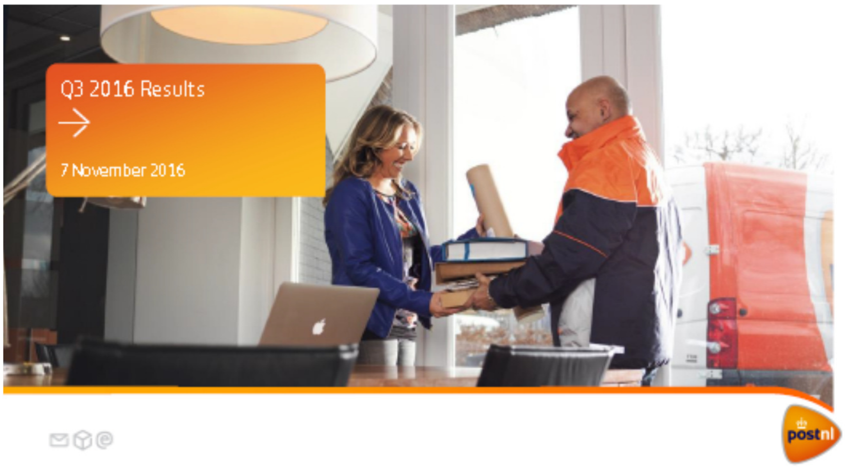


Q3 2016 Analyst Meeting

7 November 2016

Karen Berg: Good morning and welcome to the Q3 2016 results. My name is Karen Berg and I am here together with our CEO Herna Verhagen and our CFO Jan Bos.

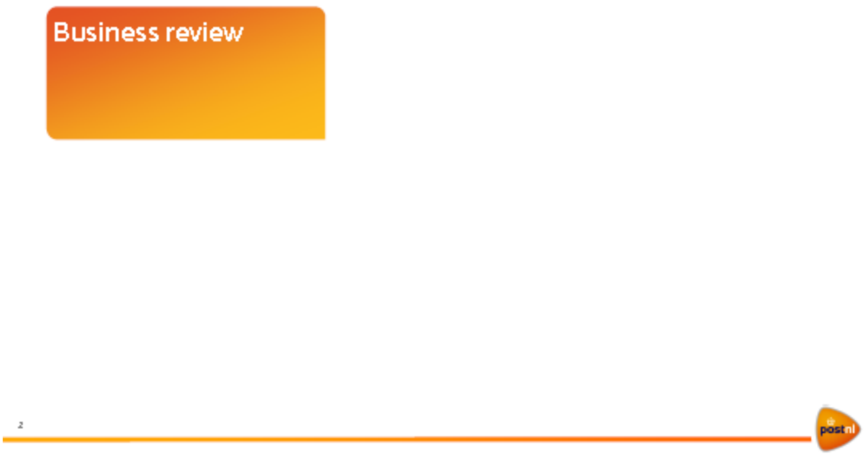
As you have noticed, we have also published another press release yesterday evening or early this morning. Before discussing our results, Herna will address yesterday's events. Herna?

Herna Verhagen: Thank you, Karen. Yesterday we received a letter from bpost, outlining a conditional and unsolicited proposal to combine the businesses of PostNL and bpost by way of a public offer by bpost for all PostNL's shares. In its letter, bpost proposes a consideration in both cash and bpost shares, representing a value of EUR 5.65 per PostNL share at bpost's closing price of November 4, 2016. All other terms and conditions of their offer can be found in the press release that bpost issued yesterday evening.

We have confidence in our stand-alone strategy. We have made good progress in implementing our strategy and enforcing PostNL's sustainability over the last couple of years. Our boards are reviewing and considering bpost's unsolicited proposal with the support of financial and legal advisors, acting in accordance with our fiduciary duties. In doing so, we will carefully consider the interests of all PostNL's stakeholders and will inform markets further if and when required.

Karen Berg: Thank you Herna. I would now like to hand it over to Jan, who will kick off with the presentation of our results. Afterwards, we will take your questions. This call is being webcast on our website, so you can follow the slide deck on the website. A recording will be made available afterwards.

With that, Jan, it is up to you!



Jan Bos: Thank you, Karen. I will start with the operational overview and then elaborate a bit more on the financials.

Our performance in the third quarter was according to plan. Revenues decreased slightly to EUR 770 million and underlying cash operating income was EUR 27 million.

On this slide, you see the highlights of this quarter. In Mail in the Netherlands, we reported a volume decline of 5.9% and we realised cost savings of EUR 13 million.

In Parcels, we have continued the strong performance with a volume growth of 12% and mainly on the back of e-commerce growth.

Finally, the performance in International improved.

This quarter, we used part of the proceeds of the sale of our stake in TNT Express to reduce our debt. The long-term decreased to EUR 557 million.

Our equity position declined moderately, as the result of the negative impact from the bond buyback. Adjusted for this effect, our profit was EUR 20 million, slightly above prior year. I will explain this later.

The year-to-date performance gives us confidence in delivering slightly above midpoint of our earlier indicated full-year range of underlying cash operating income of EUR 220 million to EUR 260 million.

Mail in the Netherlands again delivered results according to plan, taking into account the volume decline, the impact from our adjusted market approach and the measures announced by the regulator ACM. The actual volume decline was 5.9%. There was no working-day effect this quarter. Our revenue was slightly below last year, mainly explained by the volume decline and the negative price/mix-effect. This effect is partly compensated by an increase in internal review, related to cross-border mail.

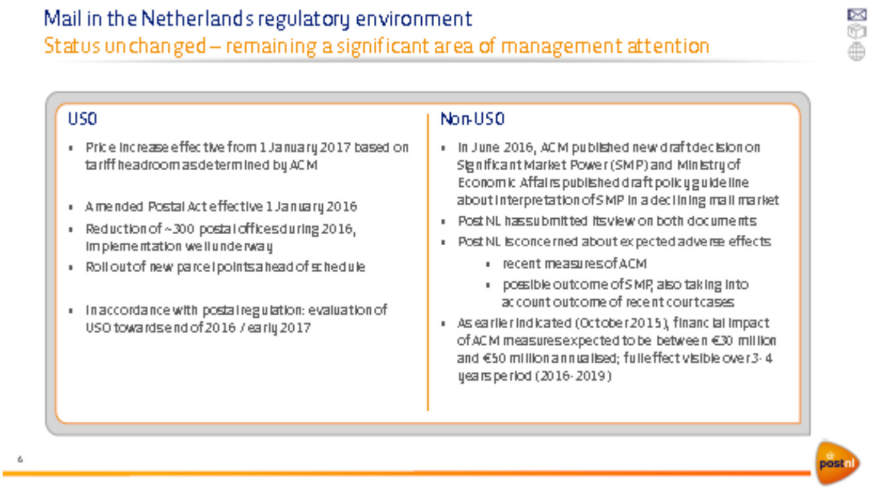
Underlying cash operating income amounted to EUR 5 million. We were able to realise a EUR 13 million of savings, mainly in Mail in the Netherlands. Our quality remains high, at 97.1%.

Finally, we acquired Yourzine and Searchresult, which will allow us to further extend our capabilities in data-driven marketing services on which I will tell you more on my next slide.

Yourzine and Searchresult are two companies specialised in data-driven marketing services. We will integrate them into our existing digital marketing services. Over the last couple of years, we have seen a shift to targeted and addressed mailings. This is leading to an increase in demand for data-driven propositions. The acquired companies have a large client base in this area, servicing many types of industries such as retail, automotive, telco, finance, energy and utilities and publishing, which also matches our targeted industries. A good example is Samsung for which a successful omni-channel campaign has been developed by Yourzine reaching over 30 million consumers.

With this acquisition, we can offer a one-stop shop solution in data-driven marketing services, helping our customers to get, keep and grow their customer base and profitability, combining data-driven online campaigns and direct mail offers, and growing cross-selling opportunities.

The purchase price of EUR 22 million is related to the profitability of the company and the ability to generate cash flows. We have carefully considered this acquisition against our internal hurdle rates. The acquisition will be directly cash-accretive and the internal rate of return is expected to be above 15%.



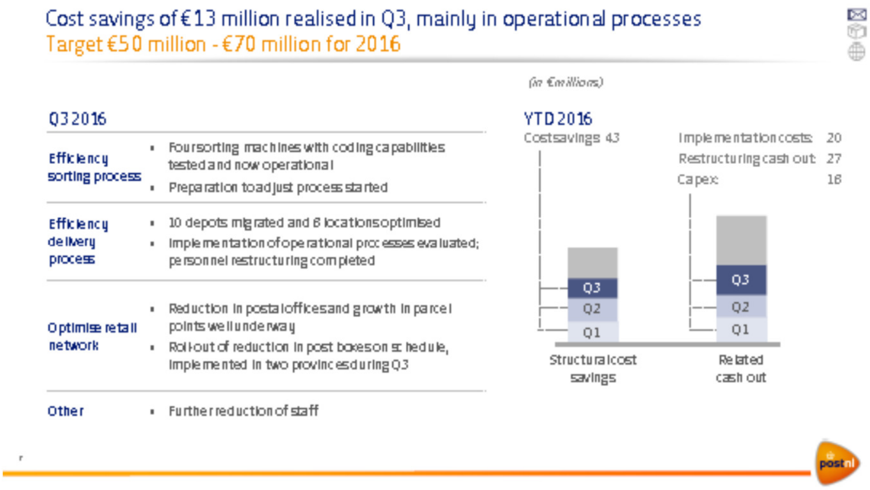
On the regulatory side, the status is unchanged. As announced earlier, we will increase the stamp price by EUR 0.05 to EUR 0.78, effective from 1 January 2017 and based on the tariff headroom as determined by the ACM.

As per 1 January 2016, the amended Postal Act became effective, which allows us to adjust the number of postal offices. The implementation of the reduction by around 300 postal offices in 2016 is well underway and the roll-out of new parcel points is ahead of schedule.

As we already indicated in accordance with the postal regulation, a regular evaluation of the Universal Service Obligation will be scheduled towards the end of the year or early 2017. We will of course update you on this topic in due time.

Then on the non-USO mail. In the previous quarter, the ACM published a new draft decision on significant market power. The ministry of Economic Affairs published a draft policy guideline about the interpretation of SMP in a declining mail market.

We have submitted our view on both documents. We remain concerned about the expected adverse effects of these measures of ACM and of the possible outcome of SMP. As indicated earlier, the financial impact of these measures is expected to be between EUR 30 million and EUR 50 million annualised, with the full effect visible over three to four years.



Cost savings in the third quarter were EUR 13 million, on track towards our full-year target of between EUR 50 million and EUR 70 million. These savings are mainly realised in operational processes. The main drivers were the implementation of four new sorting machines with coding capabilities, migration of ten depots, further optimisation of the process in eight locations and the completion of the personnel restructure in operations in line with new processes.

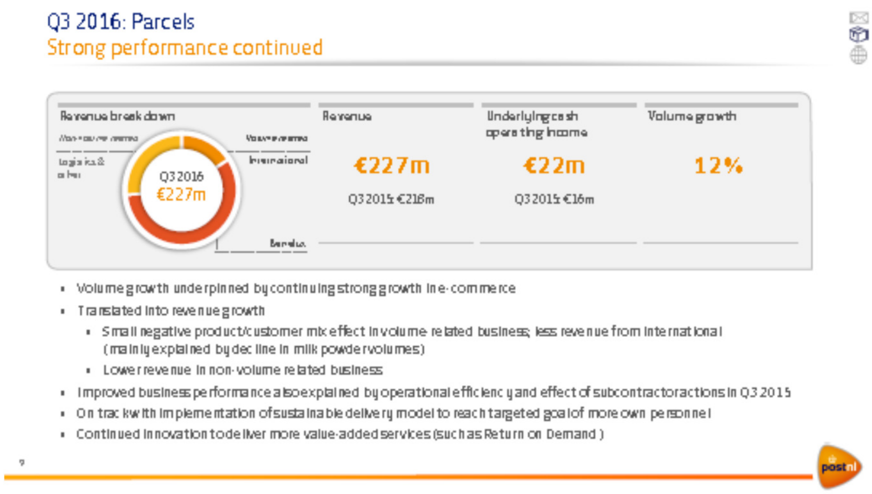
As we already indicated, to realise these annual savings the related cash out is somewhat higher this year. The related cash out in Q3 was also in line with our expectations for the full year.

Consumers continue to receive and send more parcels and are less frequently at home. We offer an increasingly wide selection of delivery options, whether per location or per time, which is evenings and weekends.

Currently we are piloting a new parcel and letter machine. The machines contain a letter box with two openings and parcel lockers in various sizes for parcels that need to be collected or returned.

A total of 16 of these machines will be installed in Almere and in 2017 we will pilot in rural areas and in Limburg as well. The parcel and letter machine can be used 24 hours a day, seven days a week. This so-called 'mailbox of the future' could offer a valuable extension for consumers and also for SMEs in addition to our widespread retail network.

Currently, we plan the pilot for a one-year period so that we are able to gather more information on customer behaviour and needs and also learn about opportunities in urban as well as rural areas. These learnings will be used in the future development of the mail and parcel boxes.



The trend in Parcels continued to be very solid. We recorded another quarter of strong volume growth and improved results, even though milk powder volumes declined.

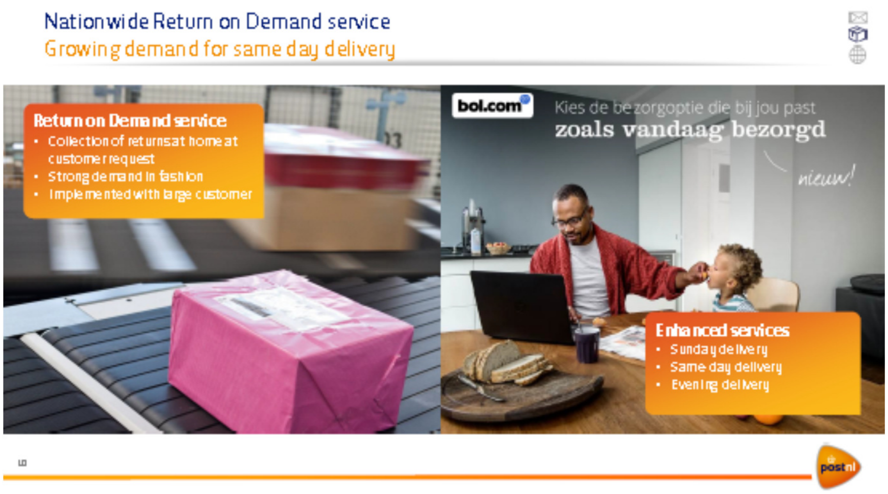
Strong growth in our domestic 2C volumes followed the continuing positive trend experienced in relation to e-commerce developments. We further strengthened our market position in 2B.

Revenue in Parcels combines 2B, 2C and international parcels, all volume-related. Logistics and other revenues are non-volume related.

Revenue increased by 4% to EUR 227 million. In the volume-related business volume growth was strong and came with a negative product/customer mix effect, mainly due to an expected decline in milk powder volume.

Also revenue in the non-volume related part of our business was slightly lower.

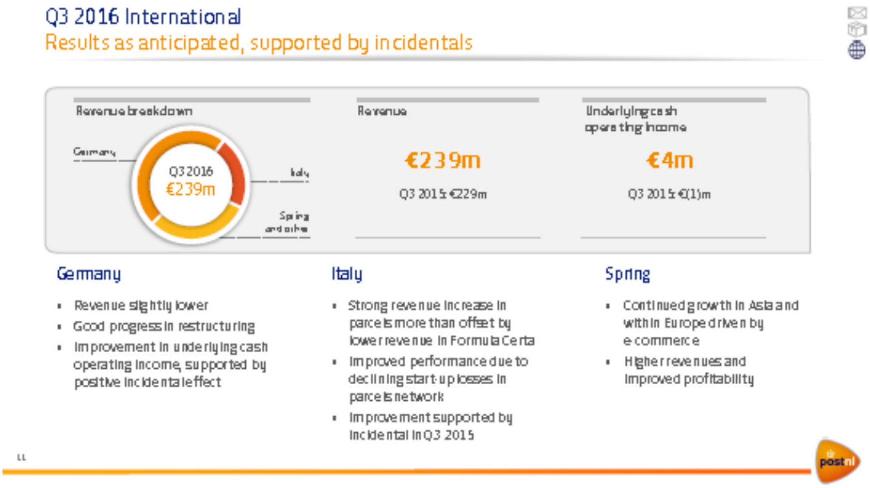
Increased volume and revenue trends led to an improvement in business performance and operational efficiency and was supported by the non-recurring costs related to the actions of subcontractors last year. The underlying cash operating income increased to EUR 22 million.



We continue to see an increase in demand for value-added services. Our new Return-on-Demand service offers customers the possibility to have their return parcels collected at home. Customers simply go to the website of the shop at which they bought their product, they enter the necessary details and they can indicate the time frame in which they want their package to be collected at home, even on the same day. This can be a pick-up between 8 and 12 in the morning, or between 3 in the afternoon and 9 in the evening.

We see an increasing demand for this in for example the fashion-related e-commerce.

We also extended our delivery options by offering same-day delivery for some time now, which enables webshops to enhance their services and meet customer demands. They actively use this in their marketing communication. For example bol.com is promoting same day delivery, Sunday delivery and evening delivery.

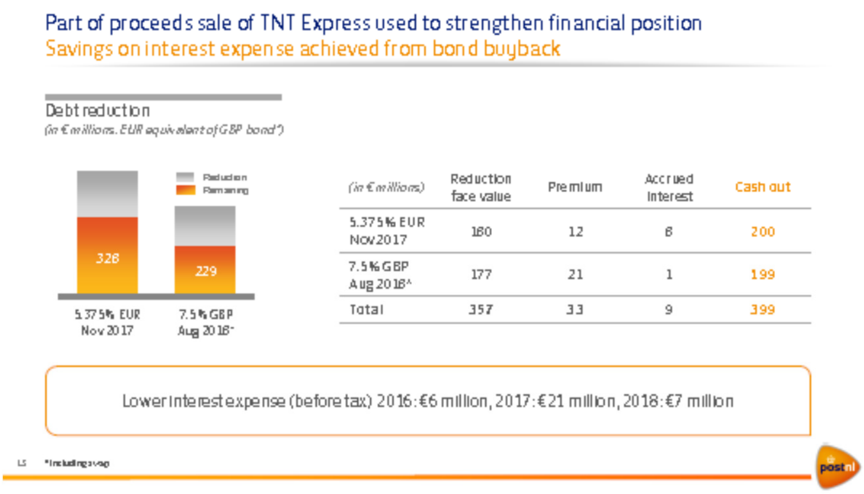


The international results, as anticipated, were supported by some incidentals. In Germany, revenue was slightly down to EUR 112 million. Our performance improved, supported by incidentals. We continue to focus on further cost savings and business optimisation.

In Italy, revenue was down to EUR 51 million. Revenue growth in Parcels was more than offset by a decline in Formula Certa. The performance improved due to the effect of a non-recurring incidental in the prior year results. The roll-out of our Parcel network in Italy showed good progress and start-up losses are declining. Commercial and cost saving initiatives will improve business performance going forward.

Finally, revenue for Spring and other increased by 29% to EUR 76 million. The performance was driven by an increasing cross-border e-commerce volume, both in Asia and in Europe.

This quarter, we used almost EUR 400 million of the proceeds of the sale of our stake in TNT Express to reduce our debt.



We reduced the outstanding balance of both our bonds. As you can see in the graph the remaining debt is EUR 328 million for the Eurobond and EUR 229 million for the Pound Sterling bond. In total, long-term debt decreased to EUR 557 million. In the table on the right, you see the composition of the almost EUR 400 million cash out related to the bond buy-back.

Next to strengthening our financial position by lowering long-term debt we also achieved on our future interest expense with this transaction.

As explained before, the third quarter results were according to plan. Reported revenue was slightly down and underlying operating income increased by EUR 4 million.

Our main key performance indicator – underlying cash operating income – came in at EUR 27 million. Net cash from operating and investing activities was minus EUR 105 million, in line with our expectation and almost fully explained by the effects from the bond buyback, the acquisition of Yourzine and Searchresult and developments in working capital, the last one being expected to improve in the fourth quarter due to phasing and seasonal patterns.

Financial highlights Q3 2016, results according to plan

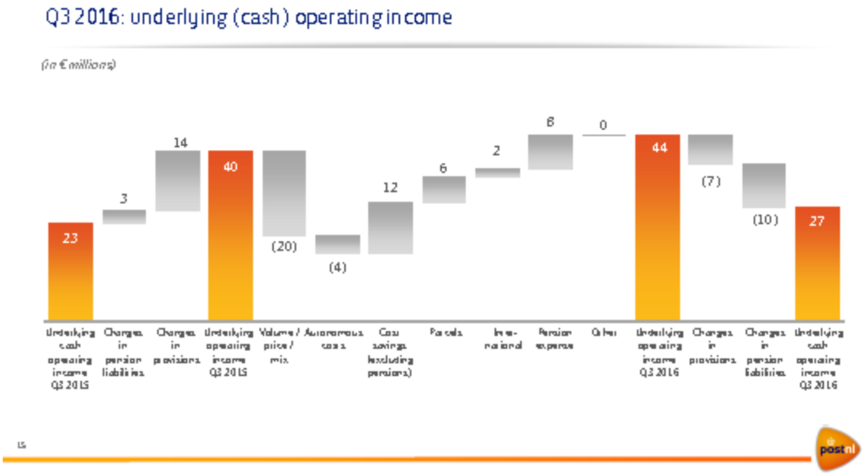
Underlying cash operating income increased

(in € millions)	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Reported revenue	770	780	2,458	2,454
Reported operating income	42	44	162	190
Restructuring related charges	2	(6)	14	8
Project costs and other		2	10	4
Underlying operating income	44	40	186	202
Underlying cash operating income	27	23	135	156
Net cash from operating and investing activities	(105)	18	537	(14)

- Net cash from operating and investing activities according to expectations, impacted by
  - bond buyback
  - acquisition of Yourzine and Searchresult
  - working capital, expected to improve in Q4 due to phasing and seasonal pattern

On this slide, you see the bridge of the underlying cash operating income. The development of the underlying operating income was shown from the second to the third orange bar. You see that the good cost savings, the good performance in Parcels and International and lower pension expenses more than balanced the negative effect from volume/price mix and autonomous cost increases.

The volume/price mix effect is more negative than in the previous quarters, due to the fact that the single item mail declined more than bulk mail. Please, also remember that Q1 and Q2 also included a positive working-day effect.



Other effects in the bridge include, amongst others, higher bilaterals again and the sale of real estate, the impact of competitive pricing unaddressed and lower other costs. On balance, no impact.

The effects mentioned also explained the movement in underlying cash operating income. The sum of cash for pensions and provisions was equal to last year.

Q3 2016: results per segment
Strong performance in Parcels and improvement International

(in € millions)	Revenue		Underlying operating income		Underlying cash operating income	
	Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015
Mail in the Netherlands	412	426	16	30	5	14
Parcels	227	218	23	17	22	16
International	239	229	4	2	4	(1)
PostNL Other	43	45	1	(9)	(4)	(6)
Intercompany	(151)	(138)				
Total PostNL	770	780	44	40	27	23

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Revenues in Mail in the Netherlands in the quarter were down. The underlying cash operating income declined from EUR 14 million to EUR 5 million. Cost savings and lower pension contributions were than offset by the negative volume/price mix effect, autonomous cost increases and higher restructuring cash out.

Parcels revenues increased by 4%, explained by the volume growth of 12% and the change in product mix and lower revenue in non-volume related business.

Underlying cash operating income in the third quarter was EUR 22 million within Parcels and a better business performance and efficiency gains were partly supported by non-recurring costs related to the actions of subcontractors.

International revenue increased by 4% and the underlying cash operating income improved as expected.

Underlying cash operating income in PostNL Other increased to minus EUR 4 million, mainly explained by cost savings.

Statement of income

Profit Q3 2016 adjusted for impact bond buyback €20 million

(in € millions)	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Revenue	770	780	2,458	2,454
Operating income	42	44	162	190
Net financial expenses	(55)	(18)	55	(58)
Results from investments in associates and joint ventures	1		2	(1)
Income taxes	3	(7)	(23)	(38)
Profit/(loss) from continuing activities	(9)	19	196	93
Profit/(loss) from discontinued activities		(1)		(45)
Profit for the period	(9)	18	196	48
*Excluding bond buyback and TNT Express**	*20*	*18*	*80*	*46*

*Only in YTD figures

Looking at the profit from continuing operations you see a decrease of EUR 28 million to minus EUR 9 million, a result of the higher net financial expenses related to the bond buy-back. This also impacted the profit for the period. When excluding this effect, profit for the period showed a slight increase of EUR 2 million.

Net cash from operating and investing activities

(in € millions)	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Cash generated from operations	15	60	101	188
Interest paid	(71)	(29)	(73)	(44)
Income taxes received / (paid)	(1)	(1)	(66)	(107)
Net cash (used in) / from operating activities	(57)	30	(40)	37
Interest/dividends received/other		1	(1)	5
Acquisition of subsidiaries (net of cash)	(22)		(22)	(5)
Capex	(30)	(16)	(57)	(57)
Proceeds from sale of assets	4	3	14	6
Proceeds from available for sale financial assets			643	
Net cash (used in) / from operating and investing activities	(105)	18	537	(14)
*Excluding bond buyback and sale TNT Express**	*(62)*	*18*	*(63)*	*(14)*

		Q3 2016	YTD 2016	2016 outlook
Capex	Base capex	13	32	
	Cost savings initiatives	10	18	
	New sorting and delivery centres	7	7	
	Total	30	57	Around 100

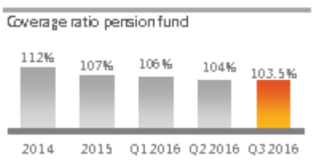
18 *Only in YTD figures

Cash generated from operations was EUR 45 million lower, mainly due to the working capital developments. As said, we expect working capital to improve in the fourth quarter due to phasing and seasonal patterns.

Interest paid came in higher this quarter, due to the bond buyback. Capex was EUR 14 million higher, mainly due to the investment in sorting machines in Mail in the Netherlands and investments in an additional sorting centre for Parcels.

In the table at the bottom of this slide you can see an update of the capex. We still expect to end up at around EUR 100 million for the full year on capex.

Impact pensions on equity limited to €5 million
Per Q3 2016 projections show no estimated top-up payment obligation



(in € millions)	Q3 2016
Return on plan assets in excess of interest income	161
Defined benefit obligation	(135)
Minimum funding requirement	(33)
Total pension	(7)
Net effect on equity within OCI	(5)

- Cash exposure to pension fund maximised; application of liability ceiling aligns accounting obligation with funding arrangements
- Pension liability main fund expected to be capped at unconditional funding obligation of €129 million plus estimated top-up payments
- Coverage ratio per Q3 2016: 103.5%, below minimum required funding level of 104.0%
- Trigger for start of 5-year recovery period, in which top-up payments might apply
- Per Q3 2016 projections show no estimated top-up payment obligation

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The coverage ratio of the pension fund was 103.5% at the end of the third quarter, below the minimum required funding level of 104%. This triggered the start of a 5-year recovery period. Projections show no expected top-up payment obligations per Q3 and this resulted in a pension liability for the main pension plan equal to the unconditional funding obligation of EUR 129 million.

Consolidated statement of financial position
Long term debt decreased to €557 million (Q2 2016: €913 million)

(in € millions)	1 Oct 2016		1 Oct 2016
Intangible fixed assets	170	*Consolidated equity*	(189)
Property, plant and equipment	490	*Non-controlling interests*	3
Financial fixed assets	88	Total equity	(186)
Other current assets	501	Pension liabilities	478
Cash	523	Long-term debt	557
Assets held for sale	11	Other non-current liabilities	82
		Short-term debt	1
		Other current liabilities	851
Total assets	1,783	Total equity & liabilities	1,783

- Q2 2016 net cash position switched to net debt of €29 million at end of Q3 2016
- Consolidated equity declined by €12 million to €(189) million compared to end Q2 2016
- Corporate equity of €2,263 million, of which €185 million distributable

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Let's turn to the balance sheet and let me highlight a couple of things. Consolidated equity declined in the third quarter slightly and is now minus EUR 189 million. The decline is explained by the impact from a bond buy back of minus EUR 26 million.

Our net cash position switched to a net debt position of EUR 29 million and finally, distributable corporate equity is EUR 185 million.

Outlook FY 2016: UCOI reconfirmed at €220 million - €260 million
Adjusted revenue outlook

	Revenue		UCOI / margin		
(in € millions)	2015	2016 outlook	2015		2016 outlook
Mail in the Netherlands	1,961	- mid single digit	204	(10.4%)	8% to 10%
Parcels	917	+ mid single digit	101	(11.0%)	9% to 11%
International	983	+ mid single digit	19	(1.9%)	2% to 4%
PostNL Other / eliminations	(400)		(21)		
Total	3,461	stable	303		220 to 260

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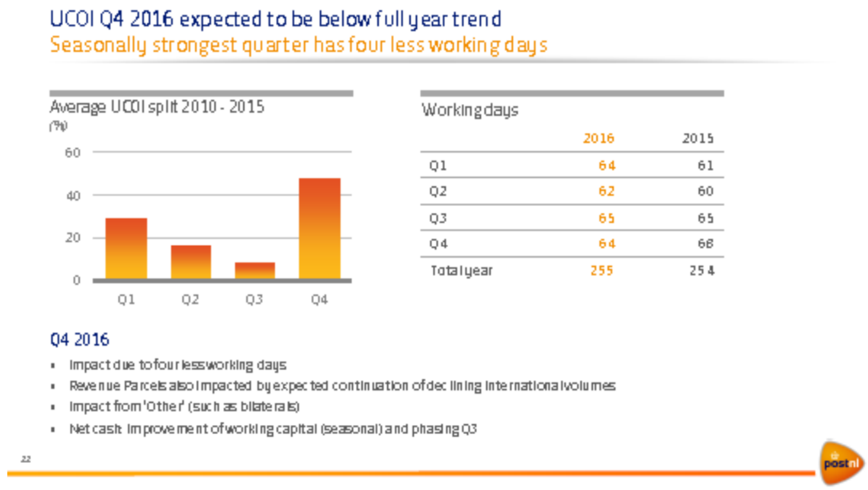
As already mentioned, we reconfirm the range for the 2016 estimated underlying cash operating income to be between EUR 220 million and EUR 260 million.

Given the results so far, we are confident that almost all given indicators will be met with two exceptions. The first is international revenue, which we expect to come in at mid-single digit growth instead of a high-single digit growth. The second is that Parcel revenue is now expected to grow mid-single digit instead of high single digit and reflecting the lower revenues from milk powder volumes.

All in all, this adds up to a stable total overall revenue.



Looking at the fourth quarter, this is seasonally the strongest quarter in our company. This year though, there are some effects worth noting. We will see the effects from four less working days. Secondly, we expect to see a continuation of the decline in international volumes in Parcels, mainly in milk powder. Thirdly, we expect a negative impact from one-offs in Q4 compared to last year, for example bilaterals and the phasing in the sale in real estate.

Being a strong quarter, we also see a positive effect on the net cash development due to the phasing in working capital, as just mentioned.

To conclude this presentation, let me emphasize that the results in this quarter were according to plan. The year-to-date performance and the expectation I explained on the previous slide give us confidence in delivering slightly above mid-point of our indicators full-year range of underlying cash operating income.

We also reiterate our expectations and commitment to resuming dividend in 2017.

With that, I would like to hand over to Karen, for the Q & A.

- **Marc Zwartsenburg – ING**

Good morning. First, on the one-offs you just mentioned. Can you give us an indication of how big the one-offs will be in Q4?

Jan Bos: As an indication, it is around EUR 5 million to EUR 10 million.

Marc Zwartsenburg – ING: Positive, negative?

Jan Bos: Compared to last year negative.

Marc Zwartsenburg – ING: And then on the mail volume decline. That came in at the low end of your guided range for the coming years. The market is down 10%. I think it was down 9% at the first half year. Is it that the market got a little bit weaker in Q3? Did you gain more market share? As a follow-up to that, is it in the end paying off that you are being aggressive perhaps in the market? If I would plug in minus 10%, you would probably lose as much as the price/mix effect you see in Q3, the EUR 20 million. Is it still worthwhile being so aggressive? What is your expectation going forward for the mail volume decline because it is quite a bit better than in Q2.

Jan Bos: To give an answer to your first question: say, 5.9% is also in line with our expectations. The 7% to 9% was the guidance for market decline and not for our volume decline. The difference is the difference between market decline and our volume decline.

That is a winning back or losing market share. The reasons we are protecting our volumes are that we have a fixed structure and network structure. That is why we try to gain volume and that is why we are also gaining results in our company, despite the fact that we use segmentation in our pricing.

Marc Zwartsenburg – ING: This is still the EUR 20 million and that is excluding the ACM-impact. Is that the impact from better pricing in unaddressed? Is that still a ball park figure of the EUR 20 million to EUR 35 million for the full year, what you originally included?

Jan Bos: Yes.

Marc Zwartsenburg – ING: Okay. Then the milk powder revenues; can you give us a number for that? Where do we stand and what is the decline currently?

Jan Bos: We have not given an indication because it is also competitive information on the amount of milk powder, as you understand. But it is declining; that is what we are saying.

Marc Zwartsenburg – ING: But at what kind of rate? Is it 10% or 20%? Can you give us a ball park figure?

Jan Bos: No, it has an impact on the overall revenue increase and the differences; I explained part of the difference between volume increase and revenue increase. We do not give any indication on the amount of decline.

Marc Zwartsenburg – ING: Okay. Can you give us perhaps for the end of the year a ball park figure of where you will be with net cash and net debt?

Jan Bos: No, usually we also have a high underlying cash operating income at the end of the fourth quarter and cash is in line with that also positive. As we said, there will be some phasing from Q3 to Q4 on working capital, so that also contributes to our cash performance in Q4.

Marc Zwartsenburg – ING: So, you will be net cash by the end of the year?

Jan Bos: I would say a positive development. You can almost calculate it yourself, Marc.

Marc Zwartsenburg – ING: Okay. Fair enough! I wanted to have it precise as possible, of course.

I missed the first minute of your call, but maybe coming back to bpost: can you give us a bit of an indication of a timeline?

Herna Verhagen: We did not give any timeline. We said we would come back to the market if and when required. That does not mean weeks.

Marc Zwartsenburg – ING: Sorry, the last bit was difficult to hear. Did you say 'not more than a week'?

Herna Verhagen: It does not mean weeks.

Marc Zwartsenburg – ING: Sorry. Is there anything you can say at this point or is it due to the sensitivity impossible to react to the press release this morning?

Herna Verhagen: The latter, Mark. It is exactly what we stated in the press release last night and what we stated this morning, as well. It is where we are at this moment in time.

Mark Zwartsenburg – ING: Thank you very much.

- **David Kerstens – Jefferies**

Good morning. I was also looking at the mail volume decline versus the market and it seems the market has weakened somewhat in the third quarter but does that imply that your competitors are falling off a cliff by more than 20%? I was wondering how you estimate the volumes outside the part of the market that you do not control.

Secondly, within Parcels, volume growth of 12%, would you say that you have maintained market share or do you see increased activity from DHL Parcel?

Jan Bos: I have missed part of the first question but on the second question, if you look at the development in Parcels you see that in e-commerce we grow in line with the market. That is the 2C-volume. On 2B our market position has improved. There, we also see high single-digit growth in Parcel volumes.

Herna Verhagen: Please take into account that milk powder volumes are part of that volume as well. So, we see normal trends.

When it comes to mail, there is a decline of 5.9% and a market decline of 10%. Therefore, PostNL is gaining some market share. That is of course what you can read between the lines or in the figures. We also see, and that is part of the price/mix effect, that the decline in single mail items is a little bit steeper than in bulk mail items. That is the reason why the effect of price/mix is a little bit bigger than probably expected when you look into the volume decline. So, it does not have much to do with the bulk mail but much more with single mail items.

David Kerstens – Jefferies: Thank you.

- **Philip Scholte – Kempen & Co**

Good morning. I have two questions. The first is on Germany, where revenues are down. What is your feeling about the progress of the restructuring going on there? Do you still expect it to be break-even this year or do you need to speed up your cost reduction initiatives?

My second question is a bit housekeeping but can you update us on the development of – what I still call – the masterplan implementation costs year to date?

Jan Bos: Regarding your first question on revenue in Germany you have to take into account that we also sold part of our Frankfurt business. Last year, there was also a strike in Germany, so that had some impact. If you take that into account, revenue was okay-ish. Restructuring is according to plan and we still expect Germany to be break-even this year.

On the initial cost, I think it is within guidance. It is a EUR20 million year-to-date and we expect some additional initial cost in the fourth quarter, so according to plan.

Philip Scholte – Kempen & Co: EUR20 million year-to-date, that probably means that you will be at the low end of the full-year guidance range.

Jan Bos: Yes, that could be the case but that is a little bit depending on the activities in Q4. As we said, Q4 will be lower than last year and lower than the full-year trend.

Philip Scholte – Kempen & Co: Thanks.

- **Tobias Sittig – MainFirst**

Good morning. Three questions from me on International. First, on Germany, a bit counter-intuitive but with some market share gains and price increases on Deutsche Post revenue does not grow. Is there any granularity to that?

Secondly, on Italy, any signs that Formula Certa is stabilising, turning the corner and growing again in the near future?

Lastly, with Deutsche Post buying UK Mail, do you look at the UK market on your stake in Whistl? Is there an opportunity maybe to consolidate the market? I think Deutsche Post is not after the downstream access business of UK Mail but rather after the parcel business. Do you consider any strategic options there?

Jan Bos: On Germany, as I just explained, the main part of the revenue development is explained by incidents from last year and the sale of our Frankfurt business. So I would say, going forward we still have things to do on the restructuring and also on volume and revenue growth but according to plan we expect Germany to be break-even this year.

Tobias Sittig – MainFirst: The underlying business is growing. Is that what you are saying?

Jan Bos: I would say for this quarter that it is stable but also due to some delays in contracts.

Tobias Sittig – MainFirst: Thank you.

Jan Bos: Italy and Formula Certa: we have seen competitive pricing of Poste Italiane and volume and price losses in Formula Certa. That effect is still visible in Q3 and will also be visible in Q4. We expect that to improve going forward in 2017. We also expect further improvements in our revenue from our parcels network expansion.

For the UK I would say that we have a 17.5% share in our Whistl operations, so that is going okay. It is going according to plan and no further comments.

Tobias Sittig – MainFirst: Thank you.

- **Henk Slotboom – The Idea**

Good morning. My questions were about Italy as well, my favourite subject. Jan, last time I touched on Formula Certa, you said we could expect an improvement on a comparison basis because last year, as of the second half year, things started to get under pressure. Is there indeed a delay in the whole recovery process?

Jan Bos: To answer your first question: no, we expected an improvement of the results of Italy in the third and the fourth quarter. We do not see a lot of delay. In one customer case there is some delay in implementation of the contract but that is all for Italy.

Henk Slotboom – The Idea: And in relation to Italy as well: which proportion of your sales is roughly coming from the parcels business now?

Jan Bos: I think that is a small portion of the revenue, less than 10% at this moment.

Henk Slotboom – The Idea: Since the rest of my questions have been answered already, I will leave at this. Have a nice day!

Jan Bos: Thank you, Henk!

- **Matija Gergolet – Goldman Sachs**

Good morning. I have three questions. The first is on the pricing side. You mentioned a EUR 0.05 increase in the stamp price but could you give a bit more colour on what you expect in terms of pricing overall for mail for next year, perhaps also including bulk mail, the competitive side? Could you also give some colour on the pricing in Parcels? Where do you see that evolving going into 2017?

My second question is just a clarification on your slide 19, on the coverage ratio. The 103% is the average of the previous twelve months coverage ratio. Can you also give us the spot coverage ratio?

Lastly, I appreciate you do not want to give qualitative comments about the bpost offer and the timing but could you maybe help us in understanding whether there is any legal timeframe within which the board of PostNL needs to make a statement? Could you just give us that factual information?

Jan Bos: To answer your first question: as we said in our Strategy Update in November 2015, pricing will be well above inflation on bulk mail and single mail. If you look at bulk mail, you have to take into account two effects. Part is just the market approach with some negative impact on our price/mix and secondly, regulation will also have an impact on average pricing in bulk mail. Besides that, pricing will well above inflation.

On the coverage ratio and the spot rate: it was 103.7% at the end of Q3.

On the legal part, I refer to Karen.

Karen Berg: It is not up to us to do anything. The only legal obligation is on bpost. They have to give an update to the market within four weeks after their announcement of the proposal. They have to submit a draft offer memorandum to the AFM, the regulatory authority in this case, within twelve weeks after their announcement. So, the ball is in their park.

Matija Gergolet – Goldman Sachs: Thank you very much. Going back to the Parcels pricing, what would you expect for next year? Any changes there?

Jan Bos: We have not given guidance on the Parcels pricing. As you can see this year, we mostly see mix effects within Parcels. That is a difference between international volume with a high average revenue and non-volume related business. Those are the most significant effects.

Matija Gergolet – Goldman Sachs: And you expect the numbers should be slightly down with lower international?

Jan Bos: I would say we expect a further growth in revenue like we have guided before, further growth in our operational results for Parcels.

Matija Gergolet – Goldman Sachs: Very clear. Thank you very much!

Karen Berg: Thank you. As there are no further questions, I would like to close this call. Thank you very much for your attention and for your questions. I would say that we would talk again in three months' time but it might be earlier.

Thank you!

End of call

Appendix

- Breakdown pension cash contribution and expenses

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Breakdown pension cash contribution and expenses

Pensions	Q3 2016		Q3 2015	
(in € millions)	Expenses	Cash	Expenses	Cash
Business segments	27	35	28	36
IFRS difference	(2)		5	
PostNL	25	35	33	36
Interest	3		3	
Total	28		36	

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