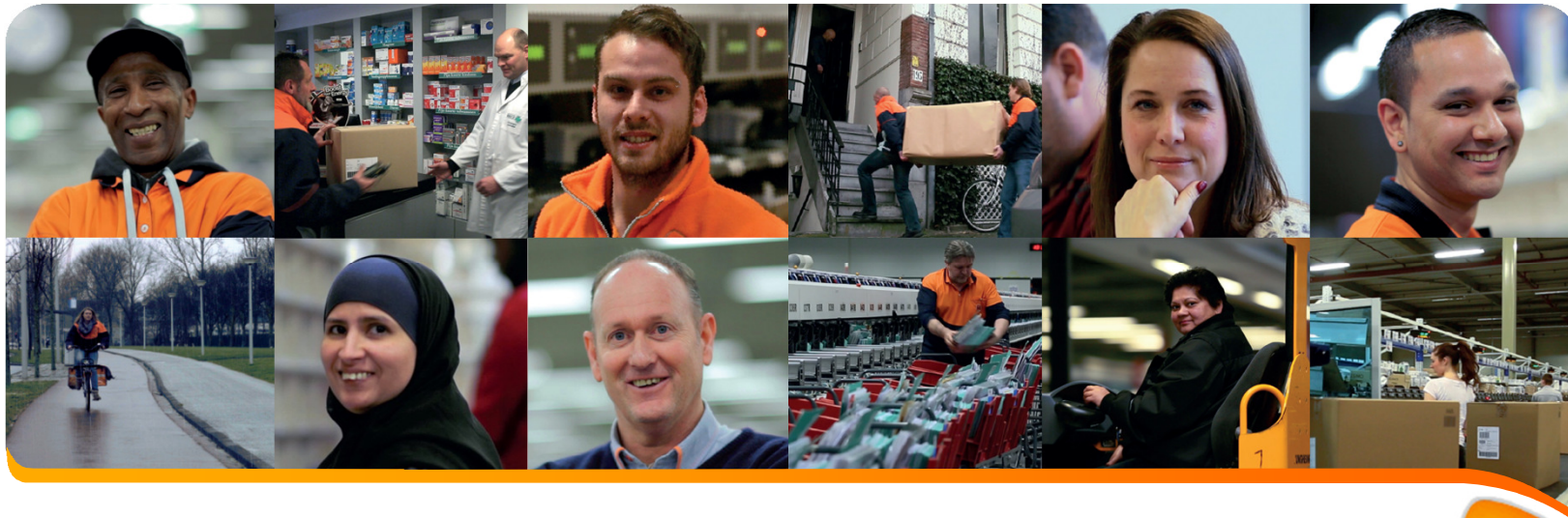


# Annual General Meeting of Shareholders 2014

*Algemene Vergadering van Aandeelhouders 2014*





Agenda item 1  
Opening and announcements  
*Opening en mededelingen*



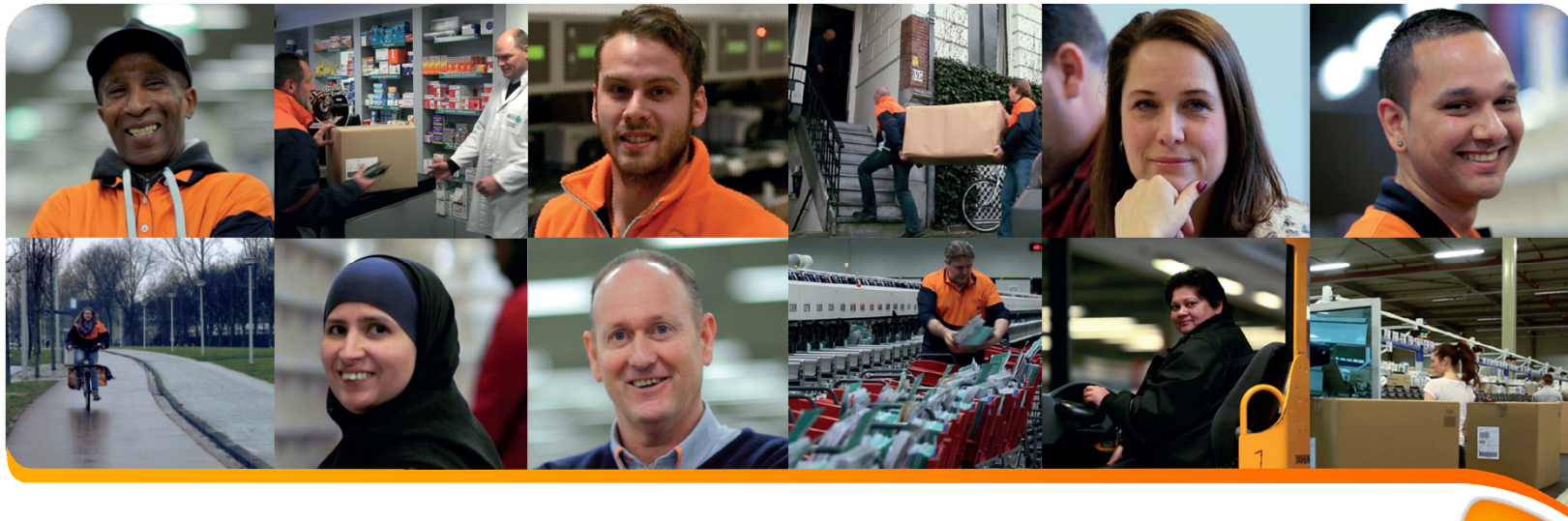
## Agenda item 2

Discussion of the developments in the financial year 2013

*Bespreking van de ontwikkelingen in het boekjaar 2013*

## 2013 Performance

### Sustainable delivery



## FY 2013 performance in line with increased outlook



<i>€ million</i>	Underlying revenues		Underlying cash operating income / margin	
	Outlook*	2013	Outlook*	2013
Mail in NL	- mid single digit	- 4.8%	1 to 3%	3.2%
Parcels	+ high single digit	+ 10.0%	11 to 13%	11.1%
International	+ mid single digit	+ 4.4%	1 to 3%	1.6%
<b>Total</b>	<b>stable</b>	<b>+ 0.3%</b>	<b>130 to 160</b>	<b>141</b>

## Mail in the Netherlands

### Cost savings and price increases underpin good results FY 2013



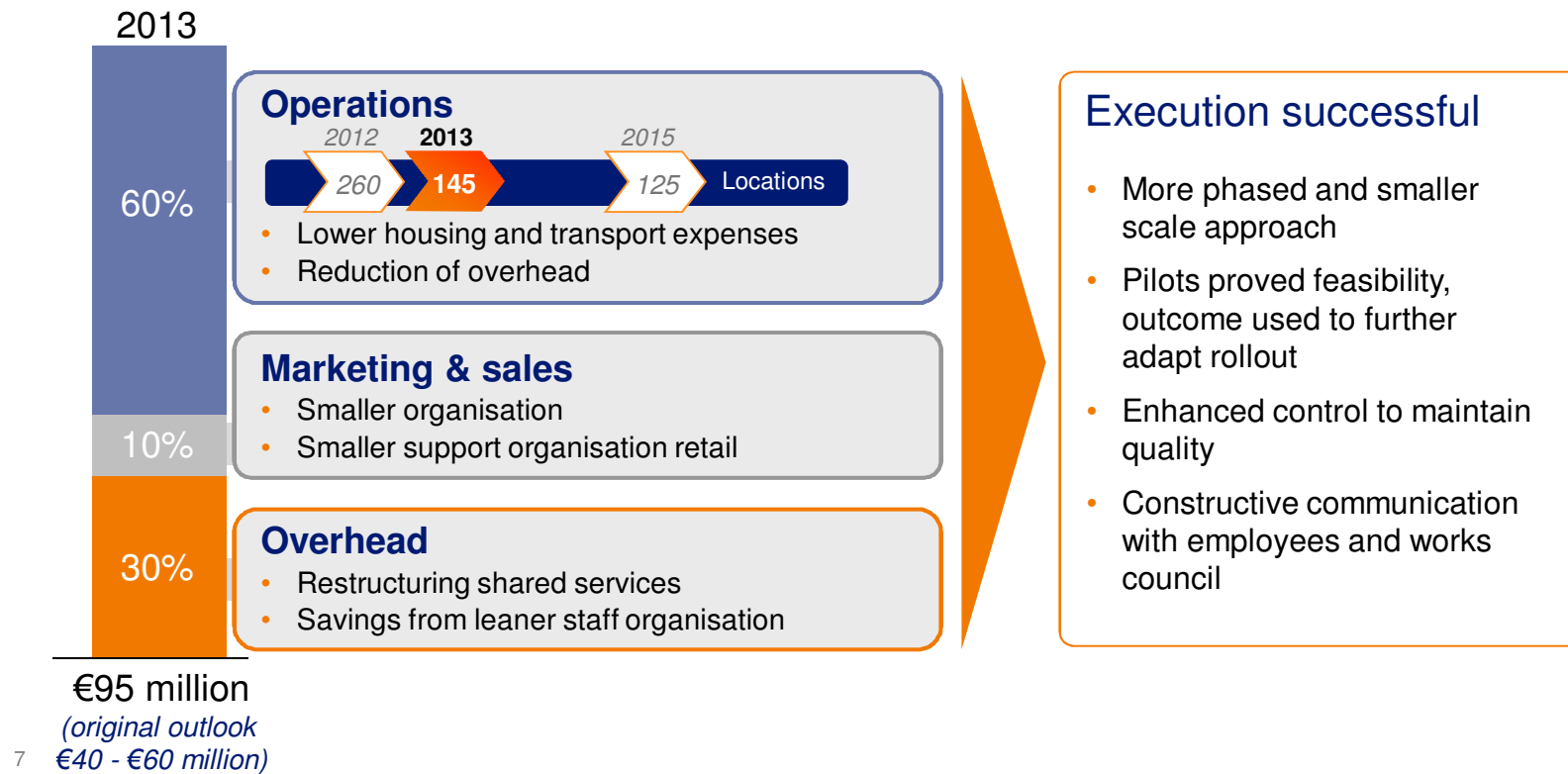
<i>(€ million)</i>	<b>FY 2013</b>	<i>FY 2012</i>
<b>Underlying revenue</b>	<b>2,161</b>	<b>2,270</b>
<b>Underlying cash operating income</b>	<b>69</b>	<b>20</b>
<b>Addressed mail volume*</b>	<b>-11.9%</b>	<b>-9.0%</b>
<b>Total cost savings</b>	<b>95</b>	<b>39</b>

- Cost savings ahead of schedule
- Price increases and cost savings more than offset higher volume decline
- New pension agreement; lower pension contribution and potential top-up payments capped
- Customer satisfaction increased to 85% (2012: 84%)
- Delivery quality increased to 95.9% (2012: 93.9%)

6 \* Adjusted for one extra working day / elections underlying decline in 2013 was 11.6%

# Cost savings in 2013 ahead of schedule

€95 million cost savings achieved in 2013



## Regulatory environment

### Positive developments in 2013 - challenges remain



<b>Postal Act</b>	<ul style="list-style-type: none"><li>• Sunday collection and Monday delivery cancelled</li><li>• Amended Postal Act to be sent to Parliament this summer<ul style="list-style-type: none"><li>• reduction in number of letter boxes</li><li>• reduction in number of post offices</li></ul></li></ul>
<b>Postal regulation</b>	<ul style="list-style-type: none"><li>• New tariff regulation in force<ul style="list-style-type: none"><li>• prices more closely linked to volumes</li><li>• increased transparency</li></ul></li></ul>
<b>Significant market power</b>	<ul style="list-style-type: none"><li>• ACM defines market and (proportional) measures<ul style="list-style-type: none"><li>• market consultation: players (including PostNL) invited to present views on potential competition issues</li><li>• implementation in 2015</li></ul></li><li>• Impact uncertain</li></ul>



## Parcels

### Continued strong volume growth



<i>(€ million)</i>	<b>2013</b>	<b>2012</b>
<b>Underlying revenue</b>	<b>803</b>	<b>730</b>
<b>Underlying cash operating income</b>	<b>89</b>	<b>100</b>
<b>Underlying volume</b>	<b>+6.7%</b>	<b>+5.6%</b>

- Underlying cash operating income 2012 includes one-off effect of €15 million goodwill trans-o-flex
- NLI: 14 depots operational; close to 80% of volume through new network
- Market leader two-men delivery after Fiege acquisition
- First financial impact of subcontractor agreement

## Parcels

Expanding service offering - preparing for further growth



### Gamma / Karwei

- Stimulate e-commerce market through strategic partnership
- Delivery to home and collection points in DIY shops



### Extra@home

- Extending market leadership in two-men delivery (Fiege)



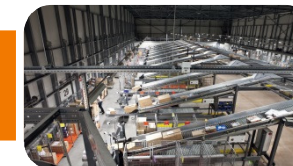
### Consumer orientation

- 2.8 million registered users MijnPakket
- Consumers determine when and where parcels are delivered



### New logistic infrastructure

- 14 depots operational
- Close to 80% volumes through new network



## International

### Improved results excluding E2E and incidentals Germany



<i>(€ million)</i>	<b>2013</b>	<b>2012</b>
<b>Underlying revenue</b>	<b>1,696</b>	<b>1,624</b>
<b>Underlying cash operating income</b>	<b>27</b>	<b>27</b>

#### UK

- Results improved excluding E2E implementation costs
- Joint venture partner enabling further rollout of E2E strategy

#### Germany

- Break-even result achieved
- Continued strong revenue growth
- Compador dispute ongoing, incidentals impacted results

#### Italy

- Further volume growth Formula Certa
- Packets & Parcels initiative develops in line with expectations

## Strong improvement net debt and cash



(€ million)

**Net debt**  
**2013: 798**  
*2012: 1,224*

- Partial sale stake in TNT Express and bond buy-back
- Strong business performance

**Net cash from operating and investing activities\***  
**2013: 32**  
*2012: -212*

- Strong cash from operations
- Tight capex control

## Sustainable delivery towards 2015



### Mail in NL

*Sustainable delivery of cash*



### Parcels

*Further profitable cash growth*



### International

*Enhance cash profitability*

**Solid  
financial  
position**

## PostNL future perspective

Efficient and reliable parcel and mail company



### Smaller mail and bigger parcel company

- Based on our core competence of running efficient and high quality mail and parcel networks
- Based on motivated workforce
- High performance culture

### Predictable and solid business

- Further adjust mail operations to maintain profitability
- Build to expand parcels
- Sustainable delivery of cash

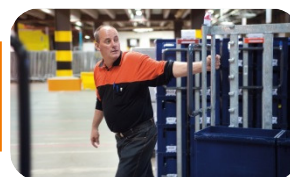


# Mail in the Netherlands

## Sustainable delivery of cash



Volume	<ul style="list-style-type: none"><li>• Stronger volume decline, as a result of greater impact mail substitution</li><li>• Outlook 2014-2017: average volume decline 9 - 12%</li></ul>
Pricing	<ul style="list-style-type: none"><li>• Price increases to partly offset volume decline</li><li>• Bulk mail and domestic single items: increases well above inflation</li></ul>
Cost savings	<ul style="list-style-type: none"><li>• Cost savings to partly offset volume decline</li><li>• Target 2017 increased from €290 to €365 million</li><li>• Higher savings existing plans and savings by new initiatives</li><li>• No additional FTE reduction, in total bandwidth earlier communicated</li></ul>



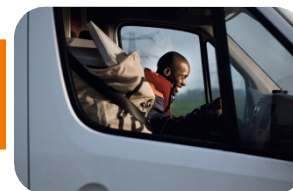
# Parcels - further profitable cash growth

## Adapting to a changing environment



<b>Market developments</b>	<ul style="list-style-type: none"><li>• Focus on further extension of services</li><li>• Strengthen position through additional investments</li><li>• Further growth in existing and new 2C and 2B areas</li><li>• Increased leverage of e-commerce trends</li></ul>
<b>Status subcontractors</b>	<ul style="list-style-type: none"><li>• Mutual respect (increased interaction and communication)</li><li>• Operational conditions (adjusted fees and further optimised routes)</li></ul>

Strengthening market position, change in subcontracting mix and associated measures will impact margin with 2 percentage points





## International – on track for improving cash profitability

Progress continuously monitored – act if needed



<p>General</p>	<ul style="list-style-type: none"><li>• Joint ventures and UK no longer included in consolidated revenue and operating income</li><li>• Underlying cash operating income target 2015 adjusted with €20 million post IFRS adjustments for expected contribution from UK and JVs Germany (results accounted for in results from associates)</li></ul>
<p>UK</p>	 <ul style="list-style-type: none"><li>• EU approval for joint venture partner to rollout E2E strategy received in January</li><li>• Royal Mail announcement of new tariffs</li><li>• Ofcom ruling important for closing transaction</li></ul>
<p>Germany</p>	 <ul style="list-style-type: none"><li>• Break-even achieved in 2013</li><li>• Focus remains on volume growth and cost leadership at top quality</li><li>• Continued support from regulators required for competition-friendly market environment</li></ul>
<p>Italy</p>	 <ul style="list-style-type: none"><li>• Further growth of Formula Certa</li><li>• Rollout of retail locations</li><li>• Efficiency improvement</li></ul>

## Outlook 2014 - 2015



€ million	Revenue		Underlying cash operating income / margin	
	Underlying 2014	Underlying 2015	2014	2015
Mail in NL	- low single digit		6 to 8%	8 to 10%
Parcels	+ mid single digit		11 to 13%	
International	+ mid single digit		1 to 3%	2 to 4%
<b>Total</b>	<b>+ low single digit</b>		<b>180 to 220</b>	<b>260 to 330</b>
			<b>5 to 7%</b>	<b>7 to 9%</b>

On track for sustainable delivery of cash  
Based on current projections cash dividend will be resumed in 2016

## 2013 Performance

### Sustainable delivery



Business review FY 2013

Outlook on sustainable delivery 2014 – 2015

*Herna Verhagen*

Financials FY 2013

*Jan Bos*

## Statement of income



<i>€ million</i>	<b>Q4 2013</b>	<b>Q4 2012</b>	<b>FY 2013</b>	<b>FY 2012</b>
Revenue	1,206	1,201	4,307	4,330
<b>Operating income</b>	<b>258</b>	<b>174</b>	<b>404</b>	<b>395</b>
Net financial expenses	(86)	(24)	(174)	(99)
Results from investments in associates	-	(21)	36	(13)
Reversal of / (Impairments) of investments in associates	(106)	78	(369)	448
Income taxes	(47)	(40)	(67)	(74)
<b>Profit for the period</b>	<b>19</b>	<b>167</b>	<b>(170)</b>	<b>657</b>
<i>Profit for the period (excluding TNT Express)</i>	125	110	164	222

## Financial highlights

### Profitability growth on track



€ million	Q4 2013	Q4 2012	Δ	FY 2013	FY 2012	Δ
Reported revenue	1,206	1,201	0%	4,307	4,330	-1%
<b>Underlying revenue</b>	<b>1,214</b>	<b>1,201</b>	<b>1%</b>	<b>4,345</b>	<b>4,330</b>	<b>0%</b>
Reported operating income	258	174	48%	404	395	+2%
<i>Restructuring related charges</i>	11	(41)		77	(26)	
<i>Rebranding costs</i>		2		1	12	
<i>Impairment assets held for sale</i>	12	9		12	9	
<i>Past service pension costs</i>	(140)	(27)		(140)	(27)	
<i>Other</i>	4	(1)		5	(1)	
Underlying operating income	145	116	25%	359	362	-1%
<b>Underlying cash operating income</b>	<b>81</b>	<b>67</b>	<b>21%</b>	<b>141</b>	<b>130</b>	<b>9%</b>
<b>Net cash from operating and investing activities</b>	<b>539</b>	<b>4</b>		<b>481</b>	<b>(212)</b>	

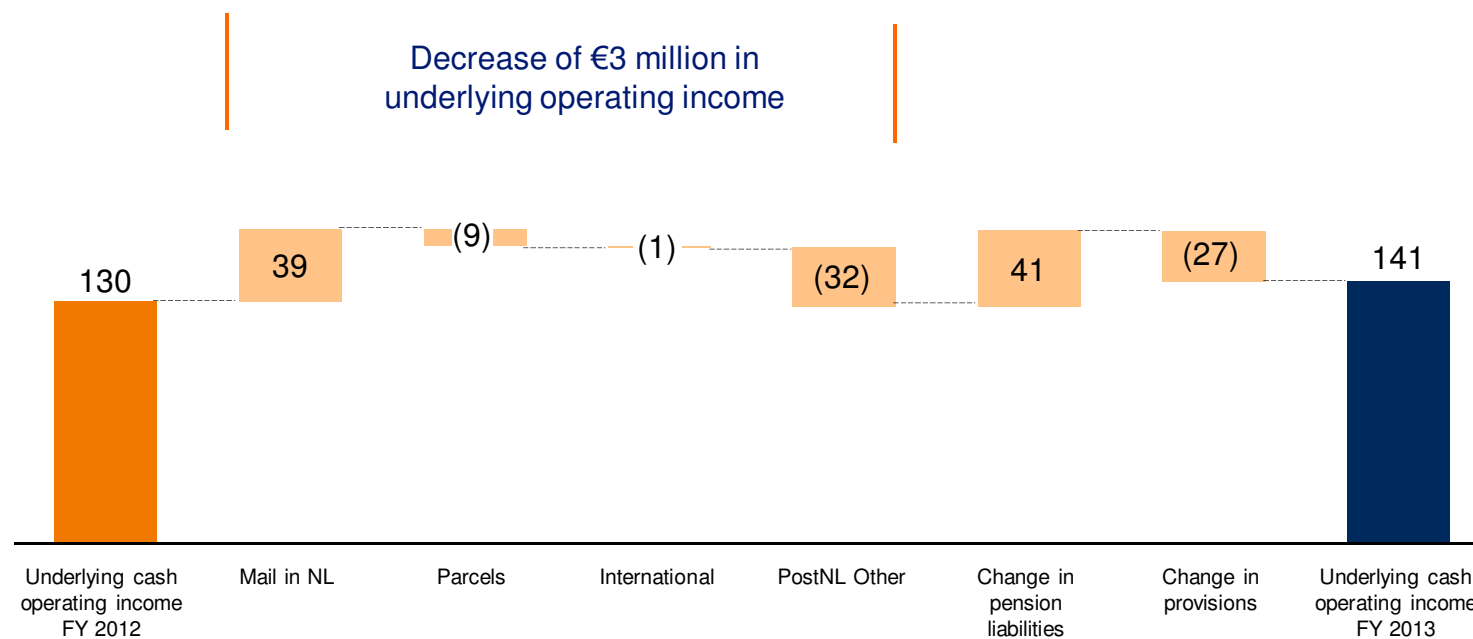
21 Note: 2013 impact on net cash from operating and investing activities of partial sale of stake in TNT Express (€505 million) and interest expense on bond buy-back (€(56) million)

# Better 2013 underlying cash operating income

## Driven by strong cost savings



€ million



## Net cash from operating and investing activities



€ million	Q4 2013	Q4 2012	FY 2013	FY 2012
<b>Cash generated from operations</b>	<b>163</b>	<b>117</b>	<b>160</b>	<b>83</b>
Interest paid	(91)	(36)	(150)	(99)
Income taxes received / (paid)	(7)	(20)	55	(40)
<b>Net cash from / (used in) operating activities</b>	<b>65</b>	<b>61</b>	<b>65</b>	<b>(56)</b>
Interest / dividends received / other	1	(4)	14	6
Capex	(37)	(57)	(117)	(204)
Proceeds from sale of assets	5	4	14	27
Acquisitions and disposals	505		505	15
<b>Net cash from operating and investing activities</b>	<b>539</b>	<b>4</b>	<b>481</b>	<b>(212)</b>
<i>Excluding partial sale TNT Express and bond buy-backs</i>	<i>90</i>	<i>4</i>	<i>32</i>	<i>(212)</i>

23 Note: 2013 impact on net cash from operating and investing activities of partial sale of stake in TNT Express (€505 million) and interest expense on bond buy-back (€(56) million)

## Pension developments

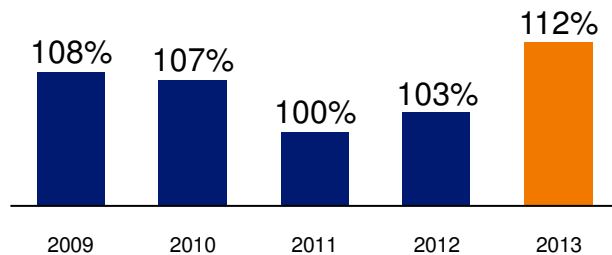
Lower contribution and limitation top-up payment – coverage ratio up



### Reduction of cash pension contribution by €40 million in 2014

- Pension contribution maximised at 27.5% of pension base
- Changes in funding agreement and arrangement
  - 2013: unconditional commitment €150 million
  - 2014 – 2018: annual maximum of 1.25% of obligation pension fund and additional conditional budget of €300 million
  - 2019 and onwards: annual maximum of 1.25% of obligation pension fund

Coverage ratio main pension fund



Coverage ratio 2013 improved to 112%, including impact unconditional commitment €150 million



## Partial sale of stake in TNT Express

### Followed by reduction of outstanding debt



#### Stake in TNT Express

- Sale of ~82 million shares
- Proceeds of €507 million
- Remaining stake of 14.8% of outstanding shares in TNT Express – intention to sell in the medium term
- Book value at end of Q4: €542 million

#### Debt reduction

- €400 million including accrued interest
- Remaining proceeds retained for debt reduction

Annual interest savings ~€20 million

## Consolidated statement of financial position

Net debt decreased by €426 million compared to 2012



€ million	31 Dec 2013		31 Dec 2013
Intangible assets	143	Consolidated equity	(679)
Property, plant and equipment	539	Non-controlling interests	7
Financial fixed assets	609	Total equity	(672)
of which TNT Express	542	Pension liabilities	544
Other current assets	510	Long-term debt	1,263
Cash	469	Other non-current liabilities	166
Assets held for sale	194	Short-term debt	7
		Other current liabilities	1,039
		Liabilities rel. to assets held for sale	117
<b>Total assets</b>	<b>2,464</b>	<b>Total equity &amp; liabilities</b>	<b>2,464</b>

- Net debt of €798 million
- Corporate equity of €1,925 million

## Resuming cash dividend

Cash and equity managed towards resuming cash dividend in 2016



Dividend policy - neither condition is met

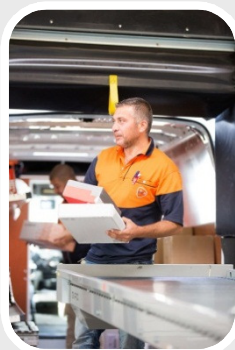
- Certainty of credit rating BBB+/Baa1
- Positive consolidated equity

Based on current projections cash dividend will be resumed in 2016



# Efficient and reliable mail and parcel company

Predictable and solid business



## 2014

Further solidify the foundation

- Further adjust mail operations to maintain profitability
- Build to expand Parcels and International
- Towards sustainable delivery of cash and lower financial risk

## 2015

Fit for the future

- Running efficient and high-quality mail and parcel networks
- Further restore credit rating
- Clear strategy towards dividend payments in 2016





Agenda item 3  
Annual Report 2013  
*Jaarverslag 2013*



#### Agenda item 4

Discussion of the Corporate Governance chapter in the Annual Report 2013

*Bespreking van het corporate governance hoofdstuk in het jaarverslag 2013*

Agenda item 5

Discussion of the execution of the remuneration policy during  
the financial year 2013

*Bespreking van de uitvoering van het bezoldigingsbeleid gedurende  
het boekjaar 2013*

## Remuneration 2013

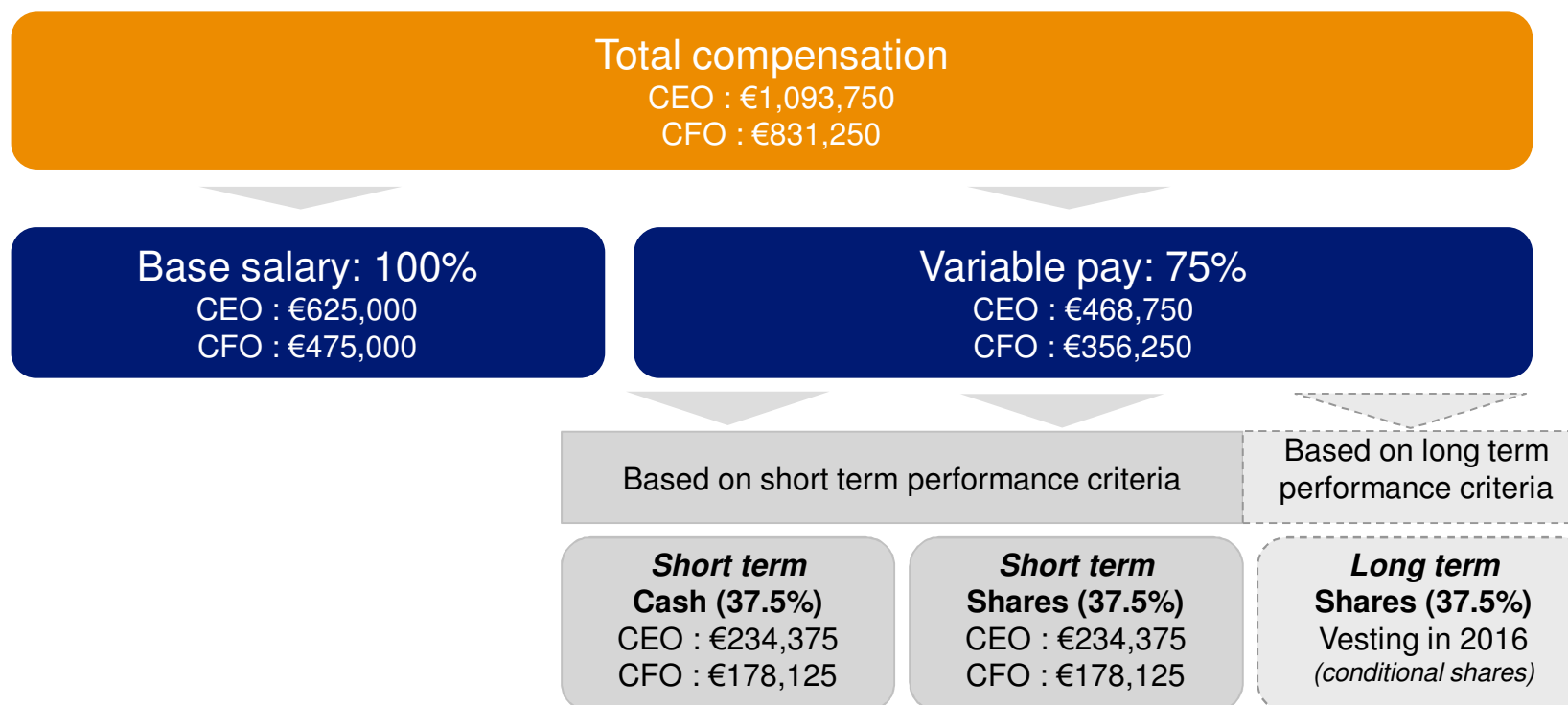


- No changes in remuneration policy (as approved in 2013 AGM)
- Separate agenda item on AGM to inform shareholders on execution of remuneration policy
- Changes in Dutch Civil Code (Article 2:135)



## Remuneration 2013

According to remuneration policy as approved in 2013



# Remuneration Policy PostNL 2013

## Variable pay – Performance criteria



### Short term Cash & Shares (Temporary share plan)

#### Financial targets (60%)

- Underlying cash operating income PostNL
- Adjusted net cash flow from operating/investing activities

#### Non-financial targets (40%)

- Engagement survey
- Customer satisfaction
- Quality score
- CO<sub>2</sub> reduction

**Maximum 37.5% of base salary for both cash plan and temporary share plan**

### Long term Shares (Performance shares)

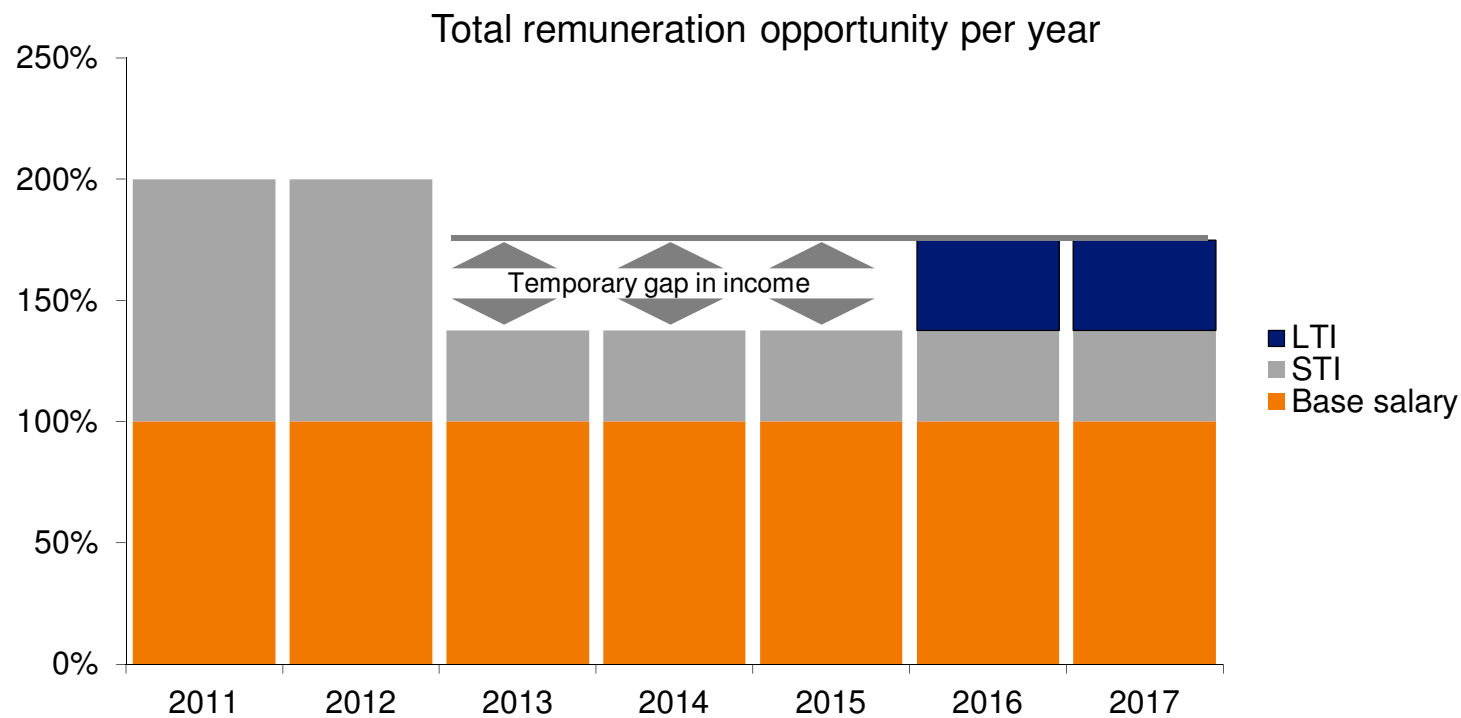
#### Internal financial & strategic targets (100%)

- Underlying net cash income PostNL
- Cost savings
- New growth initiatives

**Maximum 37.5% of base salary first vesting in 2016**

# Remuneration Policy PostNL 2013

## Variable pay – Temporary Share Plan



Agenda item 6

Adoption of the 2013 financial statements (Resolution)

*Vaststelling van de jaarrekening over het boekjaar 2013 (Besluit)*

## Insert smart card Smart card invoeren



Insert the card with the  
gold chip pointing toward you

*Voer de kaart in met de gouden  
chip naar u toe*



## Insert smart card Smart card invoeren



When the card is inserted well  
a welcome message  
will appear on the display

*Als de kaart goed is ingevoerd,  
verschijnt een welkomstboodschap  
op het scherm*



## Insert smart card

### Smart card invoeren



Should the card not be inserted well  
a warning message  
will appear on the display

*Als de kaart niet goed is ingevoerd,  
verschijnt een waarschuwing op het  
scherm*



## Voting Stemmen



When the agenda item is opened  
the display will show three choices

*Als het agendapunt aan de orde  
komt, verschijnen drie keuzes op  
het scherm*





## Voting Stemmen



To vote you press 1, 2 or 3.  
Your vote will appear on the display

*Kies 1, 2 of 3 om te stemmen  
Uw stem verschijnt op het scherm*



## Voting Stemmen



You can change your vote at any time  
Press the C button to cancel your vote  
Then make a new choice

*U kunt uw keuze veranderen  
Druk op de C-toets om uw stem te  
annuleren  
Stem dan opnieuw*



## Voting Stemmen



Please leave the keypad and the smart card with the hostesses when leaving the room

*Lever alstublieft het stemkastje en de kaart in bij de hostessen bij het verlaten van de zaal*



## Agendapunt 6



<b>For / Voor</b>	<b>199.656.749</b>
<b>Against / Tegen</b>	<b>15.460</b>
<b>Abstain / Onthouding</b>	<b>336.299</b>



## Agenda item 7 Dividend

- a. Reserves and dividend guidelines  
*Reserverings- en dividendbeleid*
- b. Appropriation of profit  
*Winstbestemming*

## Agenda item 8

Release from liability of the members of the Board of Management (Resolution)

*Het verlenen van kwijting aan de leden van de Raad van Bestuur (Besluit)*

## Agendapunt 8



<b>For / Voor</b>	<b>198.831.621</b>
<b>Against / Tegen</b>	<b>584.554</b>
<b>Abstain / Onthouding</b>	<b>592.334</b>



Agenda item 9

Release from liability of the members of the Supervisory Board (Resolution)

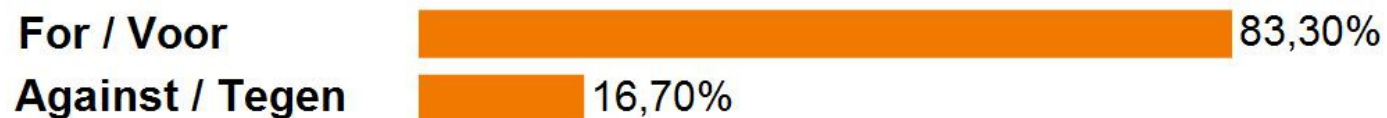
*Het verlenen van kwijting aan de leden van de  
Raad van Commissarissen (Besluit)*



## Agendapunt 9



<b>For / Voor</b>	<b>166.108.079</b>
<b>Against / Tegen</b>	<b>33.299.194</b>
<b>Abstain / Onthouding</b>	<b>591.384</b>



Agenda item 10  
Supervisory Board  
*Raad van Commissarissen*

- a. Announcement of vacancies in the Supervisory Board  
*Kennisgeving van vacatures in de Raad van Commissarissen*
- b. Opportunity for the General Meeting to make recommendations for the appointment of members of the Supervisory Board  
*Gelegenheid tot het doen van aanbevelingen door de Algemene Vergadering voor de benoeming van leden van de Raad van Commissarissen*
- c. Announcement by the Supervisory Board of the persons nominated for reappointment  
*Kennisgeving door de Raad van Commissarissen van de voor herbenoeming voorgedragen personen*

Agenda item 11

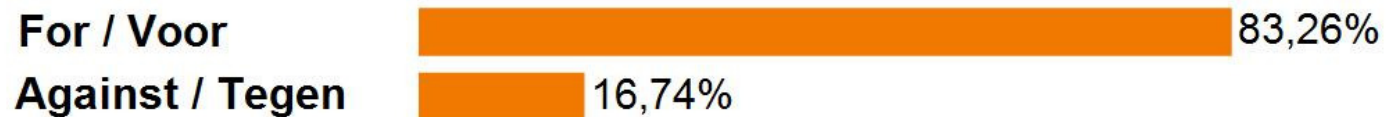
Proposal to reappoint Mr. J. Wallage as member of the  
Supervisory Board (Resolution)

*Voorstel tot herbenoeming van de heer J. Wallage tot lid van de Raad van  
Commissarissen (Besluit)*

## Agendapunt 11



<b>For / Voor</b>	<b>166.251.141</b>
<b>Against / Tegen</b>	<b>33.421.217</b>
<b>Abstain / Onthouding</b>	<b>336.299</b>



## Agenda item 12

Announcement of vacancies in the Supervisory Board as per the close of the Annual General Meeting of Shareholders in 2015

*Mededeling over vacatures in de Raad van Commissarissen die na afloop van de Algemene Vergadering van Aandeelhouders in 2015 zullen ontstaan*

### Agenda item 13

Extension of the designation of the Board of Management as  
authorised body to issue ordinary shares (Resolution)

*Verlenging van de aanwijzing van de Raad van Bestuur als bevoegd orgaan  
tot het uitgeven van gewone aandelen (Besluit)*

## Agendapunt 13



<b>For / Voor</b>	<b>143.370.014</b>
<b>Against / Tegen</b>	<b>56.302.129</b>
<b>Abstain / Onthouding</b>	<b>336.414</b>



#### Agenda item 14

Extension of the designation of the Board of Management as authorised body to limit or exclude the pre-emptive right upon the issue of ordinary shares (Resolution)

*Verlenging van de aanwijzing van de Raad van Bestuur als bevoegd orgaan tot het beperken of uitsluiten van het voorkeursrecht bij uitgifte van gewone aandelen (Besluit)*



## Agendapunt 14



<b>For / Voor</b>	<b>144.177.758</b>
<b>Against / Tegen</b>	<b>55.494.600</b>
<b>Abstain / Onthouding</b>	<b>336.299</b>





### Agenda item 15

Authorisation of the Board of Management to have the company  
acquire its own shares (Resolution)

*Machtiging van de Raad van Bestuur tot het verkrijgen van eigen aandelen  
door de vennootschap (Besluit)*

## Agendapunt 15



<b>For / Voor</b>	<b>194.735.080</b>
<b>Against / Tegen</b>	<b>3.018.481</b>
<b>Abstain / Onthouding</b>	<b>2.254.996</b>





Agenda item 16  
Questions  
*Vragen*



Agenda item 17  
Close  
*Sluïting*

# Annual General Meeting of Shareholders 2014

*Algemene Vergadering van Aandeelhouders 2014*

