement

- Costs (excl. one-offs) down by 6.1% with average FTE reduction of 854

€ -28.4m

Normalized EBITDA up € 9.6m. Reported EBITDA impacted by **Alpha social plan restructuring provision of EUR 54.5m**.

€ 114.0m

Normalized BGAAP net profit of bpost SA/NV up € 4.7m

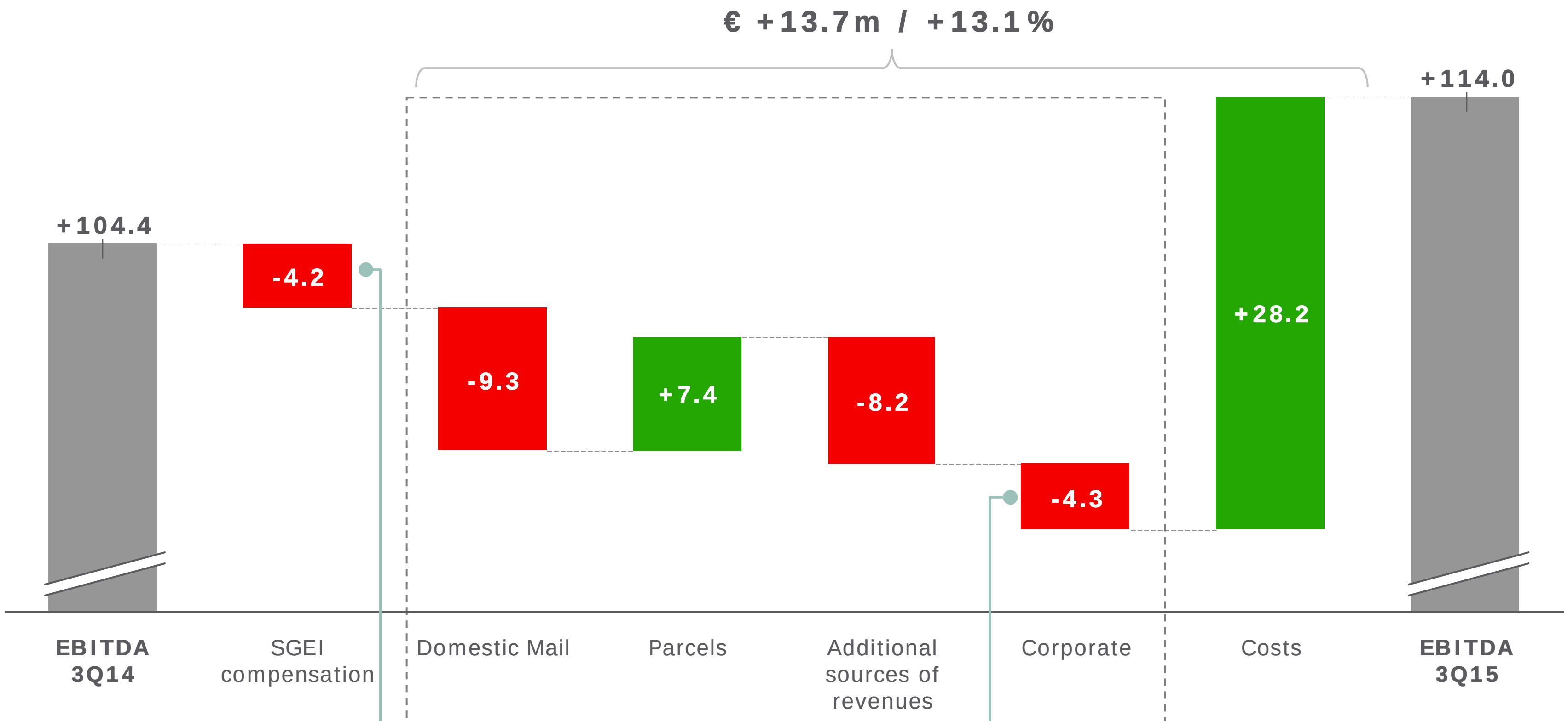
€ 51.3m

Outlook

- Ambition to maintain at least stable recurring EBIT(DA) and dividend versus high level of 2014

Improved domestic mail trend combined with important cost reduction and excellent growth in parcels resulted in strong EBITDA uplift

Normalized, € million



Lower contractual cap and budget cut State

Total operating income (revenues)

of which building sales € -4.0m (phasing towards 4Q15 for a sizeable property)

Summary of key financials

€ million

	Reported		Normalized[1]		
	3Q14	**3Q15**	**3Q14**	**3Q15**	**% Δ**
Total operating income (revenues)	569.2	550.5	569.2	550.5	-3.3%
Operating expenses	464.7	491.0	464.7	436.5	-6.1%
EBITDA	**104.4**	**59.5**	**104.4**	**114.0**	**9.1%**
Margin (%)	*18.3%*	*10.8%*	*18.3%*	*20.7%*	
EBIT	**82.9**	**37.1**	**82.9**	**91.6**	**10.5%**
Margin (%)	*14.6%*	*6.7%*	*14.6%*	*16.6%*	
Profit before tax	**79.8**	**37.6**	**79.8**	**92.1**	**15.5%**
Income tax expense	27.0	11.6	27.0	30.0	
Net profit	**52.7**	**26.0**	**52.7**	**62.1**	**17.7%**
FCF	**(38.5)**	**(29.5)**	**(38.5)**	**(29.5)**	**23.4%**
bpost S.A. / N.V. net profit (BGAAP)	**46.6**	**15.2**	**46.6**	**51.3**	**10.0%**
Net Debt / (Net cash), at 30 September	**(645.9)**	**(690.6)**	**(645.9)**	**(690.6)**	**6.9%**

Alpha social plan provision of € 54.5m

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

Total operating income (revenues)

Normalized, € million

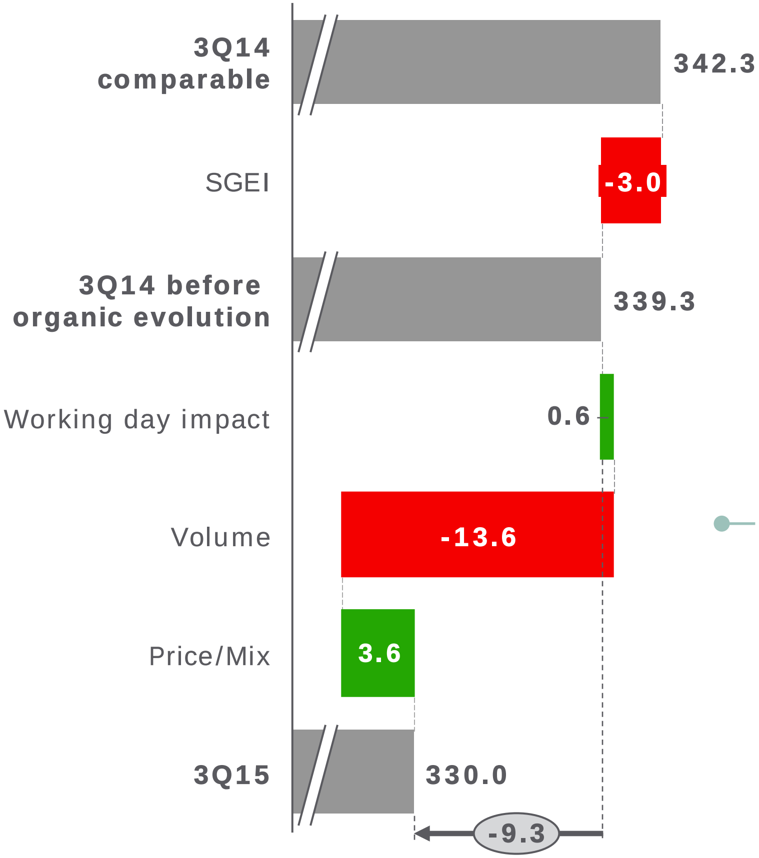
		3Q14 reported	Reclassifications[2]	3Q14 comparable	SGEI	Organic	3Q15	% Org
Domestic mail	Transactional mail	209.3	0.6	210.0	-	-7.2	202.8	-3.4%
	Advertising mail	58.3	-0.2	58.1	-	-1.9	56.1	-3.3%
	Press	74.3	-	74.3	-3.0	-0.3	71.0	-0.3%
Parcels	Domestic parcels[1]	35.2	-0.8	34.4	-	3.4	37.8	9.8%
	International parcels	34.8	-0.9	33.9	-	4.2	38.1	12.5%
	Special logistics	2.9	-0.3	2.6	-	-0.2	2.4	-8.0%
Additional sources of revenues	International mail	48.5	-1.0	47.5	-	-7.6	40.0	-16.0%
	Value added services	22.9	-0.8	22.1	-	1.3	23.3	5.9%
	Banking and financial	50.6	-	50.5	-0.1	0.3	50.6	0.5%
	Other	26.4	3.5	29.9	-1.0	-2.2	26.7	-7.4%
	Corporate	6.0	-	6.0	-	-4.3	1.6	-72.4%
TOTAL		**569.2**	-	**569.2**	**-4.2**	**-14.5**	**550.5**	**-2.5%**

1 Defined as domestic and Belgian in- and outbound

2 Some intercompany eliminations mainly related to international activities previously reported in Other revenues are now being reported under their corresponding product lines.
Following a correction of the allocation of cash sales (stamps and franking machines) to products as of January 1, 2015 some revenues are shifting from Domestic parcels to Transactional mail.

Better domestic mail underlying volume decline at -4.7% driven by advertising mail and press

Total operating income (revenues), normalized, € million



- **Underlying volume decline at -4.7%**
- **Transactional mail:** all products impacted by weaker holiday period volumes and continued e-substitution but no notable acceleration
- **Advertising mail:** improved performance across all sectors compared to 1H15 (-7.9%) mainly in direct mail
- **Press:** improved trend, especially in periodicals

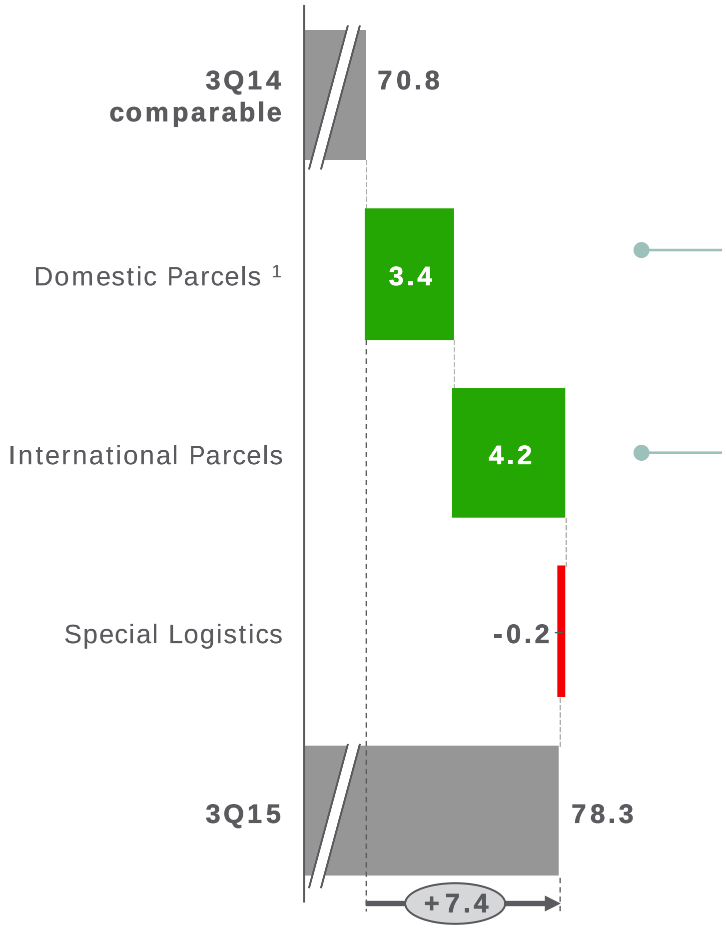
	Reported				Underlying[1,2]			
	1Q15	**2Q15**	**3Q15**	**YTD15**	**1Q15**	**2Q15**	**3Q15**	**YTD15**
Transactional mail	-5.0%	-5.8%	-5.3%	-5.4%	-5.3%	-5.3%	-5.9%	-5.5%
Advertising mail	-6.9%	-15.4%	-3.2%	-8.9%	-5.9%	-9.9%	-2.4%	-6.3%
Press	-3.1%	-4.0%	-0.1%	-2.5%	-3.1%	-4.0%	-0.1%	-2.5%
Domestic Mail	**-5.3%**	**-7.6%**	**-4.4%**	**-5.8%**	**-5.3%**	**-6.1%**	**-4.7%**	**-5.4%**

1 In terms of working days, 3Q15 had 1 business working day more whereas 4Q15 will be equal to same quarter of 2014.

2 Corrected for requalification of advertising mail to administrative mail.

Excellent volume performance in domestic parcels but slower growth in international parcels

Total operating income (revenues), normalized, € million



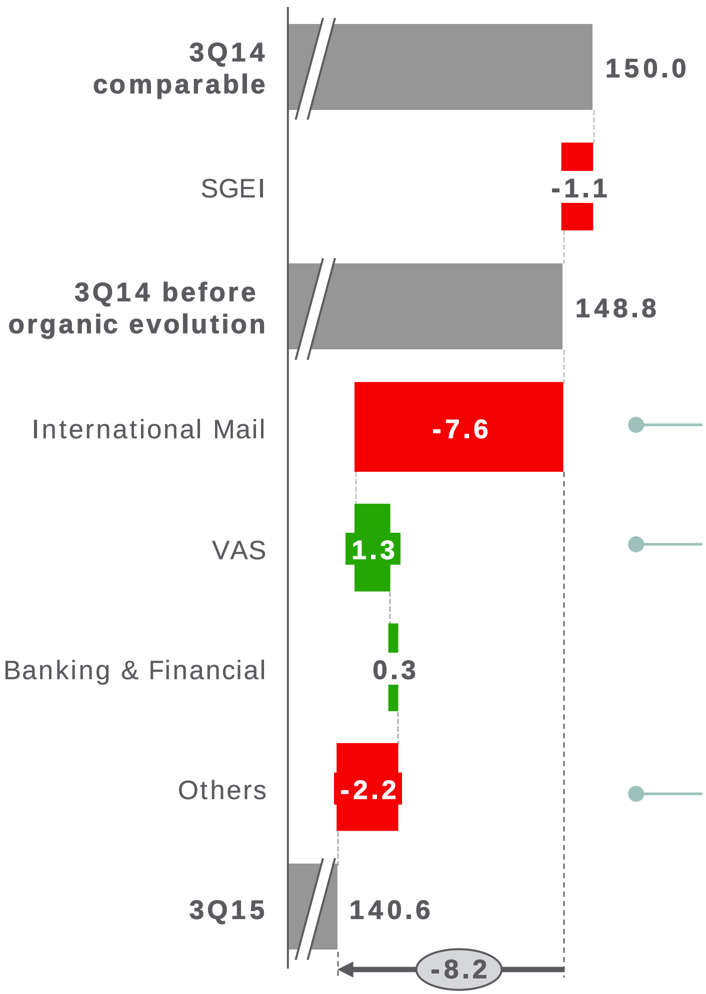
- **Very strong volume growth of 13.5%** driven by excellent e-commerce growth and continued positive trend in C2C parcels sales (new product offering)
- **Negative price / mix of -3.1%** (faster growth of large e-tailer customers with high volumes and lower prices than the smaller customers)

- **Continued organic growth from US** (€ +5.2m) despite a soft summer, impacted by FX for € +3.8m
- **Slower growth from and to China** (€ +0.5m)

[1] Defined as domestic and Belgian in- and outbound

Additional sources of revenues mainly impacted by the curtailment of the international mail activities

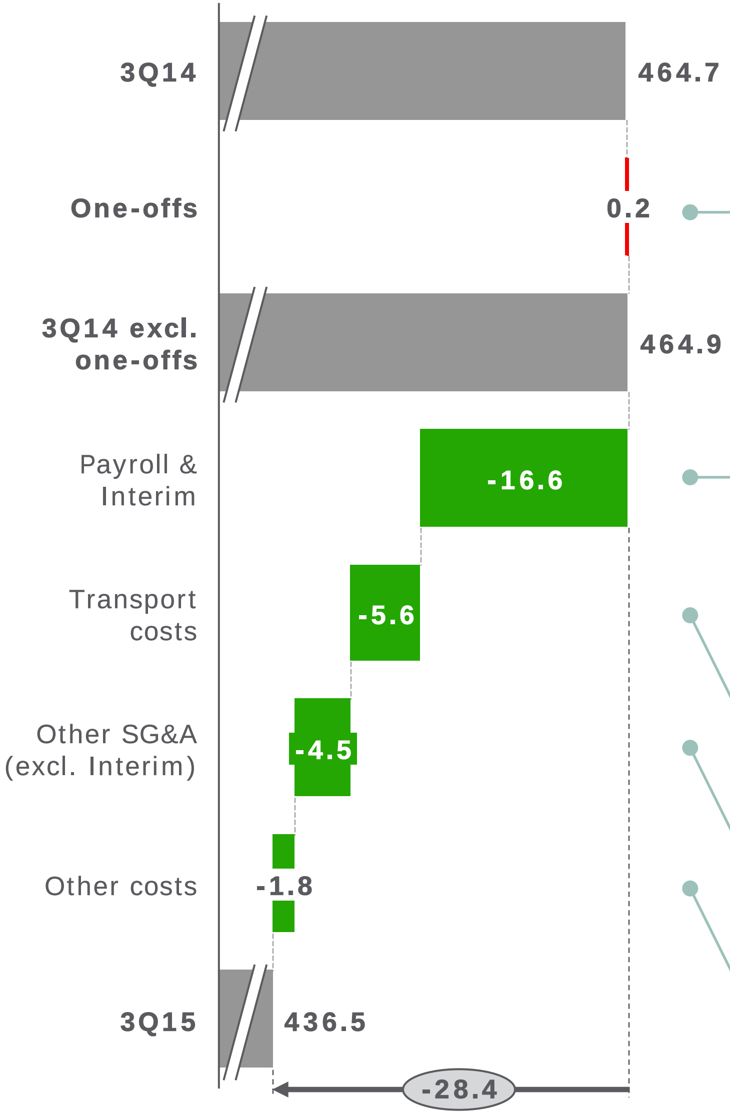
Total operating income (revenues), normalized, € million



- **International mail** impacted by the curtailment of wholesale international mail activities (€ -5.8m), positively contributing to overall profitability
- eID solutions (€ +0.5m), City Depot (€ +0.3m) and others (€ +0.6m)
- Mainly due to termination of retail telecom offering

Significant cost savings with productivity improvement in line with plans and first contribution of Alpha

Operating expenses excl. depreciation and amortization, normalized, € million



- In payroll, one-off impact of renegotiation of working accident insurance tariffs (€ -0.9m) and a phasing effect of some provisions (€ -1.5m)
- One-offs in terminal dues (€ +1.5m) in transport costs
- Lower provision impact (€ +1.1m) in other costs

- **Total FTE reduction** of 854 (€ -9.6m)
- **Positive mix impact** of € -4.2m mainly thanks to the recruitment of auxiliary postmen (€ -2.4m), reinforced by a smaller number of managers due to hiring freeze and reorganization (€ -2.1m)
- **Negative price effect** of € +0.3m due to normal salary and merit increases
- Higher **restructuring charges** last year resulted in a decrease of payroll costs of € -3.5m

- **FX** (€ +4.4m) and growth in international parcels compensated by curtailment of international mail

- Nearly all the costs decreased mainly rent and consultancy

- Mainly lower material costs linked to lower revenues and decrease in bad debt

Operating free cash flow[1] of € -29.5m in 3Q15

Reported, € million

€ million	3Q14	3Q15	Delta
+ Cash flow from operating activities	-16.7	-6.0	+10.8
+ Cash flow from investing activities	-21.7	-23.5	-1.8
= **Operating free cash flow[1]**	**-38.5**	**-29.5**	**+9.0**
+ Financing activities	-0.5	-0.2	+0.2
= **Net cash movement**	**-38.9**	**-29.7**	**+9.2**
Capex	**+26.9**	**+24.9**	**-2.0**

When excluding the Alpha provision[2]:

- Better results of operating activities (€ +14.2m)
- Deterioration in working capital vs. 3Q14 (€ -3.4m) mainly due to the change in payment terms for social security charges for statutory personnel (€ -8.4m – phasing) and first Alpha pay-outs (€ -3.6m). These elements were only partially compensated by an improvement in clients

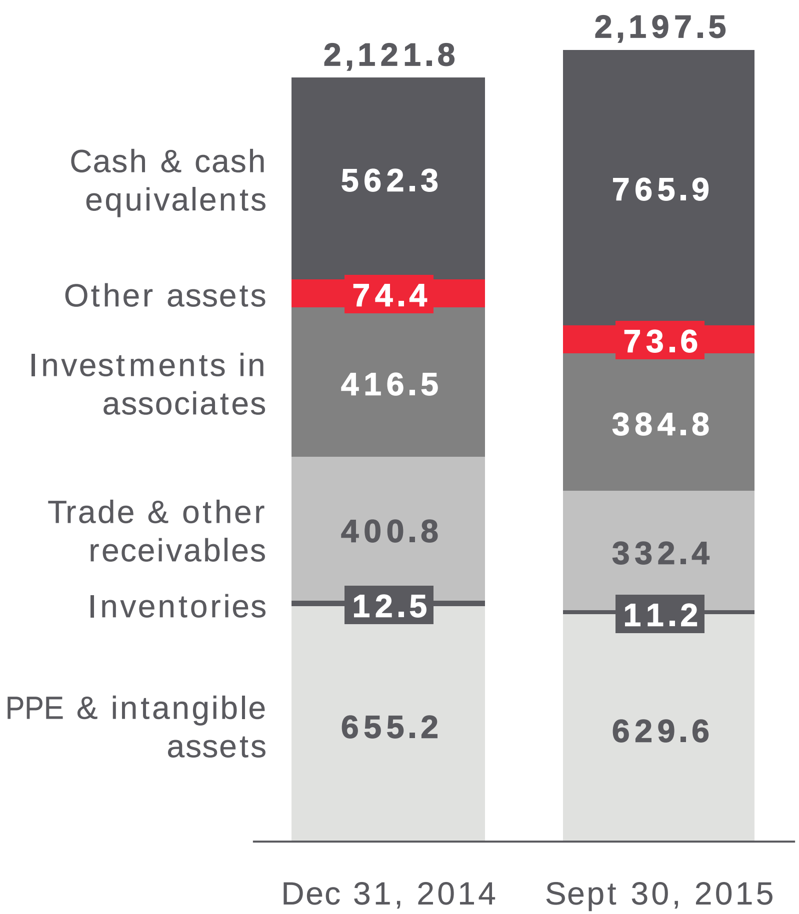
- Price adjustment in 3Q14 for acquisition subsidiaries (€ +0.4m)
- Lower capital expenditures (€ +2.0m) and lower proceeds sale of buildings (€ -4.2m) in 2015

1 Operating free cash flow = cash flow from operating activities + cash flow from investing activities
2 Alpha provision amounts to € 54.5m of which € 7.6m is incorporated in 'employee benefits' provisions and € 46.9m in working capital (social debts)

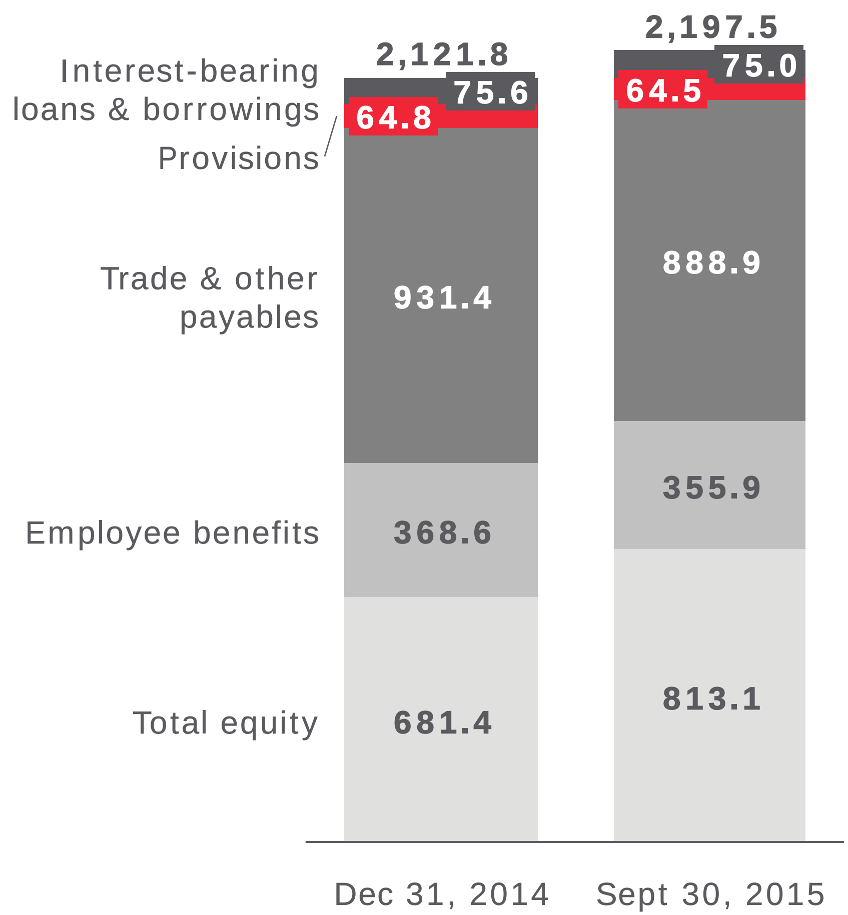
Strong balance sheet structure

€ million

Assets



Equity and liabilities



Outlook for 2015

We expect **underlying Domestic Mail volume decline** to be **less than -6%**.

The **compensation for the SGEI** (management contract) will be **€ 16.5m lower** than in 2014 as the government has decided to reduce the compensation above and beyond the already lower contractual cap.

We now expect **Domestic Parcels volume growth** to hit **double digits** for the full year. We also expect **continued growth in the US** parcels segment. **Milk powder** volumes to China are expected to remain stable.

Productivity improvements are on track and will deliver as expected at the low end of our 800 to 1,200 FTE/year range, including the first contributions of Alpha.

We will maintain **recurring EBITDA at least at the high level achieved in 2014,** thanks to the partial effects of the Alpha plan and a continued focus on costs.

We confirm our ambition to achieve **at least the same level of dividend payment**.

Cash generation should follow normal seasonality and **net capex** is expected **below € 90m (excl. acquisitions)**. Working capital evolution will be negatively affected by the favorable phasing on terminal dues payment in 2014 and tax payments relating to 2013.

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