



Annual General Meeting of
Shareholders 2015
*Algemene Vergadering van
Aandeelhouders 2015*



14 April 2015





Agenda item 1
Opening and announcements
Opening en mededelingen



Agenda item 2

Discussion of the developments in the financial year 2014

Bespreking van de ontwikkelingen in het boekjaar 2014





Business review FY 2014 Results

Herna Verhagen

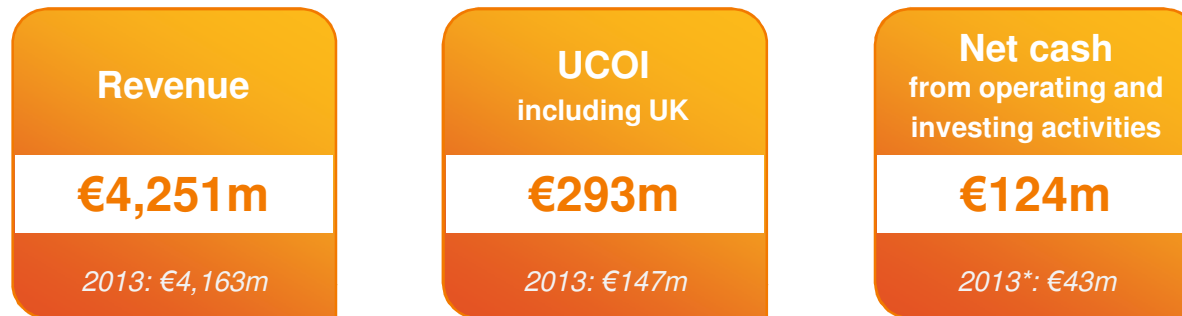
Financials FY 2014

Jan Bos

Market leadership shown in continuous innovation



Strong 2014 performance creates solid base for 2015



- Cost savings, partly phasing, and price increases more than offset volume decline
- Delivery quality, customer satisfaction and employee engagement increased
- Continued good performance Parcels
- International volumes and revenues grew, underlying cash operating income below last year
- Improvement net cash contributes to solid financial position
- Pension agreement resulted in reduced cash contributions
- Solid base for delivering on 2015 target

Sustainable delivery



Mail in NL

Sustainable
delivery of
cash flow

Parcels

Further
profitable
growth

International

Enhance
cash
profitability

Solid financial position

Mail in the Netherlands

Cost savings driver for strong performance



Reported revenue
(€ million)

2014: 2,012

2013: 2,060

Addressed mail volume
(%)

2014: -10.7%

2013: -11.9%

Underlying cash
operating income
(€ million)

2014: 231

2013: 78

Total cost savings
(€ million)

2014: 127

2013: 95

- Delivery quality increased to 96.7% (2013: 95.8%)
- Cost savings and price increases more than offset volume decline
- Positive effect on results of incidentals such as bilaterals and weather
- Total cost savings of €127 million, ahead of schedule, of which €32 million related to pensions
- Phasing restructuring cash out
- Balanced new collective labour agreements



Smooth execution of restructuring Cost savings coming in ahead of schedule



2013 – 2014

- Migration of locations towards 99 locations and start optimisation
- Large reorganisations on track in all areas: overhead operations, marketing & sales, head office
- Smooth transition to five-day delivery model
- Pension agreement

**Cost savings
€222 million**

2015 and beyond

- Further optimisation locations
- Redesign car unit
 - New logistical processes implemented region by region: car delivery and collection processes
 - Testing scooter and bike delivery in rural areas
- Implement leaner organisation marketing & sales, head office
- Implementation first phase next generation sorting machines
- Further optimisation retail network

**Cost savings target 2015
€75 - €95 million**

**Cost savings
target
2013 – 2017
unchanged
€365 million**

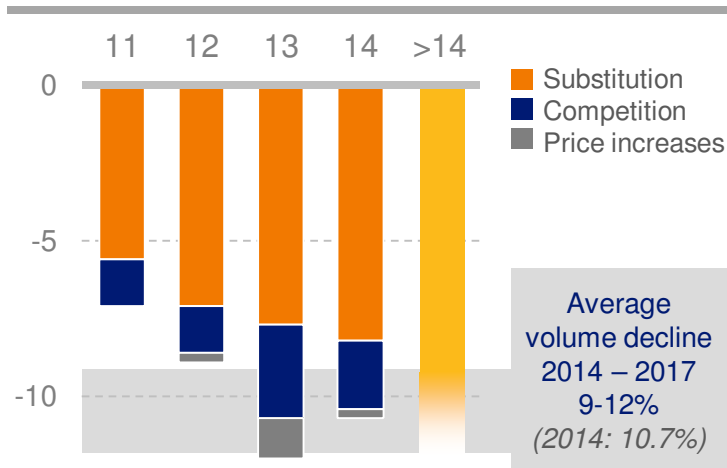


Volume and price development

Sustainable profitability of mail products



Addressed mail volume decline (%)



Pricing

	Bulk mail	Domestic single items
2013 - 2017	Well above inflation	Well above inflation
2013	✓	✓
2014	✓	✓
2015	✓	✓



Regulatory environment Mail in the Netherlands

Important steps in 2014, challenges remain



Postal Act

- Amended Postal Act approved by Second Chamber, including reduction in number of letter boxes and post offices
- Next step: discussion and vote by Senate HY1 2015
- If Senate approves: expected implementation date 1 July 2015

Postal regulation

- Intermediate regulation tariff headroom 2015
- Final decision expected HY1 2015

Significant market power

- PostNL: postal market part of broader communications market, no dominant market position of PostNL
- PostNL may be forced to grant regional postal players and resellers access to network for business mail
- Continued management attention given potential impact beyond 2015
- ACM due to publish its findings Spring 2015



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Parcels

Strong volume growth, especially in international volumes



Reported revenue
(€ million)

2014: 854

2013: 803

Volume growth

2014: +8.8%

2013: +9.2%

Underlying cash
operating income
(€ million)

2014: 98

2013: 89

- Continued strong growth largely driven by e-commerce
- Increased international volumes, especially effect from milk powder to China in Q4 (incidental rather than sustainable)
- Improved business performance and higher efficiency
- NLI: 17 depots operational; around 95% of volume through NLI network – in Q4 first impact from declining implementation costs
- Financial impact subcontractors in line with expectations, FY: €8 million (Q4: €3 million)
- Capturing synergies with Mail in the Netherlands by redesign car unit



Further growth in existing and new 2C and 2B areas

Strengthening position by extension of services



2C

- Option added to reroute deliveries via mijnpakket app
- 3.5 million users mijnpakket app
- Increased density network Belgium
- 2014: 600 additional parcel points in the Netherlands; now 2,700 locations for parcel services
- Further roll out Sunday and evening delivery

2B

- Morning delivery services, guaranteed timeslot
- Introduction multi-colli delivery service
- Dedicated customer service
- Growing volumes and client wins

Other services

- Strong growth cross border, positioning PostNL as Gateway to Europe for international e-commerce companies
- Extra@Home extending market leadership in two-men delivery



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Solid financial position

International

Enhance cash profitability



Reported revenue
(€ million)

2014: 1,711

2013: 1,615

Underlying cash
operating income
(€ million)

2014: 8

2013: 24

UK

- Revenue growth: higher prices and improved product mix
- Contract wins and improved margins in downstream access (mail and packets)
- Results impacted by roll-out E2E
- Currently reviewing details Ofcom consultation together with LDC



Germany

- FY impacted by ongoing fierce competition, results in Q4 show stabilisation
- Cost improvement programs and commercial initiatives up and running
- Rulings from regulatory bodies still necessary



Italy

- Further volume growth Formula Certa
- Volume growth partly offset by slightly lower prices
- Packets & Parcels initiative develops as expected; launch of new flat parcel product



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Solid financial position

Strong 2014 performance creates solid base for 2015



Deliver on promises



People at the heart of the company

	Revenue	Underlying cash operating income / margin
€ million	2015	2015
Mail in NL	- mid single digit	10 to 12%
Parcels	+ mid single digit	11 to 13%
International*	+ low single digit	1 to 3%
Total*	stable	280 to 320 8 to 9%



Customer focus



Close contact with all stakeholders

Announced offer FedEx – TNT Express



- On 7th April 2015 FedEx and TNT Express that they agreed on a recommended all cash offer by FedEx on all issued and outstanding shares TNT Express
- Offer price: €8.00 per share
- PostNL agreed irrevocably to tender its 14.7% TNT Express shareholding*
- PostNL agreed irrevocably to vote in favour of certain shareholders' resolutions in relation to the offer
- PostNL irrevocable terminates, inter alia, (1) in the event TNT Express' boards revoke their recommendation of the FedEx offer upon a third-party offer which exceeds the offer price by at least 8% and that is not matched by FedEx or (2) when FedEx and TNT Express terminate the merger protocol
- The expected proceeds of FedEx offer for PostNL: ~€642 million
- PostNL will receive proceeds at closing of the offer (expected 1st HY 2016)
- PostNL will use the proceeds to reduce its debt position



Business review FY 2014 Results

Herna Verhagen

Financials FY 2014

Jan Bos

Statement of income



€ million	FY 2014	FY 2013
Revenue	4,251	4,163
Operating income	405	400
Net financial expenses	(95)	(174)
Results from investments in associates	(1)	38
Impairment of investments in associates		(369)
Income taxes	(83)	(65)
Profit for the period	226	(170)
Profit for the period (excluding TNT Express)	220	164

Financial highlights

Profitability growth on track



€ million	FY 2014	FY 2013	Δ
Reported revenue	4,251	4,163	2%
Underlying revenue	4,207	4,163	1%
Reported operating income	405	400	1%
Restructuring related charges	8	77	
Rebranding and project costs	15	6	
Impairment assets held for sale		12	
Past service pension costs	(36)	(140)	
Underlying operating income	392	355	10%
Underlying cash operating income	293	147	
Net cash from operating and investing activities	124	492	
Excl partial sale TNT Express and impact bond buy backs	124	43	

Net cash from operating and investing activities



€ million	FY 2014	FY 2013
Cash generated from operations	354	169
Interest paid	(86)	(150)
Income taxes received / (paid)	(72)	56
Net cash from operating activities	196	75
Interest / dividends received / other	9	13
Capex	(94)	(115)
Proceeds from sale of assets	13	14
Acquisitions and disposals		505
Net cash from operating and investing activities	124	492
<i>Ex partial sale TNT Express and impact bond buy backs</i>	<i>124</i>	<i>43</i>

24 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)

Consolidated statement of financial position

Improvement net debt and consolidated equity



€ million	31 Dec 2014		31 Dec 2014
Intangible fixed assets	130	Consolidated equity	(597)
Property, plant and equipment	519	Non-controlling interests	7
Financial fixed assets	538	Total equity	(590)
of which TNT Express	445	Pension liabilities	538
Other current assets	512	Long-term debt	912
Cash	585	Other non-current liabilities	127
Assets held for sale	193	Short-term debt	363
		Other current liabilities	995
		Liabilities rel. to assets held for sale	132
Total assets	2,477	Total equity & liabilities	2,477

- Net debt improved by €140 million to €683 million compared to YE 2013
- Consolidated equity improved by €95 million to €(597) million compared to YE 2013
- Corporate equity of €1,983 million, of which €(239) million distributable

Pension developments 2014

Limited impact of pension on equity – lower cash contribution



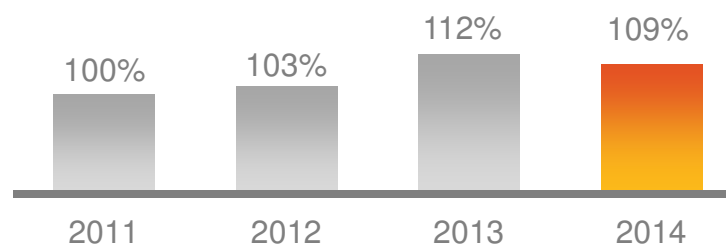
Relatively limited impact on equity of €(44)m within OCI

- Higher than assumed return on plan assets
- Change in rate of benefit increase

Lower cash pension contribution of €73 million

- Pension contribution maximised at 27.5% of pension base
- Lower number of employees

Coverage ratio main pension fund



Announced offer FedEx – TNT Express

Expected financial impact



- Expected proceeds: ~€642 million
- Proceeds will only be transferred to PostNL upon closing of offer (expected 1st HY 2016)
- Expected equity impact: approximately €197.5m

Dividend policy

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

Strive to resume cash dividend in 2016

Conditions:

1. Continued development operating profit ► Well on track
2. Increased share price TNT Express ► Well on track
3. Pension situation – higher interest rates

Strong 2014 performance creates solid base for 2015



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Customer focus



Close contact with all stakeholders



Agenda item 3
Annual Report 2014
Jaarverslag 2014



Agenda item 4

Discussion of the Corporate Governance chapter in the Annual Report 2014
Bespreking van het corporate governance hoofdstuk in het jaarverslag 2014

Agenda item 5

Discussion of the execution of the remuneration policy during
the financial year 2014

*Bespreking van de uitvoering van het bezoldigingsbeleid gedurende
het boekjaar 2014*

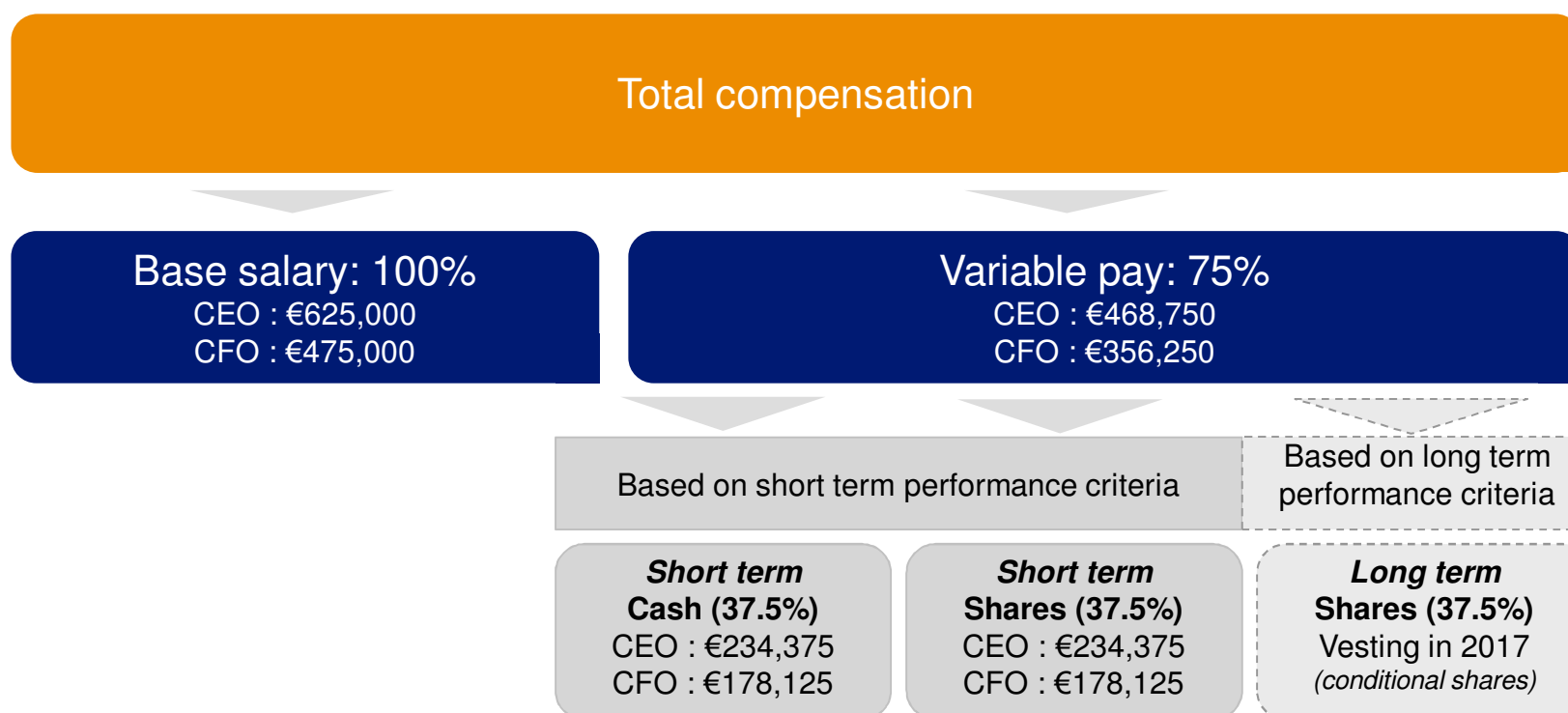
Remuneration 2014



- No changes in remuneration policy (as approved in 2013 AGM)
- Separate agenda item on AGM to inform shareholders on execution of remuneration policy

Remuneration 2014

According to remuneration policy as approved in 2013



Remuneration Policy PostNL 2014

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
- CO₂ reduction

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

Long term Shares (Performance shares)

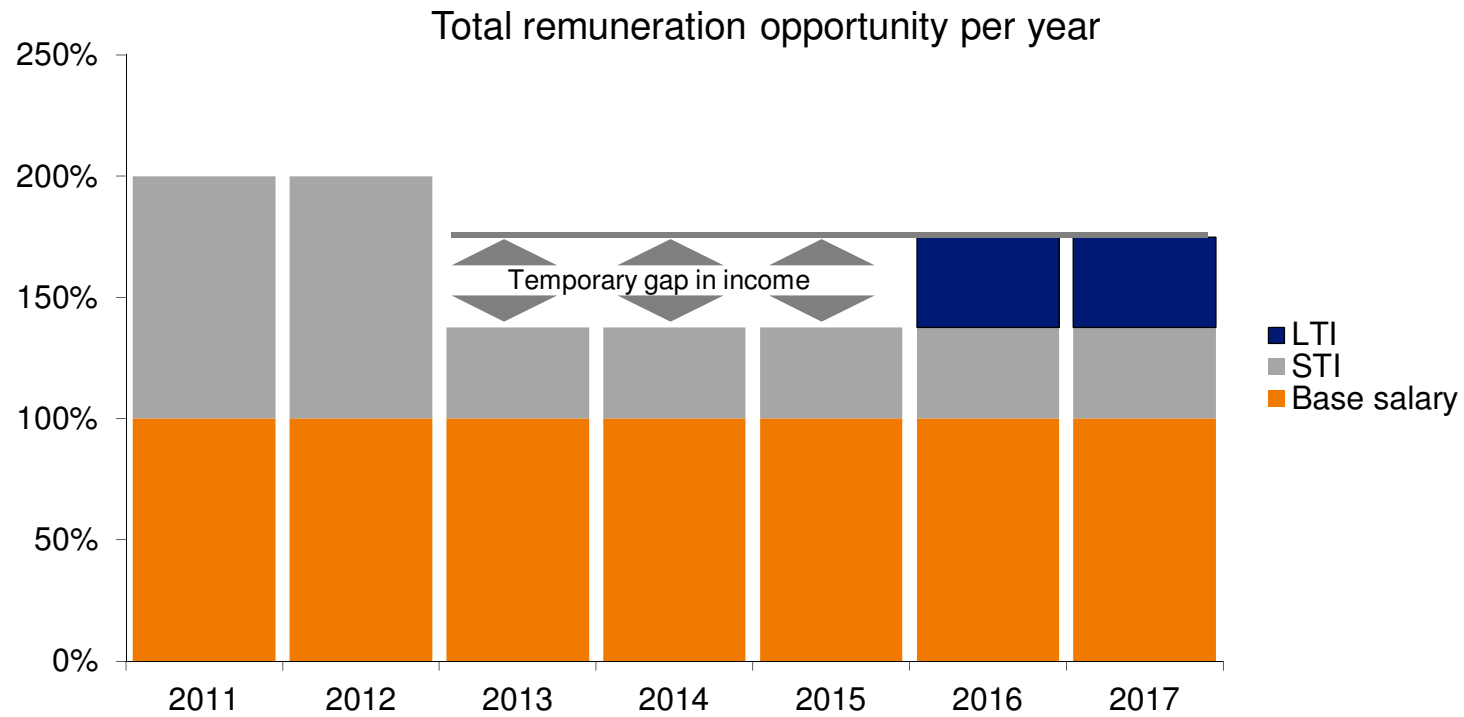
Internal financial & strategic targets (100%)

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

Maximum 37.5% of base salary first vesting in 2016

Remuneration Policy PostNL 2014

Variable pay – Temporary Share Plan



Agenda item 6
Adoption of the 2014 financial statements (Resolution)
Vaststelling van de jaarrekening over het boekjaar 2014 (Besluit)

Voting Stemmen

Insert the card with the gold chip pointing towards you

Voer de kaart in met de gouden chip naar u toe



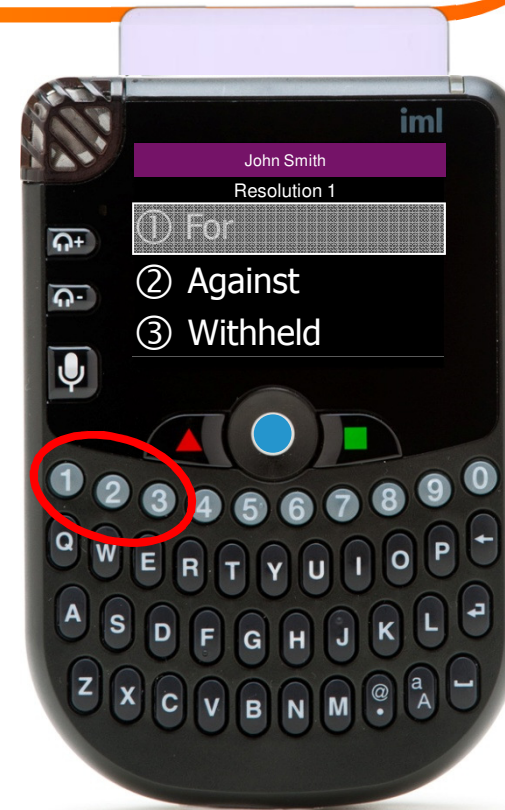
Voting Stemmen



When the chairman invites you to vote the options will appear in the device screen

Wanneer de voorzitter u uitnodigt om te gaan stemmen verschijnen de stemopties in het beeldscherm.

- Button 1 to vote for
 - Button 2 to vote against
 - Button 3 to abstain
 - Confirmation that your vote has been received will appear on the screen
 - To change your vote, simply enter your new choice (1, 2 or 3) to overwrite your previous selection
- *Toets 1 om voor te stemmen*
 - *Toets 2 om tegen te stemmen*
 - *Toets 3 voor onthouding*
 - *Een bevestiging dat uw stem is ontvangen verschijnt in het beeldscherm.*
 - *Om uw stem te wijzigen drukt u op de toets (1, 2 of 3). Uw laatste keuze geldt.*



Agendapunt 6



For / Voor	224.935.684
Against / Tegen	5.865
Abstain / Onthouding	4.464.139



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



For / Voor	222.849.253
Against / Tegen	1.832.387
Abstain / Onthouding	4.721.474

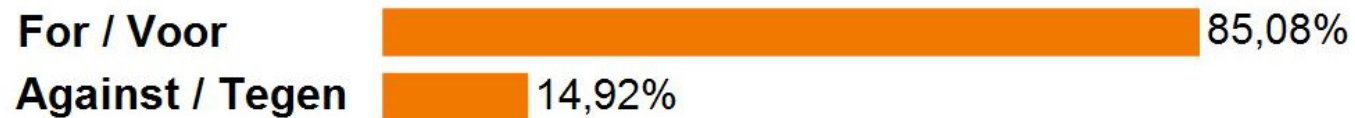


Agenda item 9
Release from liability of the members of the Supervisory Board (Resolution)
*Het verlenen van kwijting aan de leden van de
Raad van Commissarissen (Besluit)*

Agendapunt 9



For / Voor	191.163.615
Against / Tegen	33.512.561
Abstain / Onthouding	4.729.233



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 Ms T Menssen as member of the
Supervisory Board (Resolution)

*Voorstel tot herbenoeming van mevrouw T. Menssen tot lid van de Raad van
Commissarissen (Besluit)*

Agendapunt 11



For / Voor	225.226.414
Against / Tegen	3.926.300
Abstain / Onthouding	260.228



Agenda item 12
Proposal to reappoint Mr M.A.M. Boersma as member of the
Supervisory Board (Resolution)
*Voorstel tot herbenoeming van de heer M.A.M. Boersma tot lid van
de Raad van Commissarissen (Besluit)*

Agendapunt 12



For / Voor	224.590.011
Against / Tegen	4.563.344
Abstain / Onthouding	259.252



Agenda item 13

Announcement of vacancies in the Supervisory Board as per the close of the Annual General Meeting of Shareholders in 2016

Mededeling over vacatures in de Raad van Commissarissen die na afloop van de Algemene Vergadering van Aandeelhouders in 2016 zullen ontstaan

Agenda item 14

Intended reappointment of Ms H.W.P.M.A. Verhagen and
Mr J.P.P. Bos as members of the Board of Management

*Voorgenomen herbenoeming van mevrouw H.W.P.M.A. Verhagen en
de heer J.P.P. Bos tot lid van de Raad van Bestuur*

Agenda item 15
Proposal to appoint Ernst & Young Accountants LLP as
auditor of the company (Resolution)
*Voorstel tot benoeming Ernst & Young Accountants LLP als
accountant van de vennootschap (Besluit)*

Agendapunt 15



For / Voor	229.012.103
Against / Tegen	142.663
Abstain / Onthouding	259.250



Agenda item 16

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 16



For / Voor	166.722.023
Against / Tegen	54.943.563
Abstain / Onthouding	269.250



Agenda item 17

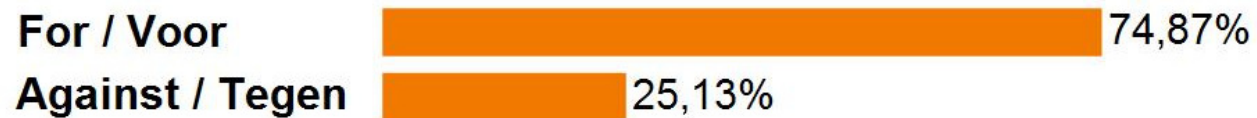
Extension of the designation of the Board of Management as authorised body to limit or exclude the pre-emptive right upon the issue of ordinary shares (Resolution)

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 17



For / Voor	171.545.035
Against / Tegen	57.593.595
Abstain / Onthouding	269.250





Agenda item 18
Questions
Vragen



Agenda item 19
Close
Sluïting

