# bpost reports a strong fourth quarter

## Fourth quarter 2014 highlights

- **Operating income (revenues)** up 2.2% to reach EUR 655.3m (+1.7% organically), partially helped by higher building sales (EUR +3.8m). For 2014, revenues came in at EUR 2,464.7m (+1.1% organically).
- **Underlying Domestic Mail volume decline better than 3 previous quarters**, despite continuing e-substitution. Underlying decline at -3.7% and reported decline at -3.1% (incl. 1 more working day). Full year underlying domestic mail volume decline came in at -4.4%.
- **Domestic parcels volume up 7.1%** (+7.0% for the full year) helped by a particularly strong Christmas season (+15.6% in December). Fourth quarter revenue growth of +4.9% impacted by a negative mix effect of 2.2% for the first time.
- Continuing growth in international parcels (EUR +10.9m), in line with the third quarter, while shipments to China slowed down.
- **Costs (excluding one-offs, phasing and transport) down EUR 9.9m organically**. Workforce reduced with 664 FTE for the quarter bringing the full year average decrease to 974 FTE.
- **EBITDA up EUR 9.5m** or +7.8%, with **margin improving to 20%** (from 19% in 4Q13)
- **Net profit of bpost S.A./N.V.** (BGAAP) for the full year came in at EUR 296.9m.
- **Proposed total dividend of EUR 1.26 gross per share** based on 2014 results, composed of an interim dividend of EUR 1.04 (paid in December 2014) and a final proposed dividend of EUR 0.22, subject to the approval of shareholders.

## CEO quote

Koen Van Gerven, CEO, commented: "*In the last quarter of the year, bpost reported very strong results which were helped by a lower than expected decline of mail volumes. Our parcels activities continued to grow solidly, especially during the holiday season, beating the already strong growth of 2013. Our productivity plans delivered better than expected and strengthened the company to face its future challenges. The solid results of 2014 are also the result of the dedication of all bpost employees and I would like to thank all of them for their hard work.*"

"*In 2015, we will face some major challenges. Mail volumes will be under substantial pressure and the compensation bpost receives from the Belgian State for SGEI will be reduced. We will more than ever need to seize growth opportunities based on our unique assets, our proximity to customers through our 10,000 postmen and 1,300 postal service points. We will also continue to improve productivity and efficiency to have bpost fully responsive to the evolving expectations of our customers.*"

## Outlook

- After a very strong 2014 which allowed us to report historically high numbers, we will be facing some headwind in 2015:
  - We expect **mail volumes** to remain under substantial pressure from e-substitution. As a consequence we plan for mail a volume decline of over -5%. This has been confirmed by a relatively soft start of the year in mail.
  - The **compensation for the SGEI's** (management contract) will be **EUR 16.5m lower** than in 2014 as the government has decided to reduce the compensation above and beyond the already lower contractual cap.
  - Parcels to China (milk powder) are **no longer growing** and **could be declining**.

  - The planned **productivity improvements** as per the Vision 2020 planning are at the very low end of our 800 to 1,200 FTE/year range.
- On the positive side, we still expect mid single digit growth in domestic parcels in spite of the intensification of competition. We also expect **continued growth in the US and Asia** parcels segment.
- On balance, our ambition is to **hold our recurring EBIT(DA)** at the high level achieved in 2014 thanks to the partial effects of the Alpha plan and a continued focus on costs. Reported EBIT will be affected by the **Alpha restructuring cost**. Our ambition is to achieve the same level of dividend payment.
- Cash generation should follow normal seasonality and **net capex** is expected at around EUR 90m. Working capital will be negatively affected by the favorable phasing on terminal dues payment in 2014.

# Key figures[1]

**4th quarter (in million EUR)**

| | Reported | | Normalized | | |
|---|---|---|---|---|---|
| | **4Q13** | **4Q14** | **4Q13** | **4Q14** | **% change** |
| Total operating income (revenues) | 640.9 | 655.3 | 640.9 | 655.3 | 2.2% |
| Operating expenses | 519.4 | 524.3 | 519.4 | 524.3 | 0.9% |
| **EBITDA** | **121.6** | **131.0** | **121.6** | **131.0** | **7.8%** |
| *Margin (%)* | *19.0%* | *20.0%* | *19.0%* | *20.0%* | |
| **EBIT** | **86.8** | **102.8** | **86.8** | **102.8** | **18.4%** |
| *Margin (%)* | *13.5%* | *15.7%* | *13.5%* | *15.7%* | |
| **Profit before tax** | **85.5** | **85.3** | **85.5** | **85.3** | **-0.2%** |
| Income tax expense | 32.8 | 34.7 | 32.8 | 34.7 | |
| **Net profit** | **52.7** | **50.7** | **52.7** | **50.7** | **-3.8%** |
| **FCF** | **12.6** | **48.4** | **12.5** | **48.4** | **286.8%** |
| **bpost S.A./N.V. net profit (BGAAP)** | **72.7** | **78.8** | **72.7** | **78.8** | **8.5%** |
| **Net Debt/ (Net cash), at 31 December** | **(360.7)** | **(486.2)** | **(360.7)** | **(486.2)** | **34.8%** |

In the fourth quarter of 2013 and 2014, there are no differences between reported and normalized figures.

**Full year (in million EUR)**

| | Reported | | Normalized | | |
|---|---|---|---|---|---|
| | **FY13** | **FY14** | **FY13** | **FY14** | **% change** |
| Total operating income (revenues) | 2,443.2 | 2,464.7 | 2,428.6 | 2,464.7 | 1.5% |
| Operating expenses | 1,891.7 | 1,892.6 | 1,891.7 | 1,892.6 | 0.0% |
| **EBITDA** | **551.4** | **572.0** | **536.9** | **572.0** | **6.6%** |
| *Margin (%)* | *22.6%* | *23.2%* | *22.1%* | *23.2%* | |
| **EBIT** | **450.7** | **480.2** | **436.1** | **480.2** | **10.1%** |
| *Margin (%)* | *18.4%* | *19.5%* | *18.0%* | *19.5%* | |
| **Profit before tax** | **456.8** | **454.1** | **442.2** | **454.1** | **2.7%** |
| Income tax expense | 168.9 | 158.6 | 168.9 | 158.6 | |
| **Net profit** | **287.9** | **295.5** | **273.3** | **295.5** | **8.1%** |
| **FCF** | **125.9** | **373.3** | **249.0** | **373.5** | **50.0%** |
| **bpost S.A./N.V. net profit (BGAAP)** | **248.2** | **296.9** | **248.2** | **296.9** | **19.6%** |
| **Net Debt/ (Net cash), at 31 December** | **(360.7)** | **(486.2)** | **(360.7)** | **(486.2)** | **34.8%** |

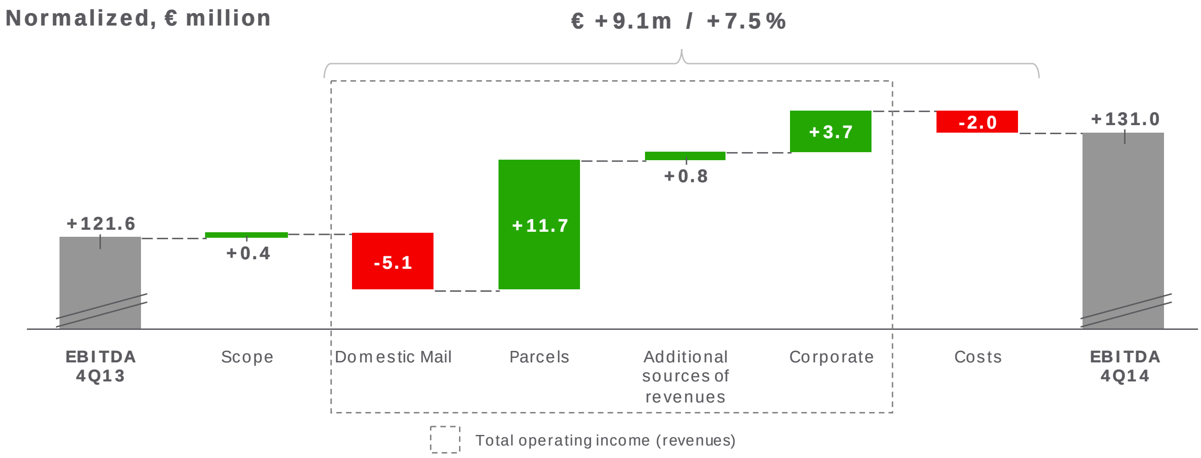
**For more information:**

**Investors**
Paul Vanwambeke T. +32 2 276 2822
Saskia Dheedene T. +32 2 276 7643
www.bpost.be/ir
investor.relations@bpost.be

**Press**
Piet Van Speybroeck
M. +32 477 68 47 12 | T. +32 2 276 2185
piet.vanspeybroeck@bpost.be

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

# Fourth quarter 2014 - Income Statement[2]




Group **revenues** increased by EUR 14.4m (+2.2%) to EUR 655.3m in the fourth quarter. Organic growth stood at EUR 11.1m, mainly driven by a solid performance of Parcels (EUR +11.7m) as well as higher building sales (EUR +3.8m) and helped by a softer decline in Domestic mail revenues (EUR -5.1m).

Operational costs were under control (organic increase of EUR 2.0m) taking into account the growth in transport costs (EUR +17.9m, including one-offs of EUR +6.8m). The underlying decrease of operational costs amounted to EUR 9.9m organically. Reported **EBITDA and EBIT** grew respectively by EUR 9.5m and EUR 16.0m, with margins increasing to 20.0% (+100bps) and 15.7% (+220bps) respectively.

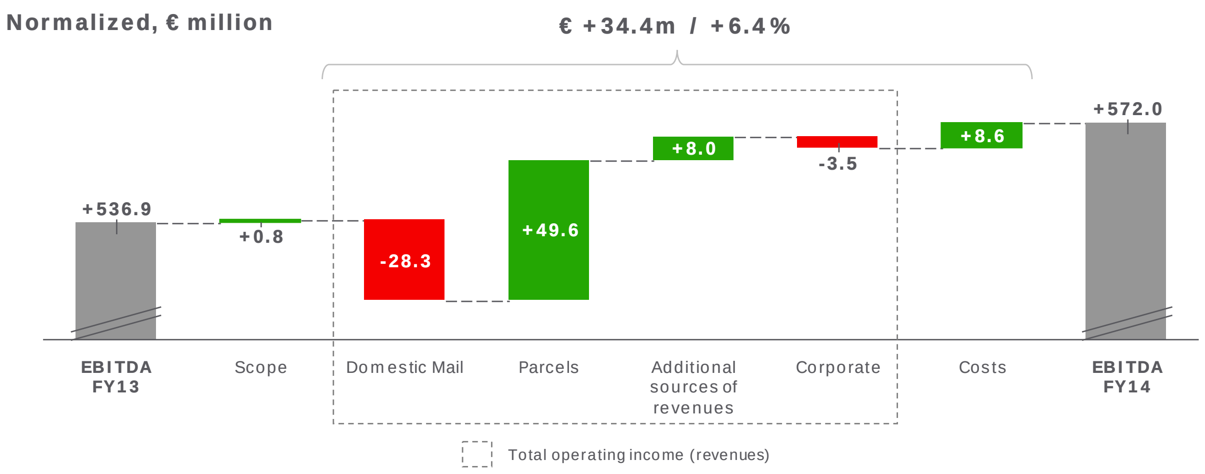
**Net financial result** worsened by EUR 18.6m to EUR -19.9m, mainly explained by the increase of IAS 19 related non-cash financial cost generated by the decrease in discount rates.

**Income Tax** amounted to EUR 34.7m.

**IFRS group net profit** stood at EUR 50.7m. **Belgian GAAP net profit** of the parent company amounted to EUR 78.8m for the quarter (+8.5%).

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

# Full year 2014 - Income Statement[3]




For the full year, **group revenues** increased by EUR 36.1m (+1.5%) on a normalized basis to EUR 2,464.7m, of which EUR 25.8m is organic growth. This is the result of strong growth in Parcels (EUR +49.6m), which together with the increase in Additional sources of revenues (EUR +8.0m) compensated the decline in Domestic Mail (EUR -28.3m) and slightly lower building sales. On a reported basis, group revenues increased by 0.9% as 2013 benefited from the gain related to the disposal of certain activities of Certipost for the amount of EUR 14.6m.

Costs decreased organically by EUR 8.6m in spite of an increase of EUR 38.2m in transport costs, leading to an **EBITDA margin** of 23.2%, with EBITDA reaching EUR 572.0m (EUR +35.2m versus last year).

**EBIT** came in at EUR 480.2m (EUR +44.0m versus last year on a normalized basis), with depreciation and amortization charges amounting to EUR 91.9m.

**Net financial result** worsened by EUR 29.4m to EUR -37.2m. This evolution is mainly explained by higher non-cash financial charges related to employee benefits (IAS 19) resulting from the decrease in discount rates.

**Income Tax** expense decreased by EUR 10.2m compared to last year as a result of an additional income tax charge of EUR 17.6m that had been incurred in the first half of 2013 relating to the transfer of EUR 21.3m from tax free reserves to distributable results and the payout of untaxed reserves of EUR 30.3m. The effective tax rate for 2014 stood at 34.9%

**IFRS group net profit** stood at EUR 295.5m. **Belgian GAAP net profit** of the parent company amounted to EUR 296.9m, an increase by 11.7% versus last year when excluding the impact of the aforementioned exceptional tax charge.

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

# Total operating income: group overview

## Fourth quarter 2014[4]

| In million EUR, Normalized | 4Q13 | Scope | Organic | 4Q14 | % Org | underlying vol. % Δ |
|---|---|---|---|---|---|---|
| **Domestic mail** | **414.3** | **-** | **-5.1** | **409.2** | **-1.2%** | **-3.7%** |
| Transactional mail | 259.6 | - | -0.4 | 259.2 | -0.2% | -4.2% |
| Advertising mail | 74.0 | - | -2.4 | 71.5 | -3.3% | -2.1% |
| Press | 80.7 | - | -2.3 | 78.5 | -2.8% | -2.6% |
| **Parcels** | **76.0** | **2.4** | **11.7** | **90.1** | **15.4%** | **17.2%** |
| Domestic parcels | 39.0 | - | 1.9 | 40.9 | 4.9% | 7.1% |
| International parcels | 32.9 | 2.4 | 10.9 | 46.3 | 33.0% | |
| Special logistics | 4.1 | - | -1.1 | 2.9 | -27.3% | |
| **Additional sources of revenues** | **156.5** | **0.8** | **0.8** | **158.1** | **0.5%** | |
| International mail | 55.2 | - | 0.2 | 55.3 | 0.3% | |
| Value added services | 22.9 | - | 0.8 | 23.7 | 3.6% | |
| Banking and financial | 52.8 | - | -0.2 | 52.6 | -0.5% | |
| Others | 25.6 | 0.8 | 0.1 | 26.5 | 0.4% | |
| **Corporate** | **-5.8** | **-** | **3.7** | **-2.1** | **-63.5%** | |
| **TOTAL** | **640.9** | **3.2** | **11.1** | **655.3** | **1.7%** | |

Revenues from **Domestic Mail** decreased by EUR 5.1m (-1.2%) to EUR 409.2m. Domestic mail volume decline came in at -3.1% on a reported basis. Excluding the impact of one more working day in the quarter, underlying volume decline amounted to -3.7%, a better level than the previous three quarters. Underlying transactional mail volumes improved versus previous quarters and came in at -4.2%. While still being impacted by e-substitution and cost control measures, no significant additional e-substitution measures were taken by customers. Advertising mail volumes improved to -2.1% as a result of increased volumes from some food retailers and a diminishing decrease from catalogue sellers. Press volumes decline remained stable at -2.6%. Total mail volume declines impacted revenues by EUR -12.8m, partially compensated by the net improvement in price and mix, amounting to EUR +6.9m and the working day difference.

**Parcels** revenues came in at EUR 90.1m, a EUR 14.1m increase of which EUR 11.7m is organic growth. International parcels grew by EUR 10.9m organically. Revenues on lanes from the US increased by EUR 7.7m, helped by the strengthening of the US dollar (EUR +2.5m). Excluding the positive FX effect, growth was in line with previous quarters. Traffic on lanes from China grew also in line with previous quarters (EUR +2.2m), while shipments to China slowed down (EUR +0.5m). Domestic parcels volume growth amounted to a solid 7.1%, thanks to a particularly strong month of December at +15.6%, well above the +12.9% recorded in December 2013. E-commerce continued to develop well, despite weak sales in November, in particular from some fashion e-tailers, while the ongoing decline of catalogue sellers continued over the quarter and

[4] Normalized figures are neither audited nor have been subject to a limited review. Scope includes Gout International BV, BEurope, Ecom and Starbase.

performance in C2C was rather weak. Price/mix was negative at -2.2% mainly due to the growth of major e-commerce customers attracting bigger discounts and weaker C2C sales.

**Additional sources of revenues** held up well and reached EUR 158.1m, an increase by EUR 0.8m on an organic basis. Value Added Services (EUR +0.8m) performed well. Excluding lower one-off settlements relating to last year (€ -0.7m) and positive FX effects (€ +1.8m), International mail sales were slightly down. Revenues from Banking and Financial Services were slightly down (EUR -0.2m). Prepaid credit cards continued to grow while lower service fees were received from bpost bank as a result of cost optimization of activities performed on behalf of bpost bank and lower volumes of financial transactions managed on behalf of the Belgian State were recorded. Assets under management continued to grow but the low interest rate environment also put the transformation margin of the bank under pressure, both effects resulting in stable commissions received.

## Full year 2014[5]

| In million EUR, Normalized | FY13 | Scope | Organic | FY14 | % Org | underlying vol. % Δ |
|---|---|---|---|---|---|---|
| **Domestic mail** | **1,551.3** | **-** | **-28.3** | **1,523.0** | **-1.8%** | **-4.4%** |
| Transactional mail | 961.3 | - | -18.0 | 943.2 | -1.9% | -5.0% |
| Advertising mail | 275.9 | - | -4.5 | 271.4 | -1.6% | -3.0% |
| Press | 314.1 | - | -5.8 | 308.4 | -1.8% | -2.8% |
| **Parcels** | **249.6** | **8.1** | **49.6** | **307.2** | **19.9%** | **24.0%** |
| Domestic parcels | 141.9 | - | 9.4 | 151.3 | 6.7% | 7.0% |
| International parcels | 91.5 | 8.1 | 43.7 | 143.3 | 47.7% | |
| Special logistics | 16.2 | - | -3.6 | 12.6 | -22.0% | |
| **Additional sources of revenues** | **602.3** | **2.3** | **8.0** | **612.5** | **1.3%** | |
| International mail | 199.3 | 0.0 | 4.4 | 203.7 | 2.2% | |
| Value added services | 89.4 | - | 6.0 | 95.4 | 6.7% | |
| Banking and financial | 209.2 | - | -1.8 | 207.5 | -0.8% | |
| Others | 104.4 | 2.3 | -0.6 | 106.0 | -0.6% | |
| **Corporate** | **25.5** | **-** | **-3.5** | **21.9** | **-13.9%** | |
| **TOTAL** | **2,428.6** | **10.3** | **25.8** | **2,464.7** | **1.1%** | |

**Domestic Mail** revenues stood at EUR 1,523.0m, a EUR 28.3m decline versus last year. The reported domestic mail volume decline came in at -3.9%, with elections contributing EUR 4.6m to the top line. Excluding this impact, the underlying volume decline came in at -4.4%, higher than last year but well in line with our outlook of around -5% for the full year.

**Parcels** revenues increased by EUR 57.6m to reach EUR 307.2m. Organic growth amounted to EUR 49.6m, mainly the result of the international parcels business as well as a solid full year growth in domestic parcels volumes of +7.0%, which improved in the second half of the year compared to the first half.

[5] Normalized figures are neither audited nor have been subject to a limited review. Scope includes Gout International BV, BEurope, Ecom and Starbase.

**Additional sources of revenues** attained EUR 612.5m, up EUR 10.3m of which EUR 8.0m was organic growth.

# Operating expenses

## Fourth quarter 2014[6]

| In million EUR, Normalized | 4Q13 | Scope | Organic | 4Q14 | % Org |
|---|---|---|---|---|---|
| Payroll & interim costs | 327.6 | 0.6 | -14.8 | 313.4 | *-4.5%* |
| *FTE* | *25,788* | *69* | *-664* | *25,193* | |
| SG&A (excl. interim and transport costs) | 116.2 | 0.5 | 3.5 | 120.2 | *3.0%* |
| Transport costs | 48.3 | 1.5 | 17.9 | 67.7 | *37.0%* |
| Other costs | 27.3 | 0.2 | -4.5 | 23.0 | *-16.5%* |
| **Total operating expenses** | **519.4** | **2.9** | **2.0** | **524.3** | ***0.4%*** |

**Total operating costs** amounted to EUR 524.3m, up EUR +2.0m organically. Excluding one-offs, phasing and transport costs, operating expenses were down EUR 9.9m on an underlying basis.

**Transport costs** increased by EUR 17.9m organically partly due to terminal dues one-offs (EUR 4.1m) and a phasing impact (EUR 2.7m) both relative to last year. Excluding these one-off effects, transport costs were up EUR 11.1m organically in line with the ongoing expansion of the international business. This also included a negative impact of the strengthening of the US dollar (EUR 3.3m).

**Payroll and interim costs** went down organically by EUR 14.8m. This evolution was however affected by some one-off items such as increased restructuring charges (EUR 6.3m) related to, among others, the reorganisation of the international activities, more than compensated by the positive evolution of the employee benefit provision under IAS 19 (EUR 8.0m). Excluding those items, payroll and interim costs decreased by EUR 13.1m organically. The ongoing execution of efficiency programs led to an average reduction of 664 FTE, partly helped by the hiring freeze in support services in place since the start of the Alpha analysis (less 48 FTE since end September). The FTE reduction translated into a positive volume effect of EUR 9.1m. This quarter also benefitted from a positive mix effect (EUR 0.8m) as a result of hiring auxiliary postmen and other factors (EUR 3.2m).

**SG&A excluding transport costs** increased by EUR 3.5m organically, as a result of higher consultancy, third party and publicity costs. The latter relate to the parcels promotion campaign which kicked off in September 2014. Maintenance costs decreased, as well as energy delivery as a result of dropping oil prices.

**Other costs** decreased by EUR 4.5m organically. Excluding a one-off favourable movement on provision (EUR 4.2m), the improvement amounted to EUR 0.3m, coming from lower materials costs, partly offset by the increase in other charges.

In total, all one-off and phasing impacts made operating costs increase by EUR 0.9m.

[6] Normalized figures are neither audited nor have been subject to a limited review. Scope includes Gout International BV, BEurope, Ecom and Starbase.

## Full year 2014[7]

| In million EUR, Normalized | FY13 | Scope | Organic | FY14 | % Org |
|---|---|---|---|---|---|
| Payroll & interim costs | 1,261.2 | 1.9 | -26.9 | 1,236.2 | *-2.1%* |
| *FTE* | *26,329* | *59* | *-974* | *25,414* | |
| SG&A (excl. interim and transport costs) | 402.3 | 1.9 | -14.8 | 389.4 | *-3.7%* |
| Transport costs | 175.4 | 4.8 | 38.2 | 218.4 | *21.8%* |
| Other costs | 52.9 | 1.0 | -5.3 | 48.6 | *-9.9%* |
| **Total operating expenses** | **1,891.7** | **9.5** | **-8.6** | **1,892.6** | ***-0.5%*** |

For the full year, total operating costs amounted to EUR 1,892.6m, an organic saving of EUR 8.6m compared to the previous year. Excluding transport costs, the total cost base went down by EUR 46.8m organically, mainly as a result of lower payroll and interim costs (EUR -26.9m). Productivity improvement programs resulted in an average reduction of 974 FTE. SG&A and other costs went down by EUR 20.0m organically.

# Cash flow statement

## Fourth quarter 2014

Normalized free cash flow of EUR 48.4m was EUR 35.9m above last year, thanks to stronger cash flow from operating and investing activities.

Normalized **cash flow from operating activities** for the fourth quarter was EUR 25.4m higher compared to the same period last year. Excluding the non-cash impacts of IAS 19 and building sales, operating results were EUR 9.2m below last year mainly due to higher prepayments of income taxes during the last quarter of 2014. This was more than compensated by the positive evolution of working capital stemming from terminal dues received in December, creating a positive phasing effect versus the fourth quarter last year, and from an access fee paid by a partner in financial services.

Cash outflows from **investing activities** stood at EUR 23.4m, which is EUR 10.5m better compared to the same period last year (outflow of EUR 33.9m). This variance is mainly explained by lower capital expenditure (EUR 3.2m) and higher proceeds from the sale of property, plant and equipment (EUR 7.3m) as a result of the sale of a sizeable property in the fourth quarter.

## Full year 2014

Normalized free cash flow was EUR 124.5m better than last year due to a higher cash flow from operating activities.

Normalized **cash flow from operating activities**[8] improved by EUR 122.0m to EUR 451.7m mainly as a result of improved operating results (EUR +35.1m) and the positive evolution of working capital (EUR +86.8m), stemming from last year's payment related to the competition claim fine (EUR +37.4m), a positive variance in terminal dues (EUR +18.4m), mainly related to the earlier settlement by another postal operator, the improvement in payments by State entities (EUR +14.2m), the access fee paid by a partner in financial services (EUR +5.0m) and last year's advance for Gout acquisition which was utilized this year (net impact EUR +6.0m).

[7] Normalized figures are neither audited nor have been subject to a limited review. Scope includes Gout International BV, BEurope, Ecom and Starbase.
[8] Excluding evolution of deposits received from third parties of EUR 0.2m and the exceptional repayment in 2013 of alleged SGEI overcompensation (EUR 123.1m).

**Investing activities** generated a cash outflow of EUR 78.2m compared to EUR 80.7m for the same period last year, mainly resulting from higher capital expenditure (EUR 11.8m), lower proceeds from sale of property, plant and equipment (EUR 5.5m), newly acquired subsidiaries (EUR 9.1m) and last year's sale of Certipost (EUR 15.1m). These effects were partly compensated by a positive variance resulting from last year's capital increase at bpost bank (EUR 37.5m) and the purchase of remaining MSI shares (EUR 6.8m).

The cash outflow from **financing activities** amounted to EUR 259.3m, EUR 131.4m better than last year as the negative impacts of higher dividends (EUR 60.7m) and payments related to borrowings and financing lease liabilities (EUR 5.8m) were more than compensated by the positive variance stemming from the decapitalisation and exceptional dividends in 2013 (EUR 198.0m).

## Key events during the fourth quarter

### Launch of City Logistics in Antwerp

After a five-month trial, the "City Logistics" city transport project has been launched. The project is now fully operational in Antwerp and a further rollout to Brussels is planned.

### Interim dividend of EUR 1.04 gross/share paid in December 2014 and total dividend of EUR 1.26 proposed for the full year 2014

bpost paid an interim dividend of 1.04 EUR gross per share on December 10, 2014, up 12%,which represents an increase of 12% over the interim dividend paid in 2013. In accordance with the dividend policy adopted by the Board, the interim dividend was determined based on the BGAAP net profit of bpost S.A./N.V. of 244.8 million EUR for the first 10 months of 2014. For the full year 2014, the BGAAP net profit of bpost SA/NV amounted to 296.9 million EUR, which results in a proposed total dividend of 1.26 EUR gross per share when applying the dividend pay-out ratio of 85%. The final dividend of 0.22 EUR gross per share will be paid on May 20, 2015 after approval at the General Shareholders' Meeting.

### bpost's customer satisfaction in constant progression

bpost measures continuously the satisfaction of its customers through independent research surveys in order to define the areas of further improvement. In 2014, 88.3% of the customers surveyed were satisfied about the company's products and services, an improvement of 2.3 percentage points% over the previous year.

# Financial calendar

| | |
|---|---|
| **17.03.15 (10:00 CET)** | Analyst Conference Call |
| **06.04.15** | Start of quiet period ahead of 1Q15 results |
| **06.05.15 (17:45 CET)** | Announcement 1Q15 results |
| **07.05.15 (10:00 CET)** | Analyst Conference Call |
| **13.05.15** | Ordinary General Meeting of Shareholders |
| **18.05.15** | Ex-dividend date |
| **19.05.15** | Record date |
| **20.05.15** | Payment date of the dividend |
| **07.07.15** | Start of quiet period ahead of 2Q15 results |
| **06.08.15 (17:45 CET)** | Announcement 2Q15 and half-year results |
| **07.08.15 (10:00 CET)** | Analyst Conference Call |
| **06.10.15** | Start of quiet period ahead of 3Q15 results |
| **05.11.15 (17:45 CET)** | Announcement 3Q15 results |
| **06.11.15 (10:00 CET)** | Analyst Conference Call |
| **03.12.15 (17:45 CET)** | Financial results first 10 months of 2015 |
| **08.12.15** | Ex-dividend date (interim dividend) |
| **09.12.15** | Record date (interim dividend) |
| **10.12.15** | Payment date of the interim dividend |

# Audited Condensed Consolidated Financial Statements[9]

## Consolidated Income Statement

| In million EUR | Full year 2014 | Full year 2013 | Full year Change % | 4th quarter 2014 | 4th quarter 2013 | 4th quarter Change % |
|---|---|---|---|---|---|---|
| Turnover | 2,441.7 | 2,403.0 | 1.6% | 647.2 | 636.3 | 1.7% |
| Other operating income | 22.9 | 40.2 | -42.9% | 8.1 | 4.6 | 76.2% |
| **Total operating income** | **2,464.7** | **2,443.2** | **0.9%** | **655.3** | **640.9** | **2.2%** |
| Materials cost | (27.4) | (30.4) | -9.8% | (5.3) | (7.4) | -28.3% |
| Services and other goods | (644.1) | (609.1) | 5.8% | (200.7) | (174.2) | 15.2% |
| Payroll costs | (1,199.9) | (1,229.7) | -2.4% | (300.6) | (317.9) | -5.4% |
| Other operating expenses | (21.3) | (22.5) | -5.6% | (17.7) | (19.8) | -10.8% |
| Depreciation, amortization | (91.9) | (100.8) | -8.8% | (28.2) | (34.8) | -18.8% |
| **Total operating expenses** | **(1,984.5)** | **(1,992.5)** | **-0.4%** | **(552.5)** | **(554.1)** | **-0.3%** |
| **Profit from operating activities (EBIT)** | **480.2** | **450.7** | **6.5%** | **102.8** | **86.8** | **18.4%** |
| Financial income | 5.5 | 3.6 | 53.1% | 2.4 | 0.7 | 229.5% |
| Financial cost | (42.7) | (11.4) | 273.4% | (22.3) | (2.0) | 1012.3% |
| Share of profit of associates | 11.2 | 14.0 | -19.7% | 2.4 | (0.1) | -3319.5% |
| **Profit before tax** | **454.1** | **456.8** | **-0.6%** | **85.3** | **85.5** | **-0.2%** |
| Income tax expense | (158.6) | (168.9) | -6.1% | (34.7) | (32.8) | 5.7% |
| **Profit for the period** | **295.5** | **287.9** | **2.6%** | **50.7** | **52.7** | **-3.8%** |
| Attributable to: | | | | | | |
| Owners of the Parent | 293.6 | 285.4 | 2.9% | 50.7 | 51.7 | -2.0% |
| Non-controlling interests | 1.9 | 2.5 | -24.0% | (0.0) | 1.0 | -102.1% |

| EARNINGS PER SHARE In EUR | Full year 2014 | Full year 2013 | 4th quarter 2014 | 4th quarter 2013 |
|---|---|---|---|---|
| ►basic, profit for the year attributable to ordinary equity holders of the parent | 1.47 | 1.43 | 0.25 | 0.26 |
| ►diluted, profit for the year attributable to ordinary equity holders of the parent | 1.47 | 1.43 | 0.25 | 0.26 |

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.

[9] A full set of consolidated financial statements and notes on full year 2014 is available in the 2014 Financial Report at www.bpost.be/ir.

# Consolidated Statement of Comprehensive Income

| FOR THE YEAR ENDED 31 DECEMBER IN MILLION EUR | 2014 | 2013 |
|---|---|---|
| **Profit for the year** | **295.5** | **287.9** |
| **Other comprehensive income** | | |
| *Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):* | | |
| Exchange differences on translation of foreign operations* | 0.6 | |
| **Net other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods** | **0.6** | |
| *Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):* | | |
| Fair value for financial assets available for sale by associates | 69.0 | (69.3) |
| *(Loss)gain on available for sale financial assets* | 104.8 | (105.0) |
| *Income tax effect* | (35.9) | 35.7 |
| Fair value of actuarial results on defined benefit plans | (6.1) | 7.5 |
| Actuarial losses on defined benefit plans | (11.2) | 9.4 |
| *Income tax effect* | 5.1 | (1.9) |
| **Net other comprehensive income / (loss) not to be reclassified to profit or loss in subsequent periods** | **62.8** | **(61.8)** |
| **Other comprehensive income / (loss) for the year, net of tax** | **63.4** | **(61.8)** |
| **Total comprehensive income for the year, net of tax** | **358.9** | **226.1** |
| Attributable to: | | |
| Owners of the Parent | 357.0 | 223.6 |
| Non-controlling interest | 1.9 | 2.5 |

* *Impact of the currency translation adjustment until 2013 was not material.*

# Consolidated Statement of Financial Position

| In million EUR | As of 31 December 2014 | As of 31 December 2013 |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 565.7 | 570.3 |
| Intangible assets | 89.5 | 89.0 |
| Investments in associates | 416.5 | 341.3 |
| Investment properties | 8.7 | 10.3 |
| Deferred tax assets | 61.0 | 58.3 |
| Trade and other receivables | 2.6 | 2.2 |
| | **1,144.0** | **1,071.3** |
| **Current assets** | | |
| Assets held for sale | 2.8 | 0.1 |
| Inventories | 12.5 | 9.2 |
| Income tax receivable | 1.9 | 0.1 |
| Trade and other receivables | 398.3 | 400.2 |
| Cash and cash equivalents | 562.3 | 448.2 |
| | **977.8** | **857.8** |
| **Total assets** | **2,121.8** | **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 | 229.4 | 111.0 |
| Foreign currency translation | 0.6 | 0.0 |
| Retained earnings | 87.5 | 101.9 |
| | **681.4** | **576.9** |
| Non-controlling interests | (0.0) | (0.0) |
| **Total equity** | **681.4** | **576.9** |
| **Non-current liabilities** | | |
| Interest-bearing loans and borrowings | 65.7 | 75.6 |
| Employee benefits | 368.6 | 345.1 |
| Trade and other payables | 79.8 | 79.7 |
| Provisions | 37.1 | 40.2 |
| Deferred tax liabilities | 1.4 | 1.4 |
| | **552.5** | **542.0** |
| **Current liabilities** | | |
| Interest-bearing loans and borrowings | 10.0 | 11.3 |
| Bank overdrafts | 0.3 | 0.2 |
| Provisions | 27.7 | 22.4 |
| Income tax payable | 67.3 | 41.7 |
| Trade and other payables | 782.6 | 734.7 |
| | **887.8** | **810.3** |
| **Total liabilities** | **1,440.4** | **1,352.3** |
| **Total Equity and liabilities** | **2,121.8** | **1,929.2** |

# 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 2013 *** | **508.5** | **0.0** | **214.6** | **0.0** | **3.7** | **726.8** | **0.0** | **726.8** |
| Profit for the year 2013 | | | | | 285.4 | 285.4 | 2.5 | 287.9 |
| Other comprehensive income | | | (59.4) | | (2.4) | (61.8) | | (61.8) |
| **Total comprehensive income** | **0.0** | **0.0** | **(59.4)** | **0.0** | **282.9** | **223.6** | **2.5** | **226.1** |
| Capital Decrease | (144.5) | | | | | (144.5) | | (144.5) |
| Exceptional dividend | | | (53.5) | | | (53.5) | | (53.5) |
| Dividends (Pay-out) | | | | | (186.0) | (186.0) | (1.3) | (187.4) |
| Other | | | 9.3 | | 1.2 | 10.5 | (1.2) | 9.3 |
| **As per 31 December 2013** | **364.0** | **0.0** | **111.0** | **0.0** | **101.9** | **576.9** | **0.0** | **576.9** |

* restated for IAS19R

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **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 per 31 December 2014** | **364.0** | **0.0** | **229.4** | **0.6** | **87.5** | **681.4** | **0.0** | **681.4** |

# Consolidated Statement of Cash Flows

| In million EUR | Full year 2014 | Full year 2013 | 4th quarter 2014 | 4th quarter 2013 |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Profit before tax | 454.1 | 456.8 | 85.3 | 85.5 |
| Depreciation and amortization | 91.9 | 100.7 | 28.2 | 34.7 |
| Impairment on bad debts | 2.2 | 0.7 | 0.4 | 0.5 |
| Gain on sale of property, plant and equipment | (15.5) | (17.8) | (6.1) | (2.4) |
| Gain on sale of Certipost activities | 0.0 | (14.6) | 0.0 | 0.0 |
| Change in employee benefit obligations | 12.3 | (23.6) | 16.1 | 4.1 |
| Share of profit of associates | (11.2) | (14.0) | (2.4) | 0.1 |
| Dividends received | 5.0 | 5.0 | 5.0 | 5.0 |
| Income tax paid | (135.9) | (126.6) | (71.1) | (64.6) |
| **Cash flow from operating activities before changes in working capital and provisions** | **402.9** | **366.6** | **55.4** | **62.9** |
| Decrease/(increase) in trade and other receivables | (0.8) | 1.7 | (63.7) | (69.0) |
| Decrease/(increase) in inventories | (2.8) | (2.4) | (0.9) | (1.4) |
| Increase/(decrease) in trade and other payables | 50.3 | (39.3) | 71.5 | 42.6 |
| Deposits received from third parties | (0.2) | (0.0) | 0.0 | 0.0 |
| Repayment of SGEI overcompensation | 0.0 | (123.1) | 0.0 | 0.0 |
| Increase/(decrease) in provision related to the SGEI overcompensation | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase/(decrease) in other provisions | 2.1 | 3.2 | 9.6 | 11.4 |
| **Net Cash from operating activities** | **451.5** | **206.6** | **71.8** | **46.5** |
| **Investing activities** | | | | |
| Proceeds from sale of property, plant and equipment | 21.8 | 27.4 | 10.5 | 3.2 |
| Disposal of subsidiaries, net of cash disposed of | 0.0 | 15.1 | 0.0 | 0.0 |
| Acquisition of property, plant and equipment | (77.6) | (60.8) | (28.7) | (29.4) |
| Acquisition of intangible assets | (13.4) | (18.4) | (5.2) | (7.7) |
| Acquisition of other investments | 0.0 | (0.0) | 0.0 | 0.0 |
| Acquisition of subsidiaries, net of cash acquired | (9.1) | (6.6) | 0.0 | 0.0 |
| Capital increase bpost bank | 0.0 | (37.5) | 0.0 | 0.0 |
| **Net cash used in investing activities** | **(78.2)** | **(80.7)** | **(23.4)** | **(33.9)** |
| **Financing activities** | | | | |
| Treasury shares | (0.0) | 0.0 | 0.0 | 0.0 |
| Payments related to borrowings and financing lease liabilities | (11.2) | (5.4) | (9.6) | (8.2) |
| Capital decrease | 0.0 | (144.5) | 0.0 | 0.0 |
| Interim dividend paid to shareholders | (208.0) | (186.0) | (208.0) | (186.0) |
| Dividends paid | (40.0) | 0.0 | 0.0 | 0.0 |
| Exceptional dividend | 0.0 | (53.5) | 0.0 | 0.0 |
| Dividends paid to minority interests | 0.0 | (1.3) | 0.0 | (1.2) |
| **Net Cash from financing activities** | **(259.3)** | **(390.7)** | **(217.7)** | **(195.4)** |
| **Net increase in cash and cash equivalents** | **114.0** | **(264.7)** | **(169.3)** | **(182.8)** |
| Cash and cash equivalent less bank overdraft as of 1st January | 448.0 | 712.8 | | |
| Cash and cash equivalent less bank overdraft as of 31st December | 562.0 | 448.0 | | |
| **Movements between 1st January and 31st December** | **114.0** | **(264.7)** | | |

# 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