

# Versnelling transformatie

Onderliggend cash bedrijfsresultaat van € 225 miljoen in FY 2017 - voorgesteld dividend over 2017 € 0,23 per aandeel

Den Haag, 26 februari 2018

## Sterke groei e-commerce - business trends houden aan in Q4 2017

### Financiële highlights 4e kwartaal/boekjaar 2017

- Omzet € 980 miljoen (Q4 2016: € 955 miljoen); FY 2017 € 3.495 miljoen (FY 2016: € 3.413 miljoen)
- Omzet gerelateerd aan e-commerce steeg naar 38% (2016: 33%)
- Onderliggend cash bedrijfsresultaat € 98 miljoen (Q4 2016: € 110 miljoen); FY 2017 € 225 miljoen (FY 2016: € 245 miljoen)
- Genormaliseerde winst voor de periode € 59 miljoen (Q4 2016: € 84 miljoen); FY 2017 € 148 miljoen (FY 2016: € 135 miljoen)
- Genormaliseerde nettokasstroom uit operationele en investeringsactiviteiten € 84 miljoen in Q4 (Q4 2016: € 116 miljoen) en € (22) miljoen FY 2017 (FY 2016: € 10 miljoen)
- Positief geconsolideerd eigen vermogen van € 34 miljoen (2016: EUR (79) miljoen).

### Operationele highlights 4e kwartaal 2017

- Volume geadresseerde post daalde met 10,8% (FY 2017: 9,9%); gecorrigeerde volumedaling 10,1% (FY 2017: 9,7%)
- Bezorgkwaliteit in 2017 95,4%, boven wettelijk minimum
- Kostenbesparing gerealiseerd van € 9 miljoen (FY 2017: € 56 miljoen)
- Volume Pakketten steeg met 20% (FY 2017: 17%)

### Dividend 2017

- Voorgesteld dividend van € 0,23 per aandeel over 2017, onder voorbehoud van goedkeuring door de AVvA op 17 april 2018

### Versnelling transformatie outlook 2018 en bijgestelde ambitie voor 2020

- Bevestiging strategie gericht op ontsluiten waarde door versnelde transformatie
- Extra kostenbesparingen van € 40 miljoen op middellange termijn om sterkere volumedaling bij Mail in Nederland op te vangen
- Verwachte financiële impact van ACM-maatregelen toegenomen naar € 50 miljoen - € 70 miljoen, volledig zichtbaar in 2020
- Verwacht onderliggend cash bedrijfsresultaat voor 2018: € 160 miljoen - € 200 miljoen, door grotere impact regelgeving, sterkere daling postvolume die niet geheel gecompenseerd wordt door kostenbesparingen, extra en snellere investeringen in infrastructuur Pakketten en vertraagd herstel International
- Ambitie onderliggend cash bedrijfsresultaat 2020 aangepast naar € 230 miljoen - € 300 miljoen
- Om ordelijke en rationele aanpassing Nederlandse postmarkt mogelijk te maken aan realiteit van dalende volumes, moet regelgeving zo snel mogelijk worden aangepast en consolidatie is onvermijdelijk
- Verwachtingen en ambities onder voorbehoud van uiteindelijke implementatie van AMM-besluit
- Bevestiging streven naar progressief dividend

### Kerncijfers

in € miljoen, tenzij anders aangegeven	4e kw. 2016	4e kw. 2017	% Change	geheel jaar 2016	geheel jaar 2017	% Change
Omzet	955	980	3%	3.413	3.495	2%
Bedrijfsresultaat	129	100	-22%	291	253	-13%
Onderliggend bedrijfsresultaat	138	108	-22%	324	282	-13%
Onderliggende operationele marge	14,5%	11,0%		9,5%	8,1%	
Wijzigingen in pensioenverplichtingen	(9)	(4)		(31)	(13)	
Wijzigingen in voorzieningen	(19)	(6)		(48)	(44)	
Onderliggend cash bedrijfsresultaat	110	98	-11%	245	225	-8%
Onderliggende cash operationele marge	11,5%	10,0%		7,2%	6,4%	
Periodewinst	84	59		280	148	
Genormaliseerde periodewinst	84	59		135	148	
Nettokasstroom uit operationele en investeringsactiviteiten	116	84		653	(22)	
Genormaliseerde nettokasstroom uit operationele en investeringsactiviteiten	116	84		10	(22)	
Excl. terugkoop obligaties en verkoop van TNT Express*	116	84		10	(22)	

Noot: onderliggende cijfers zijn exclusief eenmalige posten in Q4 2017 (€9 miljoen voor reorganisaties en €(2) miljoen project- en andere kosten) en in Q4 2016 (€14 miljoen voor reorganisaties en €(5) miljoen voor project- en andere kosten); de genormaliseerde cijfers zijn zonder het effect van de verkoop van het belang in TNT Express in Q2 2016.

## CEO statement

Herna Verhagen, CEO van PostNL: "De belangrijkste business trends die wij zagen in de eerste drie kwartalen van 2017 zetten zich door in het laatste kwartaal van het jaar. Pakketten boekte opnieuw een sterk resultaat, met een recordvolume in het piekseizoen en weerspiegelt de inzet van extra capaciteit. Bij Mail in Nederland was de volumedaling groot als gevolg van toenemende concurrentie, die wordt ondersteund door regelgeving. Kostenbesparingen, prijsverhogingen en een aantal positieve incidentele posten waren onvoldoende om het effect van de dalende volumes te compenseren. Bij International zagen we wederom vertraging in het herstel, vooral als gevolg van hevige concurrentie.

Dit resulteerde in een onderliggend cash bedrijfsresultaat van € 225 miljoen voor 2017, conform onze verwachtingen. Dankzij ons resultaat sloten wij 2017 af met een positief eigen vermogen van € 34 miljoen. Dit is een nieuwe mijlpaal die onze solide financiële positie bewijst. Wij zullen onze aandeelhouders voorstellen om een dividend van € 0,23 per aandeel over 2017 goed te keuren.

Wij bevestigen onze strategie die gericht is op het ontsluiten van waarde door het versnellen van onze transformatie. Het feit dat al 38% van onze omzet per eind 2017 gerelateerd was aan e-commerce, illustreert dat onze transformatie steeds sneller gaat. Dit gaat gepaard met uitdagingen en kansen.

De onverminderd snel groeiende e-commercemarkt vereist dat wij meer en sneller moeten investeren in de capaciteit van onze infrastructuur bij Pakketten, zowel in Nederland als in België. Om onze positie als het toonaangevende logistieke e-commerce bedrijf in de Benelux te verstevigen, blijven wij ook ons dienstenpakket verder ontwikkelen, bijvoorbeeld in groeimarkten zoals voeding en gezondheid. Deze extra investeringen zullen ons resultaat op korte termijn afvlakken, maar wij verwachten dat ze daarna gaan bijdragen aan meer winstgevendende groei.

Bij International richten we ons op verbetering van de cash winstgevendheid door het grijpen van nieuwe mogelijkheden die ontstaan door de wereldwijde e-commerce groei met onze cross-borderactiviteiten. In Italië richten wij ons op de verdere uitrol van de pakketactiviteiten van Nexive en versterking van onze positie in het postsegment. Het doel van Postcon is versterking van de positie door meer volumes aan te trekken en tegelijkertijd de resultaten te verbeteren door het implementeren van verschillende initiatieven ter verbetering van de business.

Wij blijven ons concentreren op een duurzame cashflow bij Mail in Nederland door onze strategie voort te zetten van het compenseren van de volumedaling met kostenbesparingen en gerichte prijsstijgingen. Echter, de ontwikkelingen op het gebied van regelgeving hebben steeds ingrijpendere gevolgen voor Mail in Nederland, zowel operationeel als financieel. De nieuwe toegangsregelgeving biedt de mogelijkheid voor postbedrijven om gebruik te maken van het PostNL netwerk tegen vastgestelde tarieven en condities die niet beschikbaar zijn voor consumenten. Nu we de eerste maanden achter de rug hebben waarin we hebben kunnen ervaren wat het AMM-besluit in de praktijk betekent, moeten we concluderen dat de verwachte impact nog groter is dan oorspronkelijk geraamd: tussen € 50 miljoen en € 70 miljoen en volledig zichtbaar in 2020. Dit komt vooral door een groter dan verwacht verlies van volume aan andere postbedrijven. Als gevolg van dit effect van regelgeving gaan wij daarom uit van een hogere daling van ons volume aan geadresseerde post van 10% tot 12% in 2018. Om het effect van de volumedaling gedeeltelijk te mitigeren hebben we € 40 miljoen extra kostenbesparingen geïdentificeerd, voornamelijk in overhead. We verwachten dat deze kostenbesparingen zichtbaar worden richting 2021.

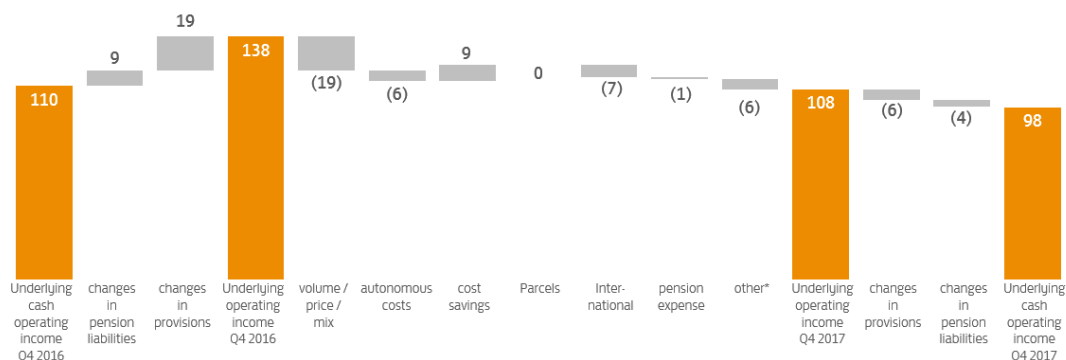
De combinatie van de fundamenteel veranderende en krimpende Nederlandse postmarkt met het regelgevende kader zal uiteindelijk de duurzaamheid van de postbezorging en de dienstverlening, betrouwbaarheid en toegankelijkheid van het Nederlandse postnetwerk beschadigen. Om een ordelijke en rationele aanpassing aan de dalende volumes te faciliteren, moet de regelgeving zo snel mogelijk worden aangepast en is consolidatie van de partijen in de postmarkt onvermijdelijk.

In verband met het bovenstaande stellen wij onze ambitie voor het onderliggende cash bedrijfsresultaat voor 2020 bij naar tussen € 230 miljoen en € 300 miljoen. Voor 2018 verwachten wij een onderliggend cash bedrijfsresultaat van tussen € 160 miljoen en € 200 miljoen. Wij blijven streven naar het uitkeren van progressief dividend.

Ik heb er alle vertrouwen in dat we een goede balans kunnen blijven vinden tussen het aanpassen van onze postactiviteiten in de uitdagende Nederlandse postmarkt en het uitbreiden van onze positie als aanbieder van e-commerce oplossingen, waarmee wij waarde op lange termijn creëren voor al onze stakeholders, inclusief onze aandeelhouders."

## Business performance Q4 2017

(in € millions)



in € million	Revenue		Underlying operating income		Underlying cash operating income	
	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017
Mail in the Netherlands	540	504	109	84	88	73
Parcels	271	321	33	33	29	33
International	265	273	7	0	7	0
PostNL Other	46	21	(11)	(9)	(14)	(8)
Intercompany	(167)	(139)				
<b>PostNL</b>	<b>955</b>	<b>980</b>	<b>138</b>	<b>108</b>	<b>110</b>	<b>98</b>

Note: underlying figures exclude one-offs

## Segment information

### Mail in the Netherlands – Continued volume decline and impact ACM measures not compensated by cost savings

Addressed mail volumes in Mail in the Netherlands declined by 10.8% in the quarter (10.1% adjusted for one working day). This decline is driven by regulation supporting competition and high substitution, particularly in single mail. Supported by the decision on significant market power (SMP), postal operators collect more mail items and deliver these through their own networks, impacting our bulk mail volumes. The remainder of these volumes return to PostNL via regulated network access, resulting in pressure on our average prices.

Revenue declined by 7% to €504 million (Q4 2016: €540 million). Underlying cash operating income decreased to €73 million (Q4 2016: €88 million). Cost savings (€4 million), less implementation costs (€1 million), lower cash out related to pensions and provisions (€4 million) and incidentals (€6 million, including bilaterals and lower amortisation costs) were more than offset by the negative volume/price/mix effect (€19 million), autonomous cost increases (€5 million) and other business effects (€9 million).

### Cost savings plans: €9 million cost savings achieved in Q4 2017, resulting in €56 million for FY 2017

Our cost savings plans include several initiatives, such as adjusting our sorting and delivery process, the optimisation of our retail network and the streamlining of staff. In 2017, we achieved total cost savings of €56 million. We experienced implementation issues with the coding machines and related restructuring in our sorting facilities. We also saw the impact of the economic recovery and tighter labour market on the sourcing of delivery personnel. This resulted in pressure on our overnight delivery quality (FY 2017: 95.4%) and lower efficiency of our operations putting pressure on our cost savings.

### Regulatory environment

In accordance with the ACM decision on SMP, PostNL published its proposed tariffs and related conditions, effective 1 December 2017, for postal operators using its network. This tariff proposal is subject to ACM approval. The new access regulation enables postal operators to make use of the PostNL network at regulated tariffs and conditions that are not available to customers. It thus helps regional postal operators extend their activities without having to accept the normal business risks involved, as our network is a regulated fall back at low cost. This artificially stimulates

competition. Postal operators won more volume than was anticipated and most of this volume was delivered via own (combined) networks, resulting in higher volume decline for PostNL and for the remaining volume they rely on regulated access to the PostNL network against lower prices, resulting in pressure on average price PostNL.

The operational requirements increase the complexity of PostNL's organisation at all levels, from IT systems to contracts and operations, frustrating cost saving plans and even increase costs for PostNL. PostNL is challenging the relevant elements of the SMP decision through due legal process. Upon our first experiences with the actual implementation of the SMP decision, we increase the expected financial impact of the ACM measures to between €50 million and €70 million on annualised basis, with effect fully visible in FY 2020. This is particularly caused by a larger than expected volume loss to postal operators.

The Dutch postal market has changed fundamentally: mail volumes almost halved since 2005 and the decline will continue. More network competition does not create additional value and results in competition at expense of labour conditions. Volumes and profitability of Mail in the Netherlands have deteriorated significantly over years. Combined with the increasing impact of the ACM measures (SMP) this endangers the financial health of Mail in the Netherlands in the long run and will ultimately harm the quality of postal delivery and the service, reliability and accessibility of the postal network in the Netherlands.

To facilitate an orderly and rational adjustment to declining volumes consolidation of postal market players is inevitable and regulation must be amended as soon as possible. PostNL therefore welcomes the postal dialogue, initiated by the Secretary of State, a stakeholder process to develop a shared view on the future of the Dutch postal market and prepare a new legislative and regulatory package.

## Parcels – strong result driven by accelerating volume growth

Volume growth continued to be strong at 20% for the quarter. Our domestic 2B and 2C volumes (including Belgium) showed strong growth, in line with the accelerating e-commerce trend. This resulted in record high volumes during our peak season.

Revenue increased by 18% to €321 million (Q4 2016: €271 million). The main driver for revenue growth was strong domestic volume, slightly offset by a negative price/mix effect. We reported strong growth in our Belgian activities, strengthening our position as *the* logistics solutions provider in the Benelux. Demand for additional services continues to increase and revenue from international volumes improved. Additionally, we experienced growth in logistics solutions, including incremental revenues related to the acquisitions made in the second quarter. Business and operational performance was solid, although impacted by peak season costs for extra capacity. Underlying cash operating income increased to €33 million (Q4 2016: €29 million).

## International – strategic development on track, but fierce competition impacts performance, particularly visible in Germany

International revenue increased by 3% to €273 million (Q4 2016: €265 million). On a like-for-like basis, adjusted for FX effects (€4 million) and an adjustment in the presentation of intercompany charges (€7 million), revenue increased by 7%. Underlying cash operating income was €0 million (Q4 2016: €7 million).

Revenue in Spring and other declined to €71 million. Growth from global e-commerce clients was more than offset by fierce competition, the stricter rules for dangerous goods and downtrading of traditional mail clients. Our transformation towards a global e-commerce player is on track and is expected to pay off towards 2018 and onwards.

In Germany, revenue increased by 16% to €143 million. The acquisition of Pin Mail Berlin and Mail Alliance accounted for €24 million of revenue growth and contributed immediately to the result. Revenue in our final mile activities improved, but was more than offset by results from consolidation activities, driven by volume decline and price pressure.

In Italy, revenue was up 8% to €59 million, partly explained by strong growth from parcels. In mail, we expanded our customer portfolio and saw increased volumes from existing customers, but price competition remains fierce.

## PostNL Other

Revenue in PostNL Other was €21 million (Q4 2016: €46 million), mainly explained by lower internal revenue due to an adjustment in the presentation of intercompany charges. Underlying cash operating income improved to €(8) million (Q4 2016: €(14) million).

## Pensions

Pension expense amounted to €27 million (Q4 2016: €26 million) and total cash contributions were €31 million (Q4 2016: €35 million). In Q4 2017, the net actuarial loss on pensions was €7 million. At the end of 2017, the main pension fund's 12 months average coverage ratio was 113.4%, well above the minimum required funding level of 104.0%. Based on our projections, we do not anticipate any top-up payments. On 31 December 2017, the main pension fund's actual coverage ratio was 115.8% (YE 2016: 108.3%).

## Development financial and equity position

Total equity attributable to equity holders of the parent improved to €34 million per 31 December 2017. Net profit of €59 million was partly offset by a net actuarial loss on pensions of €7 million. Net cash from operating and investing activities was lower at €84 million (Q4 2016: €116 million), mainly explained by the decline in underlying cash operating income and a negative development in working capital. At the end of 2017, the net cash position was €27 million, compared to a net debt position of €62 million at the end of Q3 2017. In November we redeemed the 5.375% Eurobond (€328 million outstanding) and issued a new 1.0% Eurobond, maturity 2024 (€400 million).

## Outlook 2018 and adjusted ambition 2020

The continuously fast-growing e-commerce market requires us to accelerate and increase our investments in the capacity of our Parcels' infrastructure, both in the Netherlands and in Belgium. To solidify our position as the leading e-commerce logistics company in the Benelux, we will also further develop our service propositions, for example in growth markets like food and health. These additional investments will flatten our short term results, but are expected to contribute to creating further profitable growth thereafter.

The regulatory developments are increasingly impacting Mail in the Netherlands both operationally and financially. Upon experiencing the first months of the SMP decision in practice, we concluded that the expected impact is even higher than originally estimated: between €50 million and €70 million on an annualised basis, fully visible in 2020. This is particularly caused by a larger than expected volume loss to other postal operators. Consequently, we expect our addressed mail volumes to decline by 10% to 12% in 2018. Our original cost savings plans and targeted price increases will not be sufficient to absorb the impact from volume decline in the short term.

At International, our focus is on improvement of our cash profitability and end the delay in recovery.

The above requires us to adjust our UCOI ambition for 2020 to between €230 million and €300 million. For 2018, the UCOI outlook is between €160 million and €200 million. Our aim to pay progressive dividend remains unchanged.

The above expectations and ambitions are subject to the final implementation of the SMP decision.

in € millions	2017	Revenue		Underlying cash operating income / margin		
		Outlook 2018	CAGR 2018-2020	2017	Outlook 2018	Ambition 2020
Mail in NL	1,783	- mid single digit	- low single digit	125 (7.0%)	3%-5%	↑
Parcels	1,110	+ mid teens	+ low teens	120 (10.8%)	9%-11%	→
International*	1,051	+ high single digit	+ high single digit	6 (0.6%)	0%-2%	↑
PostNL Other / eliminations	(449)			(26)		
<b>Total</b>	<b>3,495</b>	<b>+ mid single digit</b>	<b>+ mid single digit</b>	<b>225</b>	<b>160-200</b>	<b>230-300</b>

## Dividend proposal

PostNL will recommend to the Annual General Meeting of Shareholders the payment of an election dividend of €0.23 per ordinary share over FY 2017. This represents a pay-out ratio of 75% of the underlying net cash income, which amounted to €138 million in 2017. €0.06 per share was paid as interim dividend in August 2017. After approval by the AGM, the final dividend of €0.17 will be paid, at the shareholder's election, either in ordinary PostNL shares or in cash (default). The dividend in shares will be paid out of additional paid in capital as part of the distributable reserves, free of withholding tax in the Netherlands.

The ex-dividend date will be 19 April 2018, the record date is 20 April 2018 and the election period will start on 23 April 2018 and will end on 7 May 2018 at 3PM CET. The conversion ratio will be based on the volume-weighted average share price for all PostNL shares traded on Euronext Amsterdam over the three trading day period from 3 May up to and including 7 May 2018. The value of the stock dividend, based on this VWAP, will, subject to rounding, be targeted at but not be lower than the cash dividend. There will be no trading in stock dividend rights. The dividend will be payable as of 9 May 2018.

## Working days by quarter

	Q1	Q2	Q3	Q4	Total
2017	65	61	65	63	254
<b>2018</b>	<b>64</b>	<b>61</b>	<b>65</b>	<b>64</b>	<b>254</b>

## Financial calendar 2018

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17 April	Annual General Meeting of Shareholders
19 April	Ex-dividend date
20 April	Record date for final dividend 2017
23 April – 7 May, 3.00 pm CET	Election period
8 May	Publication of Q1 2018 results
9 May	Payment date final dividend 2017
6 August	Publication of Q2 & HY 2018 results
5 November	Publication of Q3 2018 results

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## Audio webcast and conference call Q4 2017 results

On 26 February 2018, at 11.00 CET, the conference call for analysts and investors will start. The conference call can be followed live via an audio webcast on [www.postnl.nl](http://www.postnl.nl).

## Additional information

Additional information is available at [www.postnl.nl](http://www.postnl.nl).

## Warning about forward-looking statements

Some statements in this press release are 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industries in which we operate and management's beliefs and assumptions about possible future events. You are cautioned not to put undue reliance on these forward-looking statements, which only speak as of the date of this press release and are neither predictions nor guarantees of possible future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law.

## Use of non-GAAP information

In presenting and discussing the PostNL Group operating results, management uses certain non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used in conjunction with the most directly comparable IFRS measures. Non-GAAP financial measures do not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The main non-GAAP key financial performance indicator is underlying cash operating income. The underlying cash operating performance focuses on the underlying cash earnings performance, which is the basis for the dividend policy. In the analysis of the underlying cash operating performance, adjustments are made for non-recurring and exceptional items as well as adjustments for non-cash costs for pensions and provisions. For pensions, the IFRS-based defined benefit plan pension expenses are replaced by the non-IFRS measure of the actual cash contributions for such plans. For the other provisions, the IFRS-based net charges are replaced by the related cash outflows.

Please refer to our Annual Report 2017 for more information on our financial statements, including disclosure notes and explanation of restatement.

#### Consolidated income statement

in € millions	Q4 2016	Q4 2017	FY 2016	FY 2017
Net sales	952	976	3,403	3,479
Other operating revenue	3	4	10	16
<b>Total operating revenue</b>	<b>955</b>	<b>980</b>	<b>3,413</b>	<b>3,495</b>
Other income	8	12	10	25
Cost of materials	(20)	(19)	(67)	(67)
Work contracted out and other external expenses	(461)	(511)	(1,701)	(1,802)
Salaries, pensions and social security contributions	(281)	(299)	(1,110)	(1,163)
Depreciation, amortisation and impairments	(24)	(21)	(92)	(79)
Other operating expenses	(48)	(42)	(162)	(156)
<b>Total operating expenses</b>	<b>(834)</b>	<b>(892)</b>	<b>(3,132)</b>	<b>(3,267)</b>
<b>Operating income</b>	<b>129</b>	<b>100</b>	<b>291</b>	<b>253</b>
Interest and similar income	2	1	149	4
Interest and similar expenses	(12)	(12)	(104)	(46)
<b>Net financial expenses</b>	<b>(10)</b>	<b>(11)</b>	<b>45</b>	<b>(42)</b>
Results from investments in jv's/associates	(3)	(5)	(1)	(10)
<b>Profit/(loss) before income taxes</b>	<b>116</b>	<b>84</b>	<b>335</b>	<b>201</b>
Income taxes	(32)	(25)	(55)	(53)
<b>Profit for the period</b>	<b>84</b>	<b>59</b>	<b>280</b>	<b>148</b>
Attributable to:				
Non-controlling interests			1	
Equity holders of the parent	84	59	279	148
Earnings per ordinary share (in €cents) <sup>1</sup>	19.0	13.1	63.1	33.0
Earnings per diluted ordinary share (in €cents) <sup>2</sup>	18.8	13.1	62.9	33.0

<sup>1</sup> Based on an average of 448,645,255 outstanding ordinary shares (2016: 442,366,626).

<sup>2</sup> Based on an average of 449,124,010 outstanding diluted ordinary shares (2016: 443,301,377).

#### Consolidated statement of comprehensive income

in € millions	Q4 2016	Q4 2017	FY 2016	FY 2017
<b>Profit for the period</b>	<b>84</b>	<b>59</b>	<b>280</b>	<b>148</b>
<b>Other comprehensive income that will not be reclassified to the income statement</b>				
Impact pensions, net of tax	14	(7)	(18)	3
<b>Other comprehensive income that may be reclassified to the income statement</b>				
Currency translation adjustment, net of tax	1	0	(1)	(3)
Gains/(losses) on cashflow hedges, net of tax	(1)	(1)	3	3
Change in value of available-for-sale financial assets			8	
Recycling of change in value of available-for-sale financial assets			(136)	
<b>Total other comprehensive income for the period</b>	<b>14</b>	<b>(8)</b>	<b>(144)</b>	<b>3</b>
<b>Total comprehensive income for the period</b>	<b>98</b>	<b>51</b>	<b>136</b>	<b>151</b>
Attributable to:				
Non-controlling interests			1	
Equity holders of the parent	98	51	135	151

In 2016, the line interest and similar income includes results related to the stake in TNT Express, profit for the period excluding the results from the stake in TNT Express was €135 million.

## Consolidated statement of cash flows

in € millions	Q4 2016	Q4 2017	FY 2016	FY 2017
Profit/(loss) before income taxes	116	84	335	201
Adjustments for:				
Depreciation, amortisation and impairments	24	21	92	79
Share-based payments	1		4	2
(Profit)/loss on disposal of assets	(8)	(11)	(10)	(22)
Interest and similar income	(2)	(1)	(149)	(4)
Interest and similar expenses	12	12	104	46
Results from investments in jv's/associates	3	5	1	10
<b>Investment income</b>	<b>5</b>	<b>5</b>	<b>(54)</b>	<b>30</b>
Pension liabilities	(52)	(47)	(74)	(56)
Other provisions	(1)	(2)	(28)	(21)
<b>Changes in provisions</b>	<b>(53)</b>	<b>(49)</b>	<b>(102)</b>	<b>(77)</b>
Inventory	1			(1)
Trade accounts receivable	(27)	(53)	(4)	(31)
Other accounts receivable	(4)	1	3	(13)
Other current assets	(1)	5	(6)	(24)
Trade accounts payable	31	46	19	32
Other current liabilities excluding short-term financing and taxes	88	70	(5)	(4)
<b>Changes in working capital</b>	<b>88</b>	<b>69</b>	<b>7</b>	<b>(41)</b>
<b>Cash generated from operations</b>	<b>181</b>	<b>130</b>	<b>282</b>	<b>194</b>
Interest paid	(19)	(19)	(92)	(39)
Income taxes received/(paid)	(12)	10	(80)	(56)
<b>Net cash (used in)/from operating activities</b>	<b>150</b>	<b>121</b>	<b>110</b>	<b>99</b>
Interest received	3		5	4
Dividends received	1		1	1
Acquisition of subsidiaries (net of cash)	(8)	(9)	(30)	(33)
Disposal of subsidiaries		1	(4)	1
Capital expenditure on intangible assets	(11)	(11)	(31)	(38)
Capital expenditure on property, plant and equipment	(27)	(21)	(64)	(74)
Proceeds from sale of property, plant and equipment	13	17	27	32
Proceeds from sale of available-for-sale financial assets			643	
Changes in other loans receivable		(6)		(6)
Other changes in (financial) fixed assets	(5)	(8)	(4)	(8)
<b>Net cash (used in)/from investing activities</b>	<b>(34)</b>	<b>(37)</b>	<b>543</b>	<b>(121)</b>
Dividends paid				(40)
Changes related to non-controlling interests			(10)	
Proceeds from long term borrowings		398		398
Repayments of long term borrowings			(357)	(2)
Repayments of short term borrowings	1	(328)		(328)
Repayments of finance leases			(1)	(1)
<b>Net cash (used in)/from financing activities</b>	<b>1</b>	<b>70</b>	<b>(368)</b>	<b>27</b>
<b>Total change in cash</b>	<b>117</b>	<b>154</b>	<b>285</b>	<b>5</b>
<b>Cash at the beginning of the period</b>	<b>523</b>	<b>491</b>	<b>355</b>	<b>640</b>
Total change in cash	117	154	285	5
<b>Cash at the end of the period</b>	<b>640</b>	<b>645</b>	<b>640</b>	<b>645</b>



**Consolidated statement of financial position**

31 December 2016

restated

**31 December 2017**

in € millions

	31 December 2016	31 December 2017
<b>ASSETS</b>		
Non-current assets		
Intangible assets		
Goodwill	123	141
Other intangible assets	82	116
<b>Total</b>	<b>205</b>	<b>257</b>
Property, plant and equipment		
Land and buildings	321	318
Plant and equipment	142	154
Other	19	21
Construction in progress	23	17
<b>Total</b>	<b>505</b>	<b>510</b>
Financial fixed assets		
Investments in joint ventures/associates	17	9
Other loans receivable	1	7
Deferred tax assets	38	29
Available-for-sale financial assets	1	5
<b>Total</b>	<b>57</b>	<b>50</b>
<b>Total non-current assets</b>	<b>767</b>	<b>817</b>
Current assets		
Inventory	5	6
Trade accounts receivable	358	386
Accounts receivable	31	50
Income tax receivable	2	9
Prepayments and accrued income	134	157
Cash and cash equivalents	640	645
<b>Total current assets</b>	<b>1,170</b>	<b>1,253</b>
Assets classified as held for sale	4	10
<b>Total assets</b>	<b>1,941</b>	<b>2,080</b>
<b>LIABILITIES AND EQUITY</b>		
Equity		
Equity attributable to the equity holders of the parent	(79)	34
Non-controlling interests	3	3
<b>Total</b>	<b>(76)</b>	<b>37</b>
Non-current liabilities		
Deferred tax liabilities	40	43
Provisions for pension liabilities	410	359
Other provisions	39	23
Long-term debt	227	400
Accrued liabilities		2
<b>Total</b>	<b>716</b>	<b>827</b>
Current liabilities		
Trade accounts payable	188	220
Other provisions	44	40
Short-term debt	328	225
Other current liabilities	141	150
Income tax payable	8	4
Accrued current liabilities	592	577
<b>Total</b>	<b>1,301</b>	<b>1,216</b>
<b>Total equity and liabilities</b>	<b>1,941</b>	<b>2,080</b>