Interim financial report
first quarter 2014

bpost
takes care of it

This report constitutes regulated information as defined in the Royal Decree of 14 November 2007.

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1 Overview of Key Figures

NORMALIZED Three months ended 31 March In million EUR	2014	2013	Change %
Total operating income (Revenues) (1)	626.7	618.1	1.4%
Profit from operating activities (EBIT) (2)	152.0	138.9	9.4%
Profit for the period (EAT) (3)	98.9	84.8	16.6%
Operating free cash flow (4)	367.6	258.2	42.4%

REPORTED Three months ended 31 March In million EUR	2014	2013	Change %
Total operating income (Revenues)	626.7	632.7	-0.9%
Profit from operating activities (EBIT)	152.0	153.5	-1.0%
Profit for the period (consolidated - IFRS)	98.9	99.4	-0.5%
bpost NV-SA net profit (unconsolidated - Belgian GAAP)	87.3	70.1	24.5%
Operating Free cash flow (5)	367.4	169.3	117.0%
Net Debt / (Net Cash) (6), at 31 March	(728.1)	(644.8)	12.9%
Basic earnings per share (7), in EUR	0.49	0.49	-0.5%
Number of FTE and interim (average)	25,144	26,181	-4.0%

(1) Normalized total operating income represents total operating income excluding the impact of non-recurring items and is not audited.

(2) Normalized EBIT represents profit from operating activities excluding the impact of non-recurring items and is not audited.

(3) Normalized profit for the period represents profit for the period excluding the impact of non-recurring items and is not audited.

(4) Normalized operating free cash flow for the period represents operating free cash flow for the period excluding the impact of non-recurring items and is not audited.

(5) Operating free cash flow represents net cash from operating activities less net cash used in investing activities.

(6) Net debt/(net Cash) represents interest and non-interest bearing loans less cash and cash equivalents.

(7) Earnings per share are calculated based on the number of shares after the stock split, which was approved at the Extraordinary Shareholders' Meeting on May 27, 2013 and resulted in a total of 200,000,944 shares.

For further details on reconciliation of normalized and reported key figures, please refer to section "Reconciliation of Reported to Normalized Financial Metrics" of this document.

2 Highlights

- **Total operating income (revenues) increased** by 8.6 million EUR (of which 6.5 million EUR was organic growth) to reach 626.7 million EUR in the first quarter. Scope effects relate to recent acquisitions and amount to 2.1 million EUR.

- **The Domestic Mail volume decline of -4.6% was below the -5.0% planning assumption** for 2014.

- **Continuing good performance in parcels** with an organic revenue growth of 15.8 million EUR. Domestic parcels volumes up by +5.6% on an underlying basis, slightly short of expectations. The quarter was negatively impacted by the loss of one customer which cost 1% in growth. International parcels growing strongly (14.5 million EUR), with growth in the US and in our lanes from and to China.

- **Other sources of revenues** are back to modest growth**.**

- **Costs were better than expected** with a further organic operating expenses reduction of 6.7 million EUR and an average FTE reduction of 1,037 FTE quarter on quarter.

- **EBITDA margin for the quarter improving to 27.6%** (+1.8 percentage points versus 1Q13) to reach 173.0 million EUR (+ 13.3 million EUR versus 1Q13) on a normalized basis; EBIT came in at 152.0 million EUR for the quarter (+ 13.1 million EUR versus 1Q13).

- **Belgian GAAP net profit** of the parent company amounts to 87.3 million EUR for the quarter (improvement of 17.2 million EUR versus last year). Excluding the exceptional tax charge that impacted the first quarter of 2013 (7.6 million EUR), BGAAP net profit grew by 12.4%.

- **Ongoing negotiations with unions regarding the collective labor agreement (2014-2015) progressing well.**

- **Outlook confirmed.**

3 Key events for the first quarter 2014

Koen Van Gerven new CEO of bpost

By Royal Decree dated February 26, 2014, the Belgian State appointed, on unanimous proposal of bpost's Board of Directors and upon recommendation of the Remuneration and Nomination Committee, Koen Van Gerven as the new CEO of bpost for a renewable term of 6 years.

International expansion Landmark

Landmark Global Inc., a 51% subsidiary of bpost, acquired 100% of the shares of Gout International BV and BEurope Consultancy BV in January 2014.

Gout International BV (2013: 3.8 million EUR revenue) and BEurope Consultancy BV (2013: 0.3 million EUR revenue) are two Groningen-based Dutch companies. The main activities of Gout International BV are import services for US customers looking to sell their products in Europe. This includes customs clearance services, warehousing, pick & pack and last mile delivery. BEurope Consultancy BV is a spin-off company of Gout International BV which focuses on advising new US customers on how to enter their products into Europe. This includes both advice on customs/VAT set-up and on product registration in the various European countries.

In February 2014, Landmark Global Inc. acquired 100% of the shares of Ecom Global Distribution Ltd. (2013: 1.4 million EUR revenue), which provides import services for goods entering the UK, similar to the services offered by Gout international BV. Its location right next to London Heathrow makes it ideally suited to service US to UK airlift imports.

Furthermore in February 2014, Landmark Global Inc. acquired 100% of the shares of Starbase Global Logistics Inc (2013: 1.7 million EUR revenue), which provides import services for goods entering the US.

Inclusion of bpost in BEL 20

On March 24, 2014 bpost entered the BEL 20 index. The BEL 20 is a free float market capitalization weighted index that reflects the performance of the 20 largest shares listed on Euronext Brussels and is the most widely used indicator of the Belgian stock market.

4 Changes in Corporate Governance

By Royal Decree dated February 26, 2014, the Belgian State appointed, on unanimous proposal of bpost's Board of Directors and upon recommendation of the Remuneration and Nomination Committee, Koen Van Gerven as the new CEO of bpost for a renewable term of 6 years.

In addition, by Royal Decree dated March 14, 2014, the Belgian State appointed, upon proposal of the Société Fédérale de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij through which the Belgian State holds some of its participation in the Company and after advice from the Remuneration and Nomination Committee and the Board of Directors, Mrs Bernadette Lambrechts as director of bpost for a renewable term of 6 years. Her mandate is effective since March 25, 2014.

Furthermore the Board of Directors, upon recommendation of the Remuneration and Nomination Committee, decided to propose M. Ray Stewart and M. Michael Stone as new directors for approval by a college of shareholders other than the Belgian State and the Société Fédéral de Participations et d'Investissement/Federale Participatie- en Investeringsmaatschappij at the Shareholders' meeting on May 14, 2014.

On April 25, 2014, the Government accepted Mrs. Martine Durez's honourable resignation as member and Chairperson of the Board of Directors of bpost. The Government also approved the appointment of Mrs Françoise Masai to replace Mrs. Durez in her position as Chairperson of the Board of Directors of bpost. This appointment was made after advice issued by the Remuneration and Nomination Committee and was confirmed by the Board of Directors of bpost. Mrs Masai's mandate begins on June 23, 2014 and ends on January 17, 2018, at the end of the term originally set for her predecessor.

5 Financial Review

5.1 Interim Consolidated Income Statement

The following table presents bpost's financial results for the first quarter of 2014 and 2013:

In million EUR	Three months ended 31 March 2014	2013	Change %
Turnover	622.4	613.6	1.4%
Other operating income	4.3	19.1	-77.6%
Total operating income	**626.7**	**632.7**	**-0.9%**
Materials cost	(8.0)	(7.8)	3.2%
Services and other goods	(146.0)	(149.8)	-2.5%
Payroll costs	(301.0)	(306.4)	-1.8%
Other operating expenses	1.3	5.6	-76.8%
Depreciation, amortization	(20.9)	(20.7)	1.0%
Total operating expenses	**(474.7)**	**(479.1)**	**-0.9%**
Profit from operating activities (EBIT)	**152.0**	**153.5**	**-1.0%**
Financial income	1.2	0.8	48.8%
Financial cost	(3.3)	(2.4)	34.2%
Share of profit of associates	3.6	2.5	44.1%
Profit before tax	**153.6**	**154.4**	**-0.5%**
Income tax expense	(54.7)	(55.0)	-0.6%
Profit for the period	**98.9**	**99.4**	**-0.5%**

Total operating income (revenues)

The following table presents a breakdown of bpost's total operating income by product for the three months of the year 2014 and 2013:

In million EUR	Three months ended 31 March 2014	2013	Change %
Domestic Mail	386.8	395.2	-2.1%
Transactional Mail	238.9	244.3	-2.2%
Advertising Mail	70.2	71.5	-1.8%
Press	77.7	79.4	-2.1%
Parcels	73.4	55.9	31.3%
Additional sources of revenue and retail network	154.7	167.3	-7.5%
Value-added services	24.6	22.4	9.8%
International Mail	50.2	52.1	-3.6%
Banking and Financial products	52.4	52.0	0.8%
Other	27.4	40.8	-32.8%
Corporate (Reconciling category)	11.8	14.4	-18.1%
Total	626.7	632.7	-0.9%

Total operating income decreased by 6.0 million EUR, or 0.9%, to 626.7 million EUR in the first quarter of 2014, from 632.7 million EUR in the same period in 2013.

Changes in scope and the profit on disposal of certain Certipost activities accounted for a decrease in revenues of 12.5 million EUR:

- The integration of the new acquired companies Ecom, Starbase, Gout International and BEurope positively contributed to the operating income for 2.1 million EUR during the first quarter of 2014.
- The gain on the disposal of selected activities of Certipost generated non recurring revenues amounting to 14.6 million EUR during the first quarter of 2013.

Excluding these elements total operating income (revenues) showed an organic growth of 6.5 million EUR, driven by the solid performance of Parcels and price and mix increases in Domestic Mail compensating the volume decline in Domestic Mail.

Revenues from ***Domestic mail*** decreased by 8.3 million EUR, or 2.1%, from 395.2 million EUR in the first quarter of 2013 to 386.8 million EUR in the first quarter of 2014. The organic evolution is mainly driven by the 4.6% volume decline, or 15.8 million EUR, partially compensated by the improvement in price and mix, in line with the pricing policy, amounting to 7.5 million EUR.

Parcels continued their strong performance and realized a 17.5 million EUR, or 31.3%, increase in revenues. The integration of new companies in the perimeter of the group contributed 1.7 million EUR to this increase. Organic growth (15.8 million EUR) is driven by:

- the good performance of the International Parcels (contribution of 14.5 million EUR to the increase), due to the increase in parcels volumes generated from the US (5.6 million EUR). The remaining balance of the growth was mainly generated by the parcels activities from (mainly e-tailers exporting to Europe) and to (mainly milk powder) China.
- a remaining Domestic Parcels volumes growth of 5.6 %. The reported volume growth of domestic parcels amounted to 4.4% as it was affected by phasing effects in accounting of revenues that will reverse in the second quarter. The loss of a contract with a sizeable customer also affected volumes by an estimated 1% in the first quarter.
- slightly compensated by a decline of Special logistic activities (0.5 million EUR) as a consequence of the on-going reorganization.

Total operating income from the ***additional sources of revenues and retail network*** decreased by 12.6 million EUR, or 7.5%. Excluding the sale of certain activities of Certipost in the first quarter of 2013 and the impact of the change in scope, revenue increased by 1.5 million EUR. The decrease in International Mail (1.9 million EUR) is mainly due to a lower amount of favorable settlements with foreign operators of previous years' terminal dues[1] (3.2 million EUR) partially compensated by an improved price and mix evolution of 3.3%. European License Plates, Car Registration Cards, digital printing of magazines and SEPA activities contributed the 2.2 million EUR increase in Value Added Services operating income. Furthermore Banking and Financial products improved by 0.4 million EUR, mainly driven by the prepaid cards (bpaid).

[1] This is driven by a reclassification of the settlements in deduction of the transport costs (2.3 million EUR)

Operating expenses

In the first quarter of 2014, operating expenses, including depreciation, amortization and impairment charges, amounted to 474.7 million EUR (2013 479.1 million EUR), a decrease of 4.4 million EUR or 0.9% compared to last year.

Excluding the changes in scope (net increase in costs of 2.1 million EUR due to the acquisition of 4 new subsidiaries), the operating expenses decreased by 6.5 million EUR or 1.4%. This decrease is mainly reflected in the services and other goods (excluding interim costs, 2.9 million EUR) and payroll and interim costs (8.3 million EUR), partially offset by the other operating expenses (4.4 million EUR). This evolution is the consequence of cost control measures and productivity improvements.

Material costs

Materials costs, which include the cost of raw materials, consumables and goods for resale, slightly increased by 0.2 million EUR, or 3.2%, to 8 million EUR.

Services and other goods

The following table presents a breakdown of the cost of services and other goods for the first quarter of 2014 and 2013:

	Three months ended 31 March		
In million EUR	**2014**	**2013**	**Change %**
Rent and rental costs	17.1	17.0	0.8%
Maintenance and repairs	18.2	17.7	2.7%
Energy delivery	10.2	11.3	-9.3%
Other goods	5.0	4.9	1.6%
Postal and telecom costs	1.6	1.7	-4.1%
Insurance costs	3.3	3.9	-13.6%
Transport costs	50.7	43.9	15.5%
Publicity and advertising	3.3	4.6	-29.5%
Consultancy	1.8	4.4	-59.1%
Interim employees	5.7	8.1	-29.7%
Third party remuneration, fees	24.8	28.4	-12.5%
Other services	4.3	4.0	7.7%
Total	**146.0**	**149.8**	**-2.5%**

In the first quarter of 2014 the cost of services and other goods declined by 3.8 million EUR or 2.5% in comparison with the same period last year. Excluding interim costs[2] and changes in scope (1.6 million EUR), costs decreased by 2.9 million EUR or 2.0%.

In the first quarter 2014 **energy delivery** decreased by 1.1 million EUR, or 2.7%, compared to the same period last year, mainly due to the positive fuel price evolution resulting in the decline of the energy costs for vehicles and buildings.

Transport costs in the first quarter 2014 amounted to 50.7 million EUR, or 15.5% (6.8 million EUR) higher than the same period in 2013. This is due to the increase in transport costs related to international activities and the consolidation of newly acquired subsidiaries (impact 1.1 million EUR), partially offset by the reclassification of favorable settlements in 2014 of previous years' terminal dues for 2.3 million EUR.

Publicity and advertising costs have fallen by 1.4 million EUR or 29.5%, from 4.6 million EUR to 3.3 million EUR, as there were less publicity and advertisement campaigns in the first quarter of 2014.

[2] Interim costs are analysed together with payroll costs, as they are a better performance indicator of human capital utilisation. In certain cases of natural attrition, personnel is replaced by interims to anticipate reorganizations and productivity improvement programs.

Consultancy costs strongly decreased by 59.1% to 1.8 million EUR in the first quarter of 2014. The positive impact of 2.6 million EUR is due to lower project related costs.

Third party remuneration fees dropped by 3.5 million EUR from 28.4 million EUR in the first quarter of 2013 to 24.8 million EUR in the first quarter of 2014. This decrease of 12.5% relates mainly to external IT experts who develop and implement new applications.

Payroll and interims costs

Payroll and interims costs in the first quarter of 2014 amounted to 306.7 million EUR and showed a decrease of 7.9 million EUR (payroll and interims costs respectively decreased by 5.5 million EUR and 2.4 million EUR), or 2.5 % compared to the same period of 2013. This decrease is mainly driven by a net decrease in FTE and interims of 1,037 FTE.

Changes of scope relate to the consolidation of new acquired subsidiaries in 2014 and have an impact of 0.4 million EUR in the first quarter 2014, representing 35 FTE. Excluding the impact of the changes in scope, payroll costs showed an underlying reduction of 8.3 million EUR or 2.6% in the first quarter.

The year-on-year decrease in payroll costs, before scope change, is primarily due to the reduction in the average work force by 902 FTE, compared to the first quarter of 2013, which generated savings of 11.2 million EUR. The majority of units contributed to the reduction in headcount. This reduction should be analyzed alongside the decrease by 170 FTE (or 2.4 million EUR) in the use of interims, which are reported under cost of goods and services. Reorganizations and productivity programs in the postal value chain activities (distribution, transport, collect) and in post offices continued to be implemented alongside the optimization of support activities such as Human Resources, ICT, Cleaning and Facility Management.

Furthermore, the recruitment of auxiliary postmen on lower salaries created a positive mix effect in first quarter of 0.9 million EUR.

These positive effects were partially offset on one hand by a price impact of 2.6 million EUR, mainly driven by merit increases, promotions and small increases in other premiums and, on the other hand, by higher accruals for the 5% profit share (1.1 million EUR), in turn due to the higher results.

Other operating expenses

Other operating expenses for the first quarter increased by 4.3 million EUR to (1.3) million EUR compared to the same period last year mainly due to a lower recoverable VAT (2.5 million EUR). Percentage of recoverable VAT increased from 11% to 13% in 2014, while, in 2013, it increased from 5% to 11%. Besides this, the evolution of provisions was less favorable than last year (-1.7 million EUR).

Depreciation and amortization

Depreciation and amortization are in line with last year and amount to 20.9 million EUR in the first quarter of 2014.

EBIT

Profit from operating activities (EBIT) decreased by 1.5 million EUR, or 1.0%, to 152.0 million EUR in the first quarter of 2014, from 153.5 million EUR in the same period of 2013. This decrease is driven by the gain on the disposal of selected activities of Certipost (14.6 million EUR) in 2013.

Excluding this non-recurring item, EBIT is 13.1 million EUR, or 9.4%, higher than last year. In spite of lower Domestic Mail volumes, EBIT remained resilient thanks to parcels' performance, price increases, and lower costs, driven by productivity improvements.

Net financial costs

Financial results decreased by 0.4 million EUR to (2.1) million EUR for the first quarter of 2014. This evolution is mainly explained by the increase of the financial charges related to employee benefits (IAS 19) partially offset by higher financial income.

Share of results of associates

The shares of results of associates relate entirely to bpost bank and increased by 1.1 million EUR to 3.6 million EUR for the first quarter of 2014.

Income tax expense

Income tax expense (decrease of 0.3 million EUR) as well as the effective tax rate, which amounts to 35.6%, are in line with last year. Taken into account the normalization in 2013 of 14.6 million EUR corresponding to the gain on the disposal of selected activities of Certipost with 0% effective tax rate[3], effective tax rate for March 2013 amounts to 39.3%. This higher effective tax rate compared to 2014 is primarily a result of the transfer of 21.3 million EUR from tax free reserves to distributable results which generated a tax charge of 7.3 million EUR in 2013.

[3] Certipost had tax losses carried forward on which no deferred tax asset was recorded

5.2 Interim Consolidated Statement of Financial Position

In accordance with IAS 34, the statement of the financial position as at 31 March 2014 is compared with the situation as at 31 December 2013.

Assets

Property, plant and equipment

Property, plant and equipment decreased by 8.7 million EUR, or 1.5%, to 561.6 million EUR as of March 31, 2014. The decrease was due to depreciation and impairment of 17.8 million EUR for the first quarter of 2014, transfers to assets held for sale of 0.4 million EUR partially offset by capital expenditures of 8.8 million EUR and transfers from investment property of 0.6 million EUR.

Intangible assets

Intangible assets increased by 3.2 million EUR, or 3.6%, to 92.2 million EUR as of March 31, 2014, mainly due to the goodwill increase (4.4 million EUR), related to the acquisition of new subsidiaries Gout International BV, BEurope Consultancy BV, Ecom Ltd and Starbase Global Logistics Inc.

Investments in associates

Investments in associates increased by 32.9 million EUR, or 9.6%, to 374.2 million EUR as of March 31, 2014, reflecting the Company's share of bpost bank's profit for the first quarter of 2014 in the amount of 3.6 million EUR and the increase in the unrealized gain on the bond portfolio in the amount of 29.4 million EUR, reflecting an average decrease of the underlying yield curve by 15.4 basis points (bps). As of March 31, 2014, investments in associates comprised net unrealized gains in respect of the bond portfolio in the amount of 185.8 million EUR, which represented 49.7% of total investments in associates. The unrealized gains were generated by the lower level of interest rates compared to the acquisition yields of the bonds. Unrealized gains are not recognized in the income statement but rather are recognized directly in equity in other comprehensive income.

Current trade and other receivables

Current trade and other receivables decreased by 103.8 million EUR, or 25.9%, to 296.4 million EUR as of March 31, 2014. The decrease was mainly driven by the settlement of the SGEI receivable for the last quarter of 2013 and the settlement of Terminal Dues by other postal operators.

Cash and cash equivalents

Cash and cash equivalents increased by 366.9 million EUR, or 81.9%, to 815.1 million EUR as of March 31, 2014, mainly due to the normalized free cash flow (367.6 million EUR). This cash flow contains the payment of 304.2 million EUR for the SGEI remuneration during the first quarter of 2014.

Equity and Liabilities

Equity

Equity increased by 128.3 million EUR, or 22.2%, to 705.2 million EUR as of March 31, 2014 from 576.9 million EUR as of December 31, 2013. The increase was due to the realized profit of 98.9 million EUR and the fair value adjustment in respect of bpost bank's bond portfolio amounting to 29.4 million EUR.

Employee benefits

In million EUR	As of 31 March 2014	As of 31 December 2013
Post-employment benefits	(77.3)	(78.2)
Long-term employee benefits	(117.4)	(116.1)
Termination benefits	(13.5)	(15.4)
Other long-term benefits	(135.2)	(135.4)
Total	**(343.3)**	**(345.1)**

Employee benefits decreased by 1.8 million EUR, or 0.5%, to 343.3 million EUR as of March 31, 2014. The decrease mainly reflects:

- The payment of benefits in the amount of 10.2 million EUR, which included 2.4 million EUR for the payment of early retirement and part-time work benefits.
- Compensated by additional service costs and interest costs in the amount of 8.5 million EUR.

Non-current trade and other payables

Non-current trade and other payables decreased by 3.7 million EUR, or 4.6%, to 76.0 million EUR as of March 31, 2014. On the one hand the non-current trade payables increased by 2.1 million EUR due to the contingent consideration arrangements related to the acquisition of Gout International BV and BEurope Consultancy BV. On the other hand an amount of 5.8 million EUR, corresponding to the contingent consideration arrangement for the acquisition of Landmark payable within one year, was transferred to the current trade and other payables.

Income tax payable

Income tax payable increased by 50.5 million EUR, to 92.2 million EUR as of March 31, 2014 and is mainly explained by the accrued income taxes.

Current trade and other payables

Current trade and other payables increased by 116.5 million EUR, or 15.9%, to 851.2 million EUR as of March 31, 2014. This increase was primarily due to the advance payment from the Belgian State in respect of the SGEI remuneration in the amount of 145.7 million EUR, partially offset by the decline in trade payables of 25.6 million EUR.

5.3 Interim Consolidated Statement of Cash Flows

In the first quarter of 2014, the net cash inflow increased compared to the same period last year by 197.7 million EUR to 366.7 million EUR. Normalized free cash flow (367.6 million EUR) was 109.4 million EUR better than last year and was due to both a better cash flow from operating activities and a better cash flow from investing activities.

Cash flow from operating activities

Cash flow from operating activities (excluding deposits received from third parties) resulted in a cash inflow of 384.9 million EUR, 188.5 million EUR more than the same period last year. Last year, cash flow from operating activities was influenced by an exceptional repayment of alleged SGEI overcompensation (88.9 million EUR). Normalized for this payment, cash flow from operating activities improved by 99.6 million EUR.

Cash flow from operating activities before working capital improved by 19.9 million EUR. Working capital generated 79.7 million EUR additional cash. Evolution in working capital is influenced by the payment last year related to the competition claim fine (37.4 million EUR). Almost all elements of working capital show a positive evolution (42.3 million EUR). Improvement in Terminal Dues (25.1 million EUR - due to the earlier reception of two settlements with postal operators) and VAT receivables (5.3 million EUR – impacted by the change in recoverable VAT) are the most important ones.

Cash flow from investing activities

Investing activities generated a cash outflow of 17.3 million EUR in the first quarter of 2014 compared to an outflow of 27.1 million EUR for the same period last year. This decrease is mainly due to lower cash outflows related to the subsidiaries (+13.7 million EUR). Last year, bpost participated in the capital increase of bpost bank (37.5 million EUR), but received cash from the disposal of certain activities of Certipost (15.1 million EUR). This year, bpost acquired new subsidiaries for a total amount of 8.7 million EUR.

The evolution in investments related to subsidiaries is compensated by higher acquisitions for property, plant, equipment and intangible assets (3.4 million EUR) combined with lower proceeds from sale of property, plant and equipment (0.4 million EUR).

Cash flow from financing activities

Financing activities amounted to (0.6) million EUR, a decrease by 0.5 million EUR compared to last year.

5.4 Reconciliation of Reported to Normalized Financial Metrics

bpost also analyzes the performance of its activities on a normalized basis or before non-recurring items. Non-recurring items represent significant income or expense items that due to their non-recurring character are excluded from internal reporting and performance analyses. bpost strives to use a consistent approach when determining if an income or expense item is recurring or non-recurring and if it is significant enough to be excluded from the reported figures to obtain the normalized ones.

A non-recurring item is deemed to be significant if it amounts to EUR 20 million or more. All profits or losses on disposal of activities are normalized whatever the amount they represent. Reversals of provisions whose addition had been normalized from income are also normalized whatever the amount they represent.

The presentation of normalized results is not in conformity with IFRS and is not audited. The normalized results may not be comparable to normalized figures reported by other companies as those companies may compute their normalized figures differently from bpost. Normalized financial measures are presented below.

Income Statement related

OPERATING INCOME	**Three months ended 31 March**		
In million EUR	**2014**	**2013**	**Change %**
Total operating income	626.7	632.7	-0.9%
Disposal of selected activities of Certipost (1)		(14.6)	
Normalized total operating income	**626.7**	**618.1**	**1.4%**

OPERATING EXPENSES	**Three months ended 31 March**		
In million EUR	**2014**	**2013**	**Change %**
Total operating excluding depreciation, amortization	(453.7)	(458.4)	-1.0%
Normalized total operating expenses excluding depreciation, amortization	**(453.7)**	**(458.4)**	**-1.0%**

EBITDA	**Three months ended 31 March**		
In million EUR	**2014**	**2013**	**Change %**
EBITDA	173.0	174.3	-0.7%
Disposal of selected activities of Certipost (1)		(14.6)	
Normalized EBITDA	**173.0**	**159.7**	**8.3%**

EBIT	**Three months ended 31 March**		
In million EUR	**2014**	**2013**	**Change %**
Profit from operating activities (EBIT)	152.0	153.5	-1.0%
Disposal of selected activities of Certipost (1)		(14.6)	
Normalized profit from operating activities (EBIT)	**152.0**	**138.9**	**9.4%**

PROFIT FOR THE YEAR (EAT)	**Three months ended 31 March**		
In million EUR	**2014**	**2013**	**Change %**
Profit for the year	98.9	99.4	-0.5%
Disposal of selected activities of Certipost (1)		(14.6)	
Normalized profit of the year	**98.9**	**84.8**	**16.6%**

[1] In October 2012, the Company reached an agreement with the Finnish group Basware on the sale of the electronic document exchange activities of Certipost as of January 2013. Certipost continues its other activities (securing documents, digital certificates and Belgian electronic cards. The normalization of 14.6 million EUR corresponds to the gain on the disposal of the activities. This disposal did not generate a tax charge, as Certipost has tax losses carried forward on which no deferred tax asset had been recorded.

Cash Flow Statement related

In million EUR	Three months ended 31 March 2014	2013	Change %
Net Cash from operating activities	384.6	196.4	95.8%
Net Cash used in investing activities	(17.3)	(27.1)	-36.4%
Operating free cash flow	**367.4**	**169.3**	**117.0%**
Deposits received from third parties	0.2	0.0	606.5%
Payment relating to the decision of the European Commission (2)	0.0	88.9	-100.0%
Normalized operating free cash flow	**367.6**	**258.2**	**42.4%**

[2] The amount of 88.9 million EUR relates to the non-recurring payment of the alleged overcompensation for which a provision of 124.9 million EUR was recorded in 2012 with respect to alleged overcompensation of SGEIs over the period from 2011 to 2012. In anticipation of the amount due, the Belgian State withheld in the first quarter of 2013 an amount equal to 88.9 million EUR from the outstanding balance of state compensation due in respect of 2012 under the Fourth Management Contract. The balance due in the amount of 34.2 million EUR was paid in June 2013.

5.5 From IFRS Consolidated Net Profit to Belgian GAAP Unconsolidated Net Profit

For the three months ended 31 march In million EUR	2014	2013
IFRS Consolidated Net Profit	**98.9**	**99.4**
Results of subsidiaries and deconsolidation impacts	(6.3)	(19.3)
Differences in depreciation and impairments	(2.2)	(2.2)
Differences in recognition of provisions	(3.2)	(2.7)
Effects of IAS19	(1.8)	(12.3)
Deferred taxes	3.0	6.1
Other	(1.2)	1.1
Belgian GAAP unconsolidated net profit	**87.3**	**70.1**

The Company's unconsolidated profit after taxes prepared in accordance with Belgian GAAP can be derived from the consolidated IFRS profit after taxes in two stages.

The first stage consists of un-consolidating the profit after taxes under IFRS, i.e.:

- Eliminating the impact of the disposal of selected activities of Certipost for which a gain was realized in 2013,
- Subtracting the results of the subsidiaries, i.e. removing the profit after tax of the subsidiaries; and
- Eliminating any other Income Statement impact the subsidiaries had on the Company (such as impairments) and adding the dividends received from these subsidiaries.

The table below sets forth the breakdown of the above mentioned impacts:

For the three months ended 31 march In million EUR	2014	2013
Disposal of selected activities of Certipost		(14.6)
Profit of the Belgian fully consolidated subsidiaries (local GAAP)	(1.8)	(1.5)
Profit of the international subsidiaries (local GAAP)	(1.4)	(0.3)
Share of profit of bpost bank (local GAAP)	(3.4)	(2.4)
Other deconsolidation impacts	0.3	(0.4)
Total	**(6.3)**	**(19.3)**

The second stage consists of deriving the Belgian GAAP figures from the IFRS figures and is achieved by reversing all IFRS adjustments made to local GAAP figures. These adjustments include, but are not limited to the following:

- Differences in the treatment of depreciation and impairments: Belgian GAAP allows different useful lives (and hence depreciation rates) for fixed assets from IFRS. Goodwill is amortized under Belgian GAAP while IFRS requires impairment testing for goodwill. IFRS also allows intangible assets to be recorded on the balance sheet under different conditions from Belgian GAAP;
- Recognition of provisions is subject to different criteria under Belgian GAAP and IFRS;
- IFRS requires that all future obligations to personnel be recorded as a liability under IAS 19, whereas Belgian GAAP has no such obligation. The movements in the IFRS liability are reflected on the Company's Income Statement under personnel costs or provisions, except for the impact of changes in the discount rates for the future obligations, which is recorded as a financial result;
- The evolution year-over-year of IAS 19 is mainly explained by the plans for early retirement and partial career interruption launched end of 2012, and extended until 2014, for which beginning of 2013 subscription rate was higher compared to current year and for which the full impact was already accounted for under IFRS in the fourth quarter of 2012.

- Deferred taxes are not an accounting concept under Belgian GAAP, but are recorded under IFRS.

6 Outlook

Management is 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). Plans prudently take into account a volume decline of Domestic Mail of 5.0%. Parcels volumes growth should be above the 2013 level.
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 range of 800 to 1200 FTE / year which management has guided to as a result of the application of the current strategic plan.

Management does not anticipate any material exceptional cash outflows during the year which means that cash generation should follow the normal seasonality. Net capex is expected to reach 90 million EUR.

Unaudited Interim Condensed Consolidated Financial Statements

7 Interim Consolidated Income Statement

In million EUR	NOTES	Three months ended 31 March 2014	2013
Turnover	12.7	622.4	613.6
Other operating income	12.8	4.3	19.1
Total operating income		**626.7**	**632.7**
Materials cost		(8.0)	(7.8)
Services and other goods		(146.0)	(149.8)
Payroll costs		(301.0)	(306.4)
Other operating expenses		1.3	5.6
Depreciation, amortization		(20.9)	(20.7)
Total operating expenses		**(474.7)**	**(479.1)**
Profit from operating activities (EBIT)		**152.0**	**153.5**
Financial income		1.2	0.8
Financial cost		(3.3)	(2.4)
Share of profit of associates		3.6	2.5
Profit before tax		**153.6**	**154.4**
Income tax expense		(54.7)	(55.0)
Profit for the period		**98.9**	**99.4**
Attributable to:			
Owners of the Parent		98.4	99.0
Non-controlling interests		0.5	0.4

In May 2013, the shareholders' meeting decided to split the shares. The total number of shares amounts to 200,000,944 shares post stock split (before stock split 409,838 shares). Calculated with the new number of shares, earnings per share for the first three months of year of 2014 and 2013 are:

EARNINGS PER SHARE In EUR	2014	2013
►basic, profit for the first quarter attributable to ordinary equity holders of the parent	0.49	0.49
►diluted, profit for the first quarter attributable to ordinary equity holders of the parent	0.49	0.49

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.

In case of bpost, no effects of dilution affect the net profit attributable to ordinary equity holders and the weighted average number of ordinary shares.

8 Interim Consolidated Statement of Comprehensive Income

In million EUR	Per March 2014	Per March 2013
Profit for period	**98.9**	**99.4**
Fair value for financial assets available for sale by associates	29.4	(10.5)
(Loss)gain on available for sale financial assets	44.6	(15.9)
Income tax effect	(15.2)	5.4
Fair value of actuarial results on defined benefit plans	0.0	0.1
Actuarial losses on defined benefit plans	0.0	0.2
Income tax effect	0.0	(0.1)
Non-controlling interests	0.0	0.0
Other comprehensive income for the year, net of tax (*)	**29.4**	**(10.3)**
Total comprehensive income for the year, net of tax	**128.3**	**89.1**
Attributable to:		
Owners of the Parent	127.8	88.6
Non-controlling interest	0.5	0.4

* Net other comprehensive income is not being reclassified to profit or loss in subsequent periods.

Impact of the currency translation adjustment is immaterial.

9 Interim Consolidated Statement of Financial Position

In million EUR	NOTES	As of 31 March 2014	As of 31 December 2013
Assets			
Non-current assets			
Property, plant and equipment		561.6	570.3
Intangible assets		92.2	89.0
Investment securities		0.0	0.0
Investments in associates		374.2	341.3
Investment properties		9.7	10.3
Deferred tax assets		55.2	58.3
Trade and other receivables		2.3	2.2
		1,095.2	**1,071.3**
Current assets			
Assets held for sale		0.2	0.1
Inventories		9.8	9.2
Income tax receivable		0.2	0.1
Trade and other receivables		296.4	400.2
Cash and cash equivalents		815.1	448.2
		1,121.7	**857.8**
Total assets		**2,216.9**	**1,929.2**
Equity and liabilities			
Equity attributable to equity holders of the Parent			
Issued capital		364.0	364.0
Treasury shares		0.0	0.0
Reserves		242.3	111.0
Retained earnings		98.9	101.9
		705.2	**576.9**
Non-controlling interests		0.0	(0.0)
Total equity	10	**705.2**	**576.9**
Non-current liabilities			
Interest-bearing loans and borrowings		75.5	75.6
Employee benefits		343.3	345.1
Trade and other payables		76.0	79.7
Provisions		39.9	40.2
Deferred tax liabilities		1.4	1.4
		536.0	**542.0**
Current liabilities			
Interest-bearing loans and borrowings		10.8	11.3
Bank overdrafts		0.3	0.2
Provisions		21.2	22.4
Income tax payable		92.2	41.7
Trade and other payables		851.2	734.7
		975.7	**810.3**
Total liabilities		**1,511.7**	**1,352.3**
Total Equity and liabilities		**2,216.9**	**1,929.2**

10 Interim Consolidated Statement of Changes in Equity

In million EUR	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT						
	AUTHORIZED & ISSUED CAPITAL	TREASURY SHARES	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
As per 1 January 2013 *	**508.5**	**0.0**	**214.6**	**3.7**	**726.8**	**0.0**	**726.8**
Profit for the period				99.0	99.0	0.4	99.4
Other comprehensive income			(6.6)	(3.7)	(10.3)		(10.3)
Total comprehensive income	**0.0**	**0.0**	**(6.6)**	**95.3**	**88.6**	**0.4**	**89.1**
Capital Decrease	(144.5)				(144.5)		(144.5)
Dividends (Pay-out)					0.0	(0.1)	(0.1)
Other			12.4	0.4	12.8	(0.3)	12.5
At 31 March 2013	**364.0**	**0.0**	**220.4**	**99.4**	**683.8**	**0.0**	**683.8**

* Due to the restatement for IAS19R, other reserves decreased by 10.9 million EUR.

In million EUR	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT						
	AUTHORIZED & ISSUED CAPITAL	TREASURY SHARES	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
As per 1 January 2014	**364.0**	**0.0**	**111.0**	**101.9**	**576.9**	**0.0**	**576.9**
Profit for the period				98.4	98.4	0.5	98.9
Other comprehensive income			131.3	(101.9)	29.4		29.4
Total comprehensive income	**0.0**	**0.0**	**131.3**	**(3.4)**	**127.8**	**0.5**	**128.3**
Other				0.5	0.5	(0.5)	0.0
At 31 March 2014	**364.0**	**0.0**	**242.3**	**98.9**	**705.2**	**0.0**	**705.2**

11 Interim Consolidated Statement of Cash Flows

In million EUR	NOTES	Three months ended 31 March 2014	Three months ended 31 March 2013
Operating activities			
Profit before tax	7	153.6	154.4
Depreciation and amortization		20.9	20.7
Impairment on bad debts		(0.1)	(0.4)
Gain on sale of property, plant and equipment		(2.4)	(2.4)
Gain on sale of Certipost activities		0.0	(14.6)
Change in employee benefit obligations		(1.8)	(7.8)
Share of profit of associates		(3.6)	(2.5)
Income tax paid		(1.9)	(0.9)
Cash flow from operating activities before changes in working capital and provisions		**164.7**	**146.5**
Decrease/(increase) in trade and other receivables		81.1	70.4
Decrease/(increase) in inventories		(0.2)	(0.2)
Increase/(decrease) in trade and other payables		141.0	71.9
Deposits received from third parties		(0.2)	(0.0)
Repayment of SGEI overcompensation		0.0	(88.9)
Increase/(decrease) in provisions		(1.6)	(3.3)
Net Cash from operating activities		**384.6**	**196.4**
Investing activities			
Proceeds from sale of property, plant and equipment		2.7	3.1
Disposal of subsidiaries, net of cash disposed of		0.0	15.1
Acquisition of property, plant and equipment		(8.8)	(6.4)
Acquisition of intangible assets		(2.4)	(1.4)
Acquisition of subsidiaries, net of cash acquired	12.5	(8.7)	(37.5)
Net cash used in investing activities		**(17.3)**	**(27.1)**
Financing activities			
Payments related to borrowings and financing lease liabilities		(0.6)	(0.0)
Dividends paid to minority interests	10	0.0	(0.1)
Net Cash from financing activities		**(0.6)**	**(0.1)**
Net increase in cash and cash equivalents		**366.7**	**169.1**
Cash and cash equivalent less bank overdraft as of 1st January		448.0	712.9
Cash and cash equivalent less bank overdraft as of 31st March		814.7	881.9
Movements between 1st January and 31st March		**366.7**	**169.1**

12 Notes to the Interim Condensed Consolidated Financial Statements

12.1 Corporate Information

The interim condensed consolidated financial statements of bpost for the first three months ended March 31, 2014 were authorized for issue in accordance with a resolution of the Board of Directors on May 7, 2014.

Business activities

bpost and its subsidiaries (hereinafter referred to as "bpost") provide national and international mail and parcels services comprising the collection, transport, sorting and distribution of addressed and non-addressed mail, printed documents, newspapers and parcels.

bpost, through its subsidiaries and business units, also sells a range of other products and services, including postal, parcels, banking and financial products, express delivery services, document management and related activities. bpost also carries out Services of General Economic Interest (SGEI) on behalf of the Belgian State.

Legal status

bpost is a limited-liability company under public law of Belgium. bpost has its registered office at the Muntcentrum-Centre Monnaie, 1000 Brussels.

12.2 Basis of preparation and accounting policies

Basis of preparation

These interim financial statements have not been subject to review by the independent auditor.

The interim condensed consolidated financial statements for the three months ended March 31, 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the bpost's annual financial statements as at December 31, 2013.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the bpost's annual financial statements for the year ended December 31, 2013, except for the adoption of new standards and interpretations effective as from January 1, 2014.

Following new standards and amendments, entered into force as from January 1, 2014, don't have any effect on the presentation, the financial performance or position of bpost:

- **IFRS 10** – Consolidated Financial statements
- **IFRS 11** – Joint Arrangements
- **IFRS 12** – Disclosure of Interests in Other Entities
- **IFRS 10 –11 & 12** - Transition Guidance
- **IFRS 10, IFRS 12 and IAS 27** – Amendments - Investment Entities
- **IAS 27 – Amendment to IAS 27** – Separate Financial Statements
- **IAS 28 – Amendment to IAS 28** – Investments in Associates and Joint Ventures

- **IAS 32 – Financial Instruments:** Presentation – Offsetting of financial assets and financial liabilities
- **IAS 39 – Financial Instruments:** Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
- **IAS 36 – Amendment to IAS 36** – Recoverable Amount Disclosures for Non-Financial Assets

Standards and Interpretations not yet applied by bpost

The following new IFRS Standards and IFRIC Interpretations, which are yet to become mandatory, have not been applied by bpost for the preparation of its interim condensed consolidated financial statements.

Standard or interpretation	Effective for in reporting periods starting on or after
IFRS 9 – Financial Instruments – Classification and Measurement	Effective date postponed and not yet been determined
IFRS 14 – Regulatory Deferral Accounts (*)	1 January 2016
IAS 19 – Employee Benefits – Defined benefit plans: Employee Contributions (*)	1 July 2014
IFRIC 21 – Levies (*)	1 January 2014
Annual improvements to IFRSs 2010-2012 Cycle (*)	1 July 2014
Annual improvements to IFRSs 2011-2013 Cycle (*)	1 July 2014

(*) Not yet endorsed by the EU as per date of this report

Standards and Interpretations applied by bpost

As at March 31, 2014, the accounting policies of bpost are in compliance with the IAS / IFRS Standards and Interpretations SIC / IFRIC listed below:

International Financial Reporting Standards (IFRS)

- **IFRS 2** – Share-based Payment
- **IFRS 3** – Business Combinations (issued in 2004) for acquisition completed before 1 January 2010
- **IFRS 3** – Business Combinations (Revised in 2008)
- **IFRS 5** – Non-current Assets Held for Sale and Discontinued Operations
- **IFRS 7** – Financial Instruments: Disclosures
- **IFRS 8** – Operating segments
- **IFRS 10** – Consolidated Financial Statements
- **IFRS 11** – Joint Arrangements
- **IFRS 12** – Disclosure of Interests in Other Entities
- **IFRS 10 -11 & 12** – Transition Guidances
- **IFRS 13** – Fair value Measurement

International Accounting Standards (IAS)

- **IAS 1** – Presentation of Financial Statements
- **IAS 2** – Inventories
- **IAS 7** – Statement of Cash Flows
- **IAS 8** – Accounting Policies, Changes in Accounting Estimates and Errors
- **IAS 10** – Events after the Reporting Period
- **IAS 12** – Income Taxes
- **IAS 16** – Property, Plant and Equipment
- **IAS 17** – Leases
- **IAS 18** – Revenue
- **IAS 19** – Employee Benefits
- **IAS 21** – The Effects of Changes in Foreign Exchange Rates
- **IAS 23** – Borrowing costs
- **IAS 24** – Related Party Disclosures
- **IAS 27** – Consolidated and Separate Financial Statements (Revised in 2008 and 2011)

- **IAS 28** – Investments in Associates and Joint Ventures (revised in 2011)
- **IAS 32** – Financial Instruments: Presentation
- **IAS 33** – Earnings per share
- **IAS 34** – Interim Financial Reporting
- **IAS 36** – Impairment of Assets
- **IAS 37** – Provisions, Contingent Liabilities and Contingent Assets
- **IAS 38** – Intangible Assets
- **IAS 39** – Financial Instruments: Recognition and Measurement
- **IAS 40** – Investment Property

Interpretations SIC / IFRIC

- **IFRIC 1** – Changes in Existing Decommissioning, Restoration and Similar Liabilities
- **IFRIC 4** – Determining whether an Arrangement contains a Lease
- **IFRIC 10** – Interim Financial Reporting and Impairment
- **SIC 12** – Consolidation – Special Purpose Entities (effective until 31 December 2013)

The other standards currently endorsed by the EU and effective for the preparation of the 2014 interim condensed consolidated financial statements are not applicable in the context of bpost.

bpost has not early adopted any other standard, interpretation, or amendment that was issued but is not yet effective.

12.3 Seasonality of Operations

Pursuant to the 5th Management Contract, bpost is the provider of certain SGEI. These services include, among others, the operation of the retail network, the distribution of newspapers and periodicals, the distribution of electoral materials, the acceptance of cash deposits at post offices and the home delivery of state pensions and social allowances. bpost is compensated for providing these services based on a net avoided cost (“NAC”) methodology.

Compensation on SGEI is equally distributed over the four quarters. During the year calculations are made according to the Net Avoided Cost methodology to ensure the remuneration is in line with the amounts recorded. This methodology provides that compensation shall be based upon the difference in the net cost between bearing or not the provision of SGEI. The compensation for providing the SGEI is subject to a cap, which will be adjusted to the extent the Belgian consumer price index exceeds 2.2% in a given year.

12.4 Summary of Significant Accounting Policies

The accounting policies and methods of bpost are consistent with those applied in the December 31, 2013 consolidated financial statements.

12.5 Business Combinations

Additional consideration Landmark

In March 2014, bpost NV-SA paid an amount of 7.65 million USD (5.5 million EUR) in execution of the contingent consideration agreement and is related to the 2013 performance of Landmark. The fair value of the contingent consideration was recognized as a financial liability. The payment has no impact on the original calculated goodwill.

Acquisitions of the first three months ended March 31, 2014

On January 6, 2014 Landmark Global Inc., a 51% subsidiary of bpost NV-SA, purchased 100% of the shares both of **Gout International BV** and **BEurope Consultancy BV**, two Groningen-based Dutch companies, with retroactive effect on January 1, 2014. Consequently Gout International BV and BEurope Consultancy BV are consolidated using the full-integration method as from January 1, 2014.

Main activities of Gout International BV are import services for US customers looking to sell their products in Europe. This includes customs clearance services, warehousing, pick & pack and last mile delivery. BEurope Consultancy BV is a spin-off company of Gout International BV which focuses on advising new US customers on how to enter their products into Europe. This includes both advice on customs/VAT set-up and on product registration in the various European countries.

In accordance with the purchase agreement, Landmark Global Inc. paid an amount of 3.0 million EUR. In addition, the agreement includes a contingent consideration arrangement and foresees three possible additional earn-out amounts. The amount of each annual earn-out will be based on the EBITDA respectively achieved in 2014, 2015 and 2016. Based on the business plan of the two acquired entities, the fair value of the contingent consideration is recognized for an amount of 2.1 million EUR as a financial liability.

The calculated goodwill, presented below, could still be subject to change, as the initial purchase price will be adjusted in accordance with the terms of the purchase contract.

CARRYING AMOUNT IN THE ACQUIRED ENTITY	In million EUR
Current Assets	1.5
Non-Currents Assets	0.4
Current Liabilities	0.7
Non-Current Liabilities	0.0
Net Assets	**1.2**
Fair value of the assets acquired ie 100% Net Assets	1.2
Goodwill arising on acquisition	3.9
Purchase consideration transferred	**5.1**
of which:	
- Cash paid	3.0
- Contingent consideration	2.1

Analysis of cash flows on acquisition	In million EUR
Net cash acquired with the subsidiary	0.3
Cash paid	(3.0)
Net cash outflow	**(2.7)**

In February 2014, Landmark Global Inc. acquired 100% of the shares of **Ecom Global Distribution Ltd** and of **Starbase Global Logistics Inc.** with retroactive effect on January 1, 2014.

Consequently Ecom Global Distribution Ltd and Starbase Global Logistics Inc. are consolidated using the full-integration method as from January 1, 2014. Ecom Global Distribution Ltd provides import services for goods entering the UK, similar to the services offered by Gout international BV. Its location right next to London Heathrow makes it ideally suited to service US to UK airlift imports. Starbase Global Logistics Inc. provides import services for goods entering the US.

Landmark Global Inc. paid a fixed purchase price of 0.8 million USD (0.6 million EUR) for Ecom and an amount of 0.3 million USD (0.2 million EUR) for Starbase. In accordance with the purchase agreement, the purchase price could be increased by mutually agreed upon future expenses to be incurred by the seller in connection with the transaction.

The consolidated goodwill related to Ecom is as follows:

CARRYING AMOUNT IN THE ACQUIRED ENTITY	**In million EUR**
Current Assets	1.7
Non-Currents Assets	0.0
Current Liabilities	1.6
Non-Current Liabilities	0.0
Net Assets	**0.1**
Fair value of the assets acquired ie 100% Net Assets	0.1
Goodwill arising on acquisition	0.5
Purchase consideration transferred	**0.6**
of which:	
- Cash paid	0.6
- Contingent consideration	-

Analysis of cash flows on acquisition	**In million EUR**
Net cash acquired with the subsidiary	0.1
Cash paid	(0.6)
Net cash outflow	**(0.5)**

The consolidated goodwill related to Starbase is as follows:

CARRYING AMOUNT IN THE ACQUIRED ENTITY	**In million EUR**
Current Assets	0.2
Non-Currents Assets	0.0
Current Liabilities	0.1
Non-Current Liabilities	
Net Assets	**0.1**
Fair value of the assets acquired ie 100% Net Assets	0.1
Goodwill arising on acquisition	0.1
Purchase consideration transferred	**0.2**
of which:	
- Cash paid	0.2

- Contingent consideration	-

Analysis of cash flows on acquisition	**In million EUR**
Net cash acquired with the subsidiary	0.1
Cash paid	(0.2)
Net cash outflow	**(0.1)**

12.6 Operating Segments

The table below presents revenue information about bpost's operating segments:

	Three months ended 31 March	
In million EUR	**2014**	**2013**
MRS	499.9	520.0
P&I	115.0	98.3
Total operating income of operating segments	**614.9**	**618.3**
Corporate (Reconciling category)	11.8	14.4
Total operating income	**626.7**	**632.7**

Revenues attributable to the MRS operating segment decreased by 20.1 million EUR compared to the first quarter of 2013, to 499.9 million EUR. The sale of certain activities of Certipost (14.6 million EUR) in the first quarter of 2013 is considered as non recurring item. Without this non-recurring item, revenue decline amounts to 5.5 million EUR, mainly due to:

- the 4.6% volume decline of the Domestic mail,
- partially compensated by price increases in Domestic Mail and a rise in Value Added Services revenue (ELP related services, Document management services and SEPA activities among others).

Growth of P&I revenues in the first quarter amounts to 16.7 million EUR and is mainly attributable to the Parcels product portfolio, which increased by 17.7 million EUR and is favorably influenced by

- the take-over of Gout International BV, BEurope Consultancy BV, Ecom Global Distribution Ltd and Starbase Global Logistics Inc (impact of 1.7 million EUR on the Parcels product portfolio and of 2.1 million EUR on total operating income)
- the solid performance of International Parcels, driven by expansion in the US and the increased volumes from (e-tailors) and to (mainly milk powder) China
- the remaining balance is explained by the growth in Domestic Parcels, driven by e-commerce evolution.

Inter-segment sales are immaterial. There is no internal operating income.

Excluding the remuneration received to provide the services as described in the Management Contract (see note 12.7), no single external customer exceeds 10% of bpost's operating income.

The following table introduces the revenues from external customers attributed to Belgium and to all foreign countries in total from which bpost derives its revenues. The allocation of the revenues of the external customers is based on their location.

	Three months ended 31 March	
In million EUR	**2014**	**2013**
Belgium	548.8	579.2
RoW	77.9	53.4
Total operating income	**626.7**	**632.7**

The following tables present EBIT and EAT information about bpost's operating segments for the period ended March 31, 2014 and 2013:

In million EUR	Three months ended 31 March	
	2014	2013
MRS	142.3	145.8
P&I	11.1	4.3
Total EBIT of operating segments	**153.4**	**150.1**
Corporate (Reconciling category)	(1.4)	3.4
Total EBIT	**152.0**	**153.5**

Excluding the nonrecurring item, the sale of certain Certipost activities for 14.6 million EUR, in the first quarter of 2013, EBIT of the MRS operating segment increased by 11.1 million EUR in the first quarter of 2014. The volume decline could be more than compensated by price increases combined with productivity improvements and costs reduction.

EBIT attributable to the P&I operating segment improved from 4.3 million EUR to 11.1 million in the first quarter of 2014. The lower impact of settlements of terminal dues (0.9 million EUR) was more than compensated by increased margins in International and Domestic parcels (3.5 million EUR) combined with a better performance of the P&I subsidiaries (3.1 million EUR). Last year, EBIT was influenced by an exceptional one-off related to MSI.

In million EUR	Three months ended 31 March	
	2014	2013
MRS	142.3	145.8
P&I	11.1	4.3
Total EAT of operating segments	**153.4**	**150.1**
Corporate (Reconciling category)	(54.5)	(50.7)
Total EAT	**98.9**	**99.4**

Financial income, financial costs, share of profit of associates and income tax expenses are all included in the reconciling category "Corporate".

The following table provides detailed information on the reconciling category "Corporate":

In million EUR	Three months ended 31 March	
	2014	2013
Operating Income	**11.8**	**14.4**
Central departments (Finance, Legal, Internal Audit, CEO, ...)	(14.5)	(17.4)
Other reconciliation items	1.3	6.5
Operating expenses	**(13.2)**	**(10.9)**
EBIT Corporate (Reconciling category)	**(1.4)**	**3.4**
Share of profit of associates	3.6	2.5
Financial Results	(2.1)	(1.6)
Income Tax expense	(54.7)	(55.0)
EAT Corporate (Reconciling category)	**(54.5)**	**(50.7)**

Profit from operating activities (EBIT) attributable to the Corporate reconciliation category deteriorated by 4.8 million EUR to negative 1.4 million EUR for the first quarter of 2014 from positive 3.4 million EUR for the first quarter of 2013. This deterioration is driven by a lower revenue recognition (-2.1 million EUR) combined with a less favourable evolution in provisions (-2.1 million EUR) and the occurrence of a withholding tax recovery in the first quarter of 2013 (-0.9 million EUR).

Assets and liabilities are not reported per segment in the company.

12.7 Turnover

In million EUR	Three months ended 31 March 2014	2013
Turnover excluding the SGEI remuneration	546.3	537.7
SGEI remuneration	76.1	75.9
Total	**622.4**	**613.6**

12.8 Other Operating Income

In million EUR	Three months ended 31 March 2014	2013
Gain on disposal of property, plant and equipment	2.4	2.4
Gain on disposal of activities		14.6
Rental income of investment property	0.2	0.3
Other rental income	0.6	0.4
Third party cost recovery	0.4	0.7
Other	0.6	0.6
Total	**4.3**	**19.1**

The sale of the activity of electronics document exchange of Certipost to the Finnish group Basware per January 2013 generated a cash inflow of 15.1 million EUR and a gain of 14.6 million EUR in the first quarter of 2013.

Gains on disposal of property, plant and equipment are mainly related to the sales of buildings.

12.9 Contingent Liabilities and Contingent Assets

As of March 31, 2014, bpost had 4,954 auxiliary postmen. In 2013, 45 auxiliary postmen initiated a lawsuit against the Company in the Brussels and Charleroi Labor Courts claiming equal salary and benefits by reference to baremic contractual employees performing the same work, mainly under the non-discrimination provisions set forth in Articles 10 and 11 of the Belgian Constitution. All claims and allegations are contested by bpost.

However, if the courts were to find that this principle is applicable and bpost is found to have violated it, the labor courts will most likely order bpost to increase the compensation of the auxiliary postmen to the level of relevant baremic contractual employees and it cannot be excluded that other employees could bring similar claims.

12.10 Events After the Reporting Period

No significant events impacting the Company's financial position have been observed after the statement of financial position date.

13 Statement of legal representatives

The bpost Management Committee declares that to the best of its knowledge, the condensed consolidated financial statements, established in accordance with International Financial Reporting Standards ("IFRS"), give a true and fair view of the assets, financial position and results of bpost and of the entities included in the consolidation.

The financial report gives an accurate overview of the information that needs to be disclosed pursuant to article 13 and 14 of the Royal Decree of 14 November 2007.

The bpost Management Committee is represented by Koen Van Gerven, Chief Executive Officer and Pierre Winand, Chief Financial Officer.