

bpost reports an excellent fourth quarter 2015

Fourth quarter 2015 highlights

- **Normalized operating income (revenues)** at EUR 642.9m (-1.9%) thanks to better Domestic Mail trend and strong Parcels performance, despite lower SGEI compensation and curtailment of International Mail since the first quarter of 2015.
- **Improved Domestic Mail underlying volume trend at -3.9%** (-5.4% for the first 9 months) driven by better performance in Transactional and Advertising Mail. Full year underlying domestic mail volume decline came in at -5.0%.
- **Excellent Domestic Parcels volumes growth at +13.9%** (+12.6% for the full year), driven by e-commerce, positive evolution from catalogue sellers, C2C and particularly strong December at +15.7%. Improved price/mix effect of -2.3%.
- **International Parcels up EUR 6.4m**, mainly driven by lanes from the US, supported by peaking December sales and positive FX contribution.
- Continued impact of the curtailment of the International Mail business in **Additional Sources of Revenues** while overall profitability improved.
- **Cost savings (EUR -18.5m)** continued to deliver with an average FTE reduction of 704 for the quarter in productivity improvement (excluding 224 additional FTE and interims for end of year peaks in parcels and new solutions).
- **Normalized EBITDA up EUR 6.1m**. Reported EBITDA (up EUR 32.2m) positively impacted by gain on sale of sizeable property of EUR 26.1m.
- **Normalized net profit of bpost SA/NV (BGAAP)** for the full year came in at EUR 303.6m.
- **Proposed total dividend of EUR 1.29 gross per share** based on 2015 results, composed of an interim dividend of EUR 1.05 (paid in December 2015) and a final proposed dividend of EUR 0.24, subject to the approval of shareholders.

CEO quote

Koen Van Gerven, CEO, commented: *"The excellent results recorded in the fourth quarter prove once again that the disciplined execution of our strategy continues to bear its fruits. Our parcels activities developed very strongly, especially during the end of year season. Our productivity improvements plans are still on track and continued to deliver while we also benefitted from an improved domestic mail volume trend. For the full year, we posted a significant EBITDA uplift, demonstrating our capability to fully absorb the impact of the reduced SGEI compensation on our bottom line. This was only possible through the daily dedication and hard work of our employees for which I would like to genuinely thank them."*

The year 2016 will be challenging as we are facing a substantial reduction in SGEI compensation and mail volumes will continue to be under pressure. We will therefore pursue our growth and diversification strategy further, while stringently controlling our cost base. With the acquisition agreements for the Belgian activities of Lagardère Travel Retail and in our international parcels space, we already took an important step towards our future profitable growth."

Outlook for 2016

The outlook for 2016 excludes the impact of the acquisition of the Belgian activities of Lagardère Travel Retail.

On the revenues side:

- We expect underlying Domestic Mail **volume decline between 5 and 6%**. Number of working days for the first quarter of 2016 will be equal to 2015; the second quarter of 2016

will count 2 working days more, while the third and fourth quarter of 2016 will count 1 day less compared to the same quarters of 2015.

- The **compensation for the SGEI** (Management Contract and press concessions) will be **EUR 26.8m lower** than in 2015 to amount to EUR 261.0m in 2016 excluding inflation and volume impact.
- We expect a **double digit volume growth** in **Domestic Parcels** and **continued growth** in flows from the US in **International Parcels**.

On the cost side:

- We expect productivity improvements at the low end of our 800 to 1,200 FTE/year range, excluding the impact of the Deltamedia integration.
- We will have a strong focus on all cost items and factor cost will benefit from levers such as the abolishment of Saturday compensation and the tax shift.

This will result in **recurring EBITDA and dividend for 2016 at the same high levels as 2015**.

- Cash generation from operating activities will be negatively impacted by lower SGEI compensation and changed payment terms (EUR -36.8m), the Alpha pay-outs and a settlement on terminal dues with another postal operator. Gross **capex** is expected to be around **EUR 80.0m**.

Key figures¹

4th quarter (million EUR)					
	Reported		Normalized		
	4Q14	4Q15	4Q14	4Q15	% Δ
Total operating income (revenues)	655.3	669.0	655.3	642.9	-1.9%
Operating expenses	524.3	505.8	524.3	505.8	-3.5%
EBITDA	131.0	163.2	131.0	137.1	4.7%
<i>Margin (%)</i>	20.0%	24.4%	20.0%	21.3%	
EBIT	102.8	139.1	102.8	113.0	9.9%
<i>Margin (%)</i>	15.7%	20.8%	15.7%	17.6%	
Profit before tax	85.3	144.8	85.3	118.7	39.1%
Income tax expense	34.7	49.3	34.7	40.4	
Net profit	50.7	95.6	50.7	78.3	54.6%
FCF	48.4	68.6	48.4	68.6	41.8%
bpost S.A./N.V. net profit (BGAAP)	78.8	101.4	78.8	81.1	3.0%
Net Debt/ (Net cash), at 31 Dec.	(486.2)	(549.5)	(486.2)	(549.5)	13.0%
Full year (million EUR)					
	Reported		Normalized		
	FY14	FY15	FY14	FY15	% Δ
Total operating income (revenues)	2,464.7	2,433.7	2,464.7	2,407.6	-2.3%
Operating expenses	1,892.6	1,878.5	1,892.6	1,824.0	-3.6%
EBITDA	572.0	555.2	572.0	583.6	2.0%
<i>Margin (%)</i>	23.2%	22.8%	23.2%	24.2%	
EBIT	480.2	466.1	480.2	494.4	3.0%
<i>Margin (%)</i>	19.5%	19.2%	19.5%	20.5%	
Profit before tax	454.1	470.6	454.1	499.0	9.9%
Income tax expense	158.6	161.4	158.6	170.9	
Net profit	295.5	309.3	295.5	328.1	11.0%
FCF	373.3	315.9	373.5	315.9	-15.4%
bpost S.A./N.V. net profit (BGAAP)	296.9	287.7	296.9	303.6	2.3%
Net Debt/ (Net cash), at 31 Dec.	(486.2)	(549.5)	(486.2)	(549.5)	13.0%

For more information:

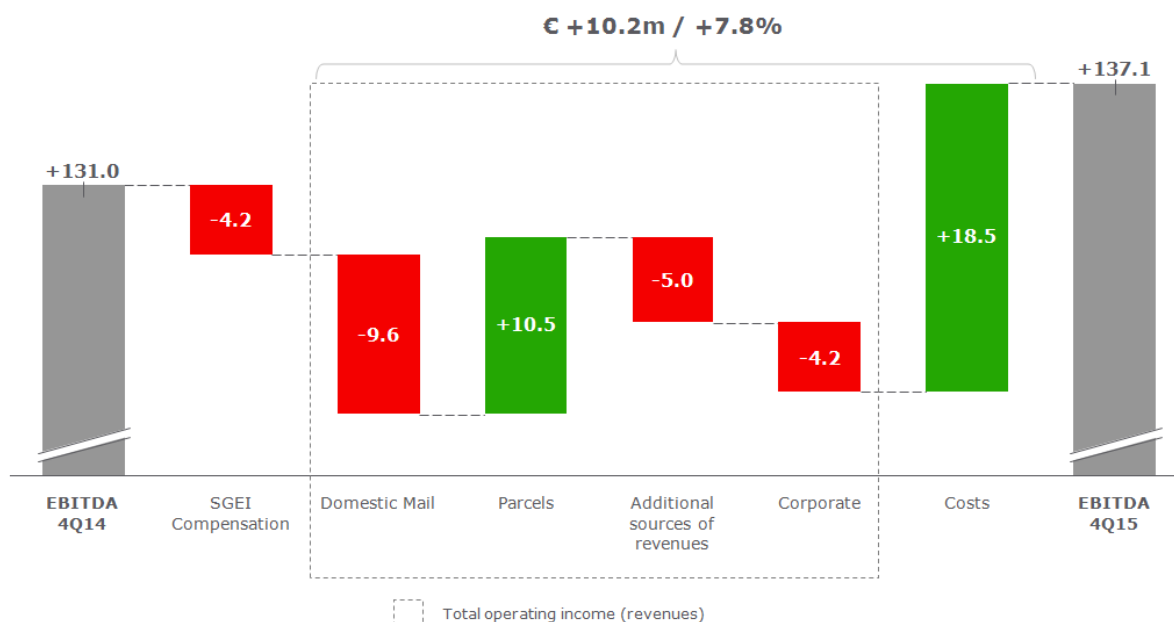
Baudouin de Hepcée T. +32 2 276 2228 (media and IR)
Saskia Dheedene T. +32 2 276 7643 (IR only)

corporate.bpost.be/investors
investor.relations@bpost.be

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

Fourth quarter 2015 - Income Statement

Normalized, € million



Total normalized operating income decreased by EUR 12.4m to EUR 642.9m despite the organic growth of Parcels (EUR 10.5m) being higher than the organic decline of Domestic Mail (EUR -9.6m). Revenues remained impacted by the lower compensation for SGEI (EUR -4.2m) and the curtailment of international mail wholesales activities to optimize profitability, included in the product portfolio Additional sources of revenues (EUR -5.0m). Revenues from Corporate (EUR -4.2m) decreased mainly due to lower sales of buildings.

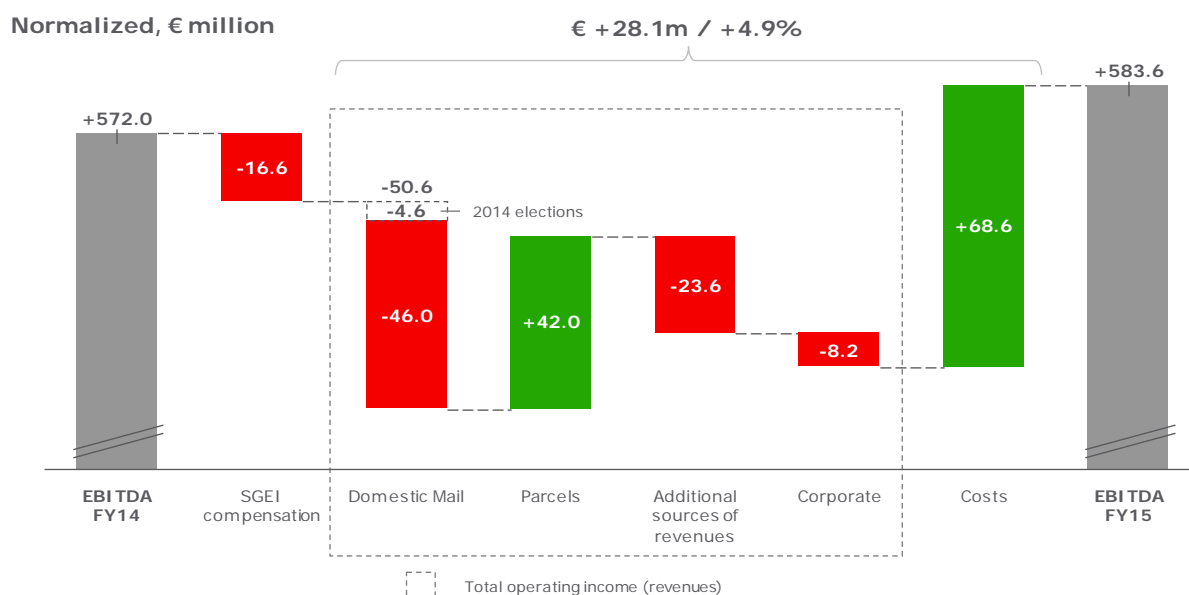
Costs decreased by EUR 18.5m, mainly driven by lower payroll and interim costs compensating the total operating income decrease and leading to an increase in normalized **EBITDA** and **EBIT** of respectively EUR 6.1m and EUR 10.2m.

Net financial result improved by EUR 22.8m to EUR 2.9m, mainly due to last year's increase of non-cash financial charges related to IAS 19 employee benefits as a result of the decrease in the discount rates.

Normalized income tax expense increased compared to last year, with the effective tax rate being 34.0%.

Normalized IFRS group net profit reached EUR 78.3m. **Belgian GAAP net profit** of the parent company, normalized for the impact of the sale of a sizeable building, amounted to EUR 81.1m or 3.0% higher compared to last year.

Full year 2015 - Income Statement



Total normalized operating income decreased by EUR 57.0m to EUR 2,407.6m. Excluding the lower compensation for SGEI (EUR -16.6m), the impact of the 2014 elections (EUR -4.6m) and the additional working day in 2015 (EUR 0.7m), operating income decreased by EUR 36.6m. The underlying volume decrease of Domestic Mail (EUR -66.6m) and the curtailment of the very low margin International Mail activities, which is the main contributor to the decrease of the Additional Sources of Revenue (EUR -23.6m), were partially compensated by strong growth in Parcels (EUR +42.0m) and the price increases in Domestic Mail (EUR +19.9m). Furthermore, revenues from Corporate (EUR -8.2m) decreased mainly due to lower sales of buildings.

Despite the negative impact of the non-recurrence of the 2014 elections and the reduced SGEI compensation (together EUR -21.2m), normalized **EBITDA** and **EBIT** were respectively EUR 11.5m and EUR 14.3m higher than last year. This resulted from further strict cost control generating EUR 68.6m and allowing us to fully absorb the above mentioned effects on our bottom line.

Net financial result improved by EUR 31.6m to EUR -5.6m mainly due to last year's increase of non-cash financial charges related to IAS 19 employee benefits as a result of the decrease in the discount rates.

Normalized income Tax expense increased compared to last year, with the effective tax rate being 34.2%.

Normalized IFRS group net profit reached EUR 328.1m. **Belgian GAAP net profit** of the parent company, normalized for the impact of the Alpha project as well as for the sale of a sizeable building, amounted to EUR 303.6m, an increase of 2.3% versus last year.

Total operating income: group overview

Fourth quarter of 2015²

Following a correction of the allocation of cash sales (stamps and franking machines) to various product portfolios as of January 1, 2015 some revenues have shifted from Domestic Parcels to Transactional Mail. Furthermore, some intercompany eliminations mainly relating to international activities previously reported in "Other revenues" are now being reported under their corresponding product portfolios. Taking into account these changes, the 2014 figures at the level of the product portfolios have been made comparable to reflect these changes. The comparable figures are shown under the heading "comparable". The variances mentioned hereafter compare the 2015 figures with the 2014 comparable figures.

In million EUR Normalized	4Q14	Reclassifications	4Q14 Comparable	SGEI	Organic	4Q15	% Org	underlying vol. % Δ
Domestic Mail	409.2	0.7	409.9	(1.4)	(9.6)	398.9	-2.3%	-3.9%
Transactional Mail	259.2	0.7	259.9	-	(6.5)	253.4	-2.5%	-4.7%
Advertising Mail	71.5	-	71.5	-	(2.9)	68.6	-4.0%	-1.2%
Press	78.5	-	78.5	(1.4)	(0.2)	76.9	-0.2%	-3.6%
Parcels	90.1	(2.6)	87.5	-	10.5	98.0	12.0%	+12.1%
Domestic Parcels	40.9	(0.9)	40.0	-	4.5	44.5	11.3%	+13.9%
International Parcels	46.3	(1.4)	44.9	-	6.4	51.3	14.2%	
Special logistics	2.9	(0.3)	2.6	-	(0.4)	2.2	-14.7%	
Additional Sources of Revenues	158.1	1.9	160.1	(2.7)	(5.0)	152.3	-3.1%	
International Mail	55.3	(1.6)	53.8	-	(5.3)	48.4	-9.9%	
Value Added Services	23.7	(1.1)	22.6	-	2.5	25.2	11.2%	
Banking and Financial products	52.6	-	52.5	(1.3)	(0.2)	51.0	-0.4%	
Others	26.5	4.7	31.2	(1.5)	(2.0)	27.7	-6.5%	
Corporate	(2.1)	-	(2.1)	-	(4.2)	(6.3)	-	
TOTAL	655.3	-	655.3	(4.2)	(8.3)	642.9	-1.3%	

Revenues from **Domestic Mail** decreased by EUR 9.6m (or 2.3%) to EUR 398.9m, which confirms the better trend of previous quarter. Both reported volume decline as well as underlying volume decline reached -3.9%, which was better than the underlying decline in the first three quarters, respectively -5.3%, -6.1% and -4.7%.

Reported volume decline in Transactional Mail came in at -4.6%, while the underlying figure improved to -4.7% in the fourth quarter compared to respectively -5.3%, -5.3% and -5.9% in the first three quarters of 2015. The better results are mainly driven by the strong end of year sales for stamps. Transactional mail continued to be impacted from e-substitution; however no notable acceleration was observed.

² Normalized figures are neither audited nor have been subject to a limited review.

Advertising mail continued its improved performance across all sectors resulting in a better underlying volume decline at -1.2% in the fourth quarter of 2015 (-7.9% for the first half of 2015 and -2.4% for the third quarter), whereas the reported decline amounted to -1.5%.

Press volumes registered a decrease of 3.6% both on a reported and underlying basis, which is in line with the trend of the first half of the year 2015 (-3.5%). Total mail volume decline impacted revenues by EUR 14.3m, partially compensated by the net improvement in price/mix in line with the announced pricing policy, amounting to EUR 4.8m.

Parcels recorded an excellent performance driven by December sales, with organic growth amounting to EUR 10.5m. Volume growth in Domestic Parcels was very strong at 13.9%, with December at +15.7%. This increase was driven by e-commerce and the continued positive trend in C2C parcels thanks to the new product offering. In addition, for the first time in 3 year, a positive evolution of catalogue sellers was observed. Revenue evolution was impacted by a slightly better negative price/mix effect of -2.3%, which is the result from the faster growth of large e-tailers with high volumes and lower prices compared to smaller customers. International Parcels grew by EUR +6.4m (helped by a favorable exchange rate impact of EUR +3.9m), mainly driven by the strong sales in the US in December.

Additional Sources of Revenues recorded an organic decrease of EUR 5.0m to reach EUR 152.3m and were mainly impacted by the curtailment in International Mail (EUR -4.0m), which positively contributed to overall profitability. Revenues for Value Added Services increased (EUR +2.5m) thanks to a telco contract for decoder swap, eID solutions, CityDepot (sustainable urban distribution) and European license plates. This was however offset by the decrease in Other revenues (EUR -2.0m) mainly related to a decreasing volume trend in philately (EUR -1.3m).

Revenues from **Corporate** excluding the normalization for the sale of sizeable building in 2015 on which a capital gain of EUR 26.1m was realized, decreased by EUR 4.2m, mainly due to the decrease in proceeds from sales of buildings.

Full year 2015³

In million EUR normalized	FY14	Reclassification	FY14 Comparable	SGEI	Organic	FY15	% Org	underlying vol. % Δ
Domestic Mail	1,523.0	2.2	1,525.2	(10.5)	(50.6)	1,464.2	-3.3%	-5.0%
Transactional Mail	943.2	2.8	946.1	-	(28.5)	917.6	-3.0%	-5.3%
Advertising Mail	271.4	(0.6)	270.8	-	(19.9)	250.9	-7.3%	-4.9%
Press	308.4	-	308.4	(10.5)	(2.2)	295.6	-0.7%	-2.8%
Parcels	307.2	(8.5)	298.8	-	42.0	340.7	14.0%	+16.6%
Domestic Parcels	151.3	(3.7)	147.7	-	13.5	161.2	9.2%	+12.6%
International Parcels	143.3	(3.5)	139.8	-	30.2	170.0	21.6%	
Special logistics	12.6	(1.3)	11.3	-	(1.8)	9.6	-15.4%	
Additional Sources of Revenues	612.5	6.2	618.7	(6.1)	(23.6)	589.0	-3.8%	
International Mail	203.7	(4.6)	199.1	-	(23.4)	175.7	-11.8%	
Value Added Services	95.4	(3.7)	91.6	-	4.6	96.2	5.0%	
Banking and Financial products	207.5	(0.2)	207.3	(1.6)	(0.6)	205.1	-0.3%	
Others	106.0	14.7	120.7	(4.5)	(4.3)	112.0	-3.5%	
Corporate	21.9	-	21.9	-	(8.2)	13.7	-37.6%	
TOTAL	2,464.7	-	2,464.7	(16.6)	(40.5)	2,407.6	-1.6%	

Domestic Mail revenues amounted to EUR 1,464.2m at the end of 2015, a EUR 50.6m organic decline versus last year (including impact elections for EUR -4.6m), due to a reported volume decline of 5.3% and an underlying volume decline of 5.0% (i.e. excluding the requalification of Advertising to Administrative Mail and the impact of the 2014 elections), partly compensated by a price/mix improvement.

Parcels revenues attained EUR 340.7m (EUR +42.0m organic growth), driven by volume growth of +12.6% in Domestic Parcels and a continued positive evolution in International Parcels although slower than last year, helped by a favorable exchange rate impact (EUR +18.3m).

Additional Sources of Revenues amounted to EUR 589.0m, an organic decrease by EUR -23.6m, mainly as a result of the curtailment of the very low margin International Mail activities, which contributed positively to EBIT.

Revenues from **Corporate** excluding the normalization for the sale of sizeable building in 2015 on which a capital gain of EUR 26.1m was realized, decreased by EUR 8.2m to EUR 13.7m mainly due to the lower proceeds of sales of buildings.

³ Normalized figures are neither audited nor have been subject to a limited review.

Operating expenses

Fourth quarter of 2015

In million EUR	4Q14	4Q15	% Org
Payroll & interim costs	313.4	300.8	-4.0%
FTE	25,193	24,712	-480
SG&A (excl. interim and transport costs)	120.2	129.4	7.7%
Transport costs	67.7	62.0	-8.4%
Other costs	23.0	13.5	-41.5%
TOTAL OPERATING EXPENSES	524.3	505.8	-3.5%

In the fourth quarter of 2015 **total operating expenses** stood at EUR 505.8m and decreased by EUR 18.5m or 3.5%. This decrease was driven by the decrease of the payroll and interim costs (EUR 12.5m), alongside the decrease in transport costs (EUR 5.7m) and other costs (EUR 9.5m, mainly due to the favourable evolution of provisions compared to last year). This decrease was partially offset by an increase in SG&A excluding interim and transport costs (EUR 9.2m).

Payroll and interims costs decreased by EUR 12.5m mainly driven by productivity improvements in our network and the first contribution of Alpha which together led to an average year-on-year reduction of 480 FTE generating savings of EUR 6.5m. This decrease is on the lower side of the historical rate, as the figure includes 224 additional FTE and interims that were needed to deal with peaks in parcels volumes and above budget evolution of new solutions. Excluding these elements, the average FTE reduction for the quarter would have been 704. The recruitment of auxiliary postmen created a positive mix effect of EUR 2.2m. Additionally, a lower number of management functions due to a hiring freeze and reorganization, created a positive mix effect of EUR 2.4m. Higher restructuring charges last year resulted in a decrease in payroll costs by EUR 2.5m. Besides this, costs associated with the employee benefits increased by EUR 1.7m, which was partially compensated by a positive settlement of social charges (EUR 1.2m).

SG&A excluding transport costs and interims increased by 7.7% or EUR 9.2m, in the fourth quarter of 2015. The increase is mainly due to the increased third party costs (EUR 6.5m) and ICT maintenance and repairs (EUR 2.3m).

Transport costs amounted to EUR 62.0m and were EUR 5.7m lower compared to previous year impacted by the curtailment of international wholesale activities. This effect is partially offset by a negative exchange rate impact (EUR 3.9m), the lower favorable settlement of previous years' terminal dues (EUR 0.9m) and the growth in international parcels.

The decrease in **other costs** (EUR 9.5m) is mainly due to last year's increase of provisions, among others a provision to cover a litigation with another postal operator.

Full year 2015

In million EUR	FY14	FY15	FY15 Normalized	% Org
Payroll & interim costs	1,236.2	1,226.1	1,171.6	-5.2%
FTE	25,414	24,703	24,703	-711
SG&A (excl. interim and transport costs)	389.4	392.6	392.6	0.8%
Transport costs	218.4	212.6	212.6	-2.6%
Other costs	48.6	47.1	47.1	-3.2%
TOTAL OPERATING EXPENSES	1,892.6	1,878.5	1,824.0	-3.6%

Total operating expenses have decreased by EUR 14.1m or 0.7%, and attained EUR 1,878.5m. On a normalized basis, total operating expenses decreased by 3.6% or EUR 68.6m, mainly driven by the decrease in payroll and interim costs by EUR 64.6m.

Payroll and interims costs decreased by EUR 10.1m. Excluding the impact of the Alpha provision, the net decrease is EUR 64.6m and was mainly driven by the reduction in the average headcount work force by 711 FTE, a positive mix effect of EUR 14.8m resulting from the recruitment of auxiliary postmen, a hiring freeze and reorganisation for managers, and helped by a one-off positive settlement of social charges (EUR 6.9m) and by higher restructuring charges last year (EUR 6.0m).

SG&A excluding transport costs and interims increased by 0.8% or EUR 3.3m.

Transport costs amount to EUR 212.6m, or -2.6% (EUR -5.7m) lower compared to previous year, impacted by the curtailment of international wholesale activities. This effect is partially offset by negative exchange rate impact (EUR 20.3m), lower favorable settlement of previous years' terminal dues (EUR 5.0m) and the growth in international parcels.

Cash flow statement

Fourth quarter of 2015

Net cash outflow decreased compared to the same period last year by EUR 18.8m to EUR 150.6m EUR.

Free cash flow (EUR 68.6m) is EUR 20.2m higher than last year.

Cash flow from operating activities decreased by EUR 8.0m compared to the same period last year. Excluding the provisions related to the social plan Alpha, the result from operating activities slightly deteriorated by EUR 1.3m, while working capital evolution improved by EUR 4.1m. Phasing elements in social debts due to change in payment terms for social security (EUR 22.1m) more than compensated the evolution of settlements and advances on terminal dues (EUR 9.0m) and the access fee paid by a partner in the financial services activities in 2014 (EUR 5.0m). Alpha pay-outs generated a cash outflow of EUR 10.7m in the fourth quarter of 2015.

Investing activities generated a cash inflow of EUR 4.8m in the fourth quarter of 2015 compared to an outflow of EUR 23.4m for the same period last year as the higher proceeds from the sale of property, plant and equipment (EUR 29.2m) and lower cash outflows related to capital expenditures (EUR +1.6m) compensated the acquisition of subsidiaries (EUR -2.7m).

The cash outflow relating to **financing activities** amounted to EUR 219.1m in the fourth quarter of 2015 (EUR 217.6m in the same period last year).

Full year 2015

In 2015, bpost generated EUR 52.1m of net cash. This is a decrease of EUR 61.8m compared to the net cash inflow of EUR 114.0m of last year.

Operating free cash flow amounted to EUR 315.9m, EUR 57.3m lower than last year mainly due to the following elements:

- when excluding Alpha provision, results of operating activities increased by EUR 9.9m and less cash was generated from changes in working capital (EUR 44.0m),
- EUR 42.0m income taxes relating to the 2013 results were paid in the first quarter of 2015,
- the first Alpha pay-outs in the second half of 2015 (EUR 14.3m),
- partly compensated by lower cash outflows from investing activities (EUR 33.1m).

Excluding the impact of the Alpha social plan provision and the inherent pay-outs in 2015, working capital evolution deteriorated as it was negatively influenced by the following elements: terminal dues (EUR 34.4m, out of which EUR 18.3m is a phasing element as bpost received two settlements of another postal operator in 2014), the receipt of an access fee (EUR 5.0m) paid by a partner in the financial services activities in 2014 as well as a phasing due to changes in payment terms for social security charges (EUR 3.7m).

Investing activities generated a cash outflow of EUR 45.1m compared to an outflow of EUR 78.2m last year, mainly resulting from higher cash outflows related to the subsidiaries (EUR 4.5m) compensated by higher proceeds from sale of property, plant and equipment (EUR 27.6m) and lower capital expenditures (EUR 10.0m).

Cash flow from **financing activities** represented a cash-out of EUR 263.8m compared to EUR 259.3m last year due to higher dividend pay-out in 2015 (EUR -6.0m) partially compensated by lower payments related to lease liabilities and borrowings (EUR 1.4m).

Key events during the fourth quarter

bpost was rewarded for its sustainable development initiatives

On November 26, 2015 bpost was included in the “Ethibel Sustainability Index Excellence Europe”. Forum ETHIBEL, which supervises this index, is an independent ratings agency promoting socially responsible investment. Investors wishing to invest in a socially responsible company can base their decision on this index.

Payment of an interim dividend of 1.05 euro gross per share

The net result after tax of bpost SA/NV for the 10 month period ended on October 31, 2015 amounted to EUR 211.1m. Taking into account previous announcements, bpost paid an interim dividend of EUR 210.0m or EUR 1.05 gross per share on December 10, 2015.

bpost acquired Success Partners Europe on November 17, 2015

On November 17, 2015, bpost acquired the Polish company Success Partners Europe. Centrally located in Warsaw, Poland, Success Partners Europe is specialized in logistics and distribution for Europe, operating as the third-party logistics for direct selling companies fulfilling and distributing product orders across Western, Central and Eastern Europe. Success Partners Europe started in Europe in 2006 (revenue 2014 of USD 3.4m). Following the acquisition, the name of the company changed to Landmark Global (PL).

Law of December 16, 2015 modifying the law of March 21, 1991 on the reform of certain economic public companies

Following the Federal Government's intention to reform the legislative framework governing autonomous public companies, Parliament approved amendments to the Law of March 21, 1991 by Law of December 16, 2015. The purpose of the modifications is threefold. Firstly, it creates a more level playing field for certain public companies, including bpost. In this respect it provides (amongst other things) in the possibility for these companies to involve, in addition of statutory employees, contractual employees and in some cases self-employed. Secondly, the new law aligns the corporate governance rules of these companies to the rules applicable to non-public listed companies, amongst other things with respect to the appointment of directors. Finally the Law of December 16, 2015 defines the conditions that allow the Government to lower the Belgian State's participation below the current legal minimum of "50% plus one share". Such mandate is valid until December, 31 2018. The new law was published in the Belgian State Gazette and entered into force on January 12, 2016. bpost intends to submit amendments to its articles of association for approval to its Shareholders' Meeting of May 11, 2016 to align its articles of association to this new law.

Events after the statement of financial position date

On February 5, 2016 bpost announced an agreement on the acquisition of the Belgian activities of Lagardère Travel Retail

In Belgium, Lagardère Travel retail is active in proximity and convenience retail. With 220 selling points including brands as Press Shop and Relay, the company distributes a large variety of products and services. These services include also the distribution of newspapers with AMP to a network of around 5,345 points of sale. Kariboo is a newly built distribution network of 735 pick-up and delivery points of parcels in Belgium and gives access to online services.

This acquisition enables bpost to improve its convenience and proximity services to its customers as part of its growth and diversification strategy. The deal is subject to the approval by the competition authorities.

On January 22, 2016 bpost signed an agreement on the acquisition of Freight Distribution Management (FDM)

FDM is specialized in providing a personalized customer service for warehousing and distributing products in Australia. Its business consists of Third Party Logistics (3PL) Warehousing, Transport & Distribution.

This acquisition supports the international e-commerce cross-border parcels strategy of the company.

Financial calendar

10.03.16 (10.00 CET)	Analyst Conference Call
02.04.16	Start of quiet period ahead of 1Q16 results
02.05.16 (17.45 CET)	Announcement 1Q16 results
03.05.16 (10.00 CET)	Analyst Conference Call
11.05.16	Ordinary General Meeting of Shareholders
17.05.16	Ex-dividend date
18.05.16	Record date
19.05.16	Payment date of the dividend
09.07.16	Start of quiet period ahead of 2Q16 results
08.08.16 (17.45 CET)	Announcement 2Q16 and half-year results
09.08.16 (10.00 CET)	Analyst Conference Call
10.10.16	Start of quiet period ahead of 3Q16 results
09.11.16 (17.45 CET)	Announcement 3Q16 results
10.11.16 (10.00 CET)	Analyst Conference Call
05.12.16 (17.45 CET)	Interim dividend 2016 announcement
08.12.16	Ex-dividend date (interim dividend)
09.12.16	Record date (interim dividend)
12.12.16	Payment date of the interim dividend

Audited Condensed Consolidated Financial Statements⁴

The auditor has confirmed that the accounting information included in this press release requires no reserve and is in accordance with the financial statements approved by the board of directors.

Consolidated Income Statement

In million EUR	Year-to-date		4th quarter	
	2014	2015	2014	2015
Turnover	2,441.7	2,393.4	647.2	638.5
Other operating income	22.9	40.3	8.1	30.5
TOTAL OPERATING INCOME	2,464.7	2,433.7	655.3	669.0
Materials cost	(27.4)	(26.6)	(5.3)	(6.8)
Services and other goods	(644.1)	(645.6)	(200.7)	(207.3)
Payroll costs	(1,199.9)	(1,185.8)	(300.6)	(285.0)
Other operating expenses	(21.3)	(20.5)	(17.7)	(6.6)
Depreciation, amortization	(91.9)	(89.1)	(28.2)	(24.1)
TOTAL OPERATING EXPENSES	(1,984.5)	(1,967.6)	(552.5)	(529.9)
PROFIT FROM OPERATING ACTIVITIES (EBIT)	480.2	466.1	102.8	139.1
Financial income	5.5	5.3	2.4	2.0
Financial cost	(42.7)	(10.9)	(22.3)	0.9
Share of profit of associates	11.2	10.2	2.4	2.8
PROFIT BEFORE TAX	454.1	470.6	85.3	144.8
Income tax expense	(158.6)	(161.4)	(34.7)	(49.3)
PROFIT OF THE PERIOD	295.5	309.3	50.7	95.6
Attributable to:				
Owners of the Parent	293.6	307.0	50.7	95.1
Non-controlling interests	1.9	2.2	(0.0)	0.4

⁴ A full set of consolidated financial statements and notes on full year 2015 is available in the 2015 Annual Report at corporate.bpost.be/investors.

EARNINGS PER SHARE

	Year-to-date		4th quarter	
In EUR	2014	2015	2014	2015
►basic, profit for the year attributable to ordinary equity holders of the parent	1.47	1.54	0.25	0.48
►diluted, profit for the year attributable to ordinary equity holders of the parent	1.47	1.54	0.25	0.48

In accordance with IAS 33, diluted earnings per share amounts have to be calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for the effects of all dilutive potential ordinary shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

As far as bpost is concerned, no effects of dilution affect the net profit attributable to ordinary equity holders and the weighted average number of ordinary shares.

Consolidated Statement of Comprehensive Income

	As of 31 December	As of 31 December
In million EUR	2014	2015
PROFIT FOR THE YEAR	295.5	309.3
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Exchange differences on translation of foreign operations	0.6	0.0
NET OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	0.6	0.0
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Fair value for financial assets available for sale by associates	69.0	(46.7)
(Loss)gain on available for sale financial assets	104.8	(70.7)
Income tax effect	(35.9)	24.0
Fair value of actuarial results on defined benefit plans	(6.1)	2.9
Actuarial gains/(losses) on defined benefit plans	(11.2)	6.6
Income tax effect	5.1	(3.6)
NET OTHER COMPREHENSIVE INCOME/(LOSS) NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	62.8	(43.8)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	63.4	(43.7)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	358.9	265.5
Attributable to:		
Owners of the Parent	357.0	263.3
Non-controlling interest	1.9	2.2

Consolidated Statement of Financial Position

In million EUR	As of 31 December 2014	As of 31 December 2015
Assets		
Non-current assets		
Property, plant and equipment	565.7	548.5
Intangible assets	89.5	89.6
Investments in associates	416.5	375.0
Investment properties	8.7	6.5
Deferred tax assets	61.0	47.2
Trade and other receivables	2.6	2.3
	1,144.0	1,069.2
Current assets		
Assets held for sale	2.8	3.1
Inventories	12.5	11.1
Income tax receivable	1.9	1.7
Trade and other receivables	398.3	411.2
Cash and cash equivalents	562.3	615.7
	977.8	1,042.8
TOTAL ASSETS	2,121.8	2,112.0
Equity and liabilities		
Equity attributable to equity holders of the Parent		
Issued capital	364.0	364.0
Treasury shares	0.0	0.0
Reserves	229.4	230.9
Foreign currency translation	0.6	0.6
Retained earnings	87.5	99.3
	681.4	694.8
Non-controlling interests	0.0	(0.0)
TOTAL EQUITY	681.4	694.8
Non-current liabilities		
Interest-bearing loans and borrowings	65.7	56.2
Employee benefits	368.6	346.2
Trade and other payables	79.8	61.7
Provisions	37.1	29.2
Deferred tax liabilities	1.4	1.3
	552.5	494.7
Current liabilities		
Interest-bearing loans and borrowings	10.0	9.6
Bank overdrafts	0.3	0.2
Provisions	27.7	35.0
Income tax payable	67.3	39.4
Trade and other payables	782.6	838.3
	887.8	922.5
TOTAL LIABILITIES	1,440.4	1,417.2
TOTAL EQUITY AND LIABILITIES	2,121.8	2,112.0

Consolidated Statement of Changes in Equity

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

In million EUR	AUTHORIZED & ISSUED CAPITAL	TREASURY SHARES	OTHER RESERVES	FOREIGN CURRENCY TRANSLATION	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
AS PER 1 JANUARY 2014	364.0	0.0	111.0	0.0	101.9	576.9	0.0	576.9
Profit for the year 2014					293.6	293.6	1.9	295.5
Other comprehensive income			164.7	0.6	(101.9)	63.4		63.4
TOTAL COMPREHENSIVE INCOME	0.0	0.0	164.7	0.6	191.7	357.0	1.9	358.9
Dividends (Pay-out)			(40.0)		(208.0)	(248.0)	(1.3)	(249.3)
Other			(6.3)		1.9	(4.4)	(0.6)	(5.0)
AS OF 31 DECEMBER 2014	364.0	0.0	229.4	0.6	87.5	681.4	0.0	681.4
AS PER 1 JANUARY 2015	364.0	0.0	229.4	0.6	87.5	681.4	0.0	681.4
Profit for the year 2015					307.0	307.0	2.2	309.3
Other comprehensive income			43.7	0.0	(87.5)	(43.7)		(43.7)
TOTAL COMPREHENSIVE INCOME	0.0	0.0	43.7	0.0	219.5	263.3	2.2	265.5
Dividends (Pay-out)			(44.0)		(210.0)	(254.0)	0.0	(254.0)
Other			1.8		2.2	4.0	(2.2)	1.8
AS OF 31 DECEMBER 2015	364.0	(0.0)	230.9	0.6	99.3	694.8	0.0	694.8

Consolidated Statement of Cash Flows

In million EUR	Year-to-date		4th quarter	
	2014	2015	2014	2015
Operating activities				
Profit before tax	454.1	470.6	85.3	144.8
Depreciation and amortization	91.9	89.1	28.2	24.1
Impairment on bad debts	2.2	0.1	0.4	0.3
Gain on sale of property, plant and equipment	(15.5)	(33.4)	(6.1)	(27.7)
Change in employee benefit obligations	12.3	(15.8)	16.1	(8.0)
Share of profit of associates	(11.2)	(10.2)	(2.4)	(2.8)
Dividends received	5.0	5.0	5.0	5.0
Income tax paid	(135.9)	(137.1)	(71.1)	(71.6)
Income tax paid on previous years	0.0	(42.0)	0.0	0.0
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	402.9	326.4	55.4	64.1
Decrease/(increase) in trade and other receivables	(0.8)	9.4	(63.7)	(61.8)
Decrease/(increase) in inventories	(2.8)	1.2	(0.9)	0.3
Increase/(decrease) in trade and other payables	50.3	24.8	71.5	61.6
Deposits received from third parties	(0.2)	0.0	0.0	0.0
Increase/(decrease) in provisions	2.1	(0.7)	9.6	(0.4)
NET CASH FROM OPERATING ACTIVITIES	451.5	361.1	71.8	63.8
Investing activities				
Proceeds from sale of property, plant and equipment	21.8	49.4	10.5	39.8
Acquisition of property, plant and equipment	(77.6)	(67.0)	(28.7)	(29.0)
Acquisition of intangible assets	(13.4)	(13.9)	(5.2)	(3.3)
Acquisition of subsidiaries, net of cash acquired	(9.1)	(13.6)	0.0	(2.7)
NET CASH USED IN INVESTING ACTIVITIES	(78.2)	(45.1)	(23.4)	4.8
Financing activities				
Payments related to borrowings and financing lease liabilities	(11.2)	(9.8)	(9.6)	(9.1)
Interim dividend paid to shareholders	(208.0)	(210.0)	(208.0)	(210.0)
Dividends paid	(40.0)	(44.0)	0.0	0.0
NET CASH FROM FINANCING ACTIVITIES	(259.3)	(263.8)	(217.7)	(219.1)
NET INCREASE IN CASH AND CASH EQUIVALENTS	114.0	52.1	(169.3)	(150.6)
NET FOREIGN EXCHANGE DIFFERENCE	0.0	1.4	0.0	0.3
Cash and cash equivalent less bank overdraft as of 1st January	448.0	562.0		
Cash and cash equivalent less bank overdraft as of 31 December	562.0	615.5		
MOVEMENTS BETWEEN 1ST JANUARY AND 31 DECEMBER	114.0	53.5		

Glossary

- **Operating free cash flow (FCF):** cash flow from operating activities + cash flow from investing activities
- **Net debt/(net cash)** represents interest and non-interest bearing loans less cash and cash equivalents