bpost: fourth quarter 2016 results

Fourth quarter 2016 highlights

- **Normalized operating income (revenues)** at EUR 690.7m (+7.4%) thanks to excellent Parcels revenues driven by end of year sales and the positive impact of the consolidation of Ubiway (1 month) compensating Domestic Mail evolution.
- **Domestic Mail underlying volume trend at -6.4%** (-5.0% for the year 2016). Tough comparables for the quarter in transactional and advertising mail, but stable full year underlying mail trend at -5.0%.
- **Excellent Domestic Parcels volumes growth at +21.7%** (+17.1% for the full year), driven by boosting e-commerce, very strong trend in C2C and first visible results of DPDHL B2C non-exclusive partnership. Price/mix effect of -3.4%.
- **International Parcels up EUR 13.1m**, driven by positive contribution from acquisitions and increase in flows from US, partially offset by continued volume loss to China.
- **Additional Sources of Revenues** driven by Value Added Services and financial revenues.
- **Costs (EUR -0.4m)** excluding Ubiway slightly down and well under control. Productivity improvements of 699 FTE and interims for the quarter.
- **Normalized EBITDA up EUR 4.4m to EUR 141.5m.**
- **Normalized net profit of bpost SA/NV (BGAAP)** for the full year came in at EUR 286.5m.
- **Proposed total dividend of EUR 1.31 gross per share** based on 2016 results, composed of an interim dividend of EUR 1.06 (paid in December 2016) and a final proposed dividend of EUR 0.25, subject to the approval of shareholders.

CEO quote

Koen Van Gerven, CEO, commented: *"I'm happy to present to you another solid year. Our major financial objective in 2016 was to compensate the SGEI reduction of EUR 27m. We did and managed to increase our normalized EBITDA by EUR 3.3m for the full year. We delivered a robust fourth quarter with excellent domestic and international parcels growth benefitting from strong online end of year sales and compensating the evolution of Domestic Mail. We also took some important steps to deliver sustainable profitable growth, among others the non-exclusive DPDHL partnership for B2C parcels delivery into Belgium, the closing of the Ubiway transaction and the DynaGroup acquisition which will further strengthen our hybrid network. Our strategy will continue to deliver in 2017 and beyond and we confirm our long term guidance of at least EUR 620m EBITDA by 2020."*

Outlook for 2017

The outlook for 2017 includes the acquisitions of FDM, Apple Express, Ubiway, DynaGroup and the stakes in Parcify and de Buren.

We expect revenues to slightly grow driven by:

- a **double digit volume growth** in **Domestic Parcels,** with a price/mix effect of around -3%.
- **continued growth in international parcels** supported by acquisitions.
- growing Ubiway retail revenues.
- partly offset by an underlying Domestic Mail **volume decline between 5 and 6%**. The price increase on the small user basket has not yet been approved and is therefore uncertain. The first quarter of 2017 will count 2 working days more, the second quarter of 2017 2 less, the third quarter 1 less on franking machines and 2 less on stamps and the fourth quarter 1 less on franking machines and 1 more on stamps compared to the same quarters of 2016.

On the cost side, we expect a slight increase driven by:

- Increase in transport cost reflecting growth in International Parcels
- continued productivity improvements combined and optimized FTE mix
- salary indexation expected as of July 2017
- integration of acquired businesses
- continued cost optimization

This results in our ambition to have a **recurring EBITDA and dividend for 2017 at the same levels as 2016.** We confirm our long term ambition of at least EUR 620.0m EBITDA by 2020

- Gross **capex** is expected to be around **EUR 90.0m** mainly related to further Vision 2020 investments. On top of that, Ubiway capex will amount to a maximum of **EUR 10.0m**.

Key figures[1]

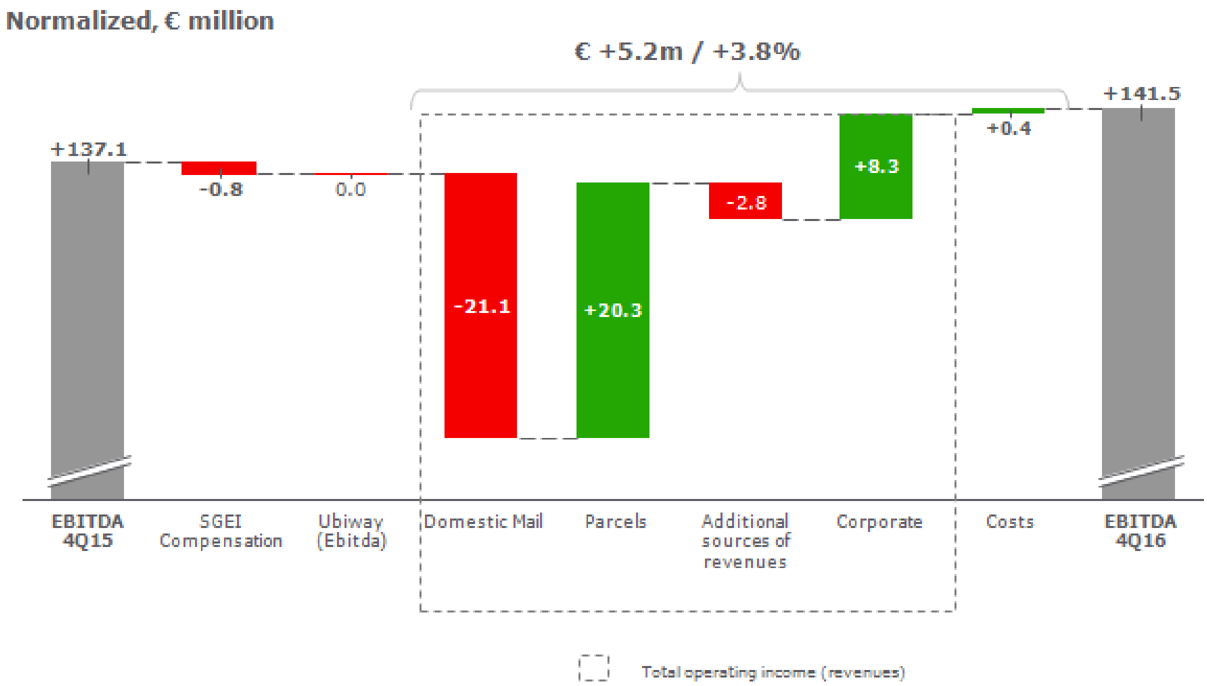
4th quarter (million EUR)	Reported		Normalized		
	4Q15	**4Q16**	**4Q15**	**4Q16**	**% Δ**
Total operating income (revenues)	669.0	690.7	642.9	690.7	7.4%
Operating expenses	505.8	549.2	505.8	549.2	8.6%
EBITDA	**163.2**	**141.5**	**137.1**	**141.5**	**3.2%**
Margin (%)	*24.4%*	*20.5%*	*21.3%*	*20.5%*	
EBIT	**139.1**	**118.0**	**113.0**	**118.0**	**4.5%**
Margin (%)	*20.8%*	*17.1%*	*17.6%*	*17.1%*	
Profit before tax	**144.8**	**121.0**	**118.7**	**121.0**	**2.0%**
Income tax expense	49.3	19.3	40.4	41.5	
Net profit	**95.6**	**101.7**	**78.3**	**79.5**	**1.5%**
FCF	**68.6**	**34.5**	**68.6**	**34.5**	
bpost S.A./N.V. net profit (BGAAP)	**101.4**	**86.8**	**81.1**	**64.7**	**-20.3%**
Net Debt/ (Net cash), at 31 Dec.	**(549.5)**	**(492.7)**	**(549.5)**	**(492.7)**	**-10.3%**

Full year (million EUR)	Reported		Normalized		
	FY15	**FY16**	**FY15**	**FY16**	**% Δ**
Total operating income (revenues)	2,433.7	2,425.2	2,407.6	2,425.2	0.7%
Operating expenses	1,878.5	1,838.4	1,824.0	1,838.4	0.8%
EBITDA	**555.2**	**586.9**	**583.6**	**586.9**	**0.6%**
Margin (%)	*22.8%*	*24.2%*	*24.2%*	*24.2%*	
EBIT	**466.1**	**496.5**	**494.4**	**496.5**	**0.4%**
Margin (%)	*19.2%*	*20.5%*	*20.5%*	*20.5%*	
Profit before tax	**470.6**	**489.5**	**499.0**	**489.5**	**-1.9%**
Income tax expense	161.4	143.2	170.9	165.4	
Net profit	**309.3**	**346.2**	**328.1**	**324.1**	**-1.2%**
FCF	**315.9**	**193.9**	**315.9**	**193.9**	
bpost S.A./N.V. net profit (BGAAP)	**287.7**	**308.7**	**303.6**	**286.5**	**-5.6%**
Net Debt/ (Net cash), at 31 Dec.	**(549.5)**	**(492.7)**	**(549.5)**	**(492.7)**	**-10.3%**

For more information:
Baudouin de Hepcée T. +32 2 276 2228 (media and IR)
Saskia Dheedene T. +32 2 276 7643 (IR only)
corporate.bpost.be/investors
investor.relations@bpost.be

[1] Normalized figures are not audited.

Fourth quarter 2016 - Income Statement



Not taking into account the consolidation of Ubiway as of December 1, 2016 (EUR 43.8m) and the anticipated lower compensation for SGEI (EUR 0.8m), **total normalized operating income** (normalized for the sale of sizeable building in 2015) increased by EUR 4.8m or 0.7%. The increase of Parcels (EUR +20.3m), the price increases in Domestic Mail (EUR +7.1m) and the increase of Corporate (EUR +8.3m) were partially offset by the volume decrease of Domestic Mail (EUR -26.1m), the impact of one working day less (EUR -2.1m) and the lower revenues relating to Additional Sources of Revenues (EUR -2.8m).

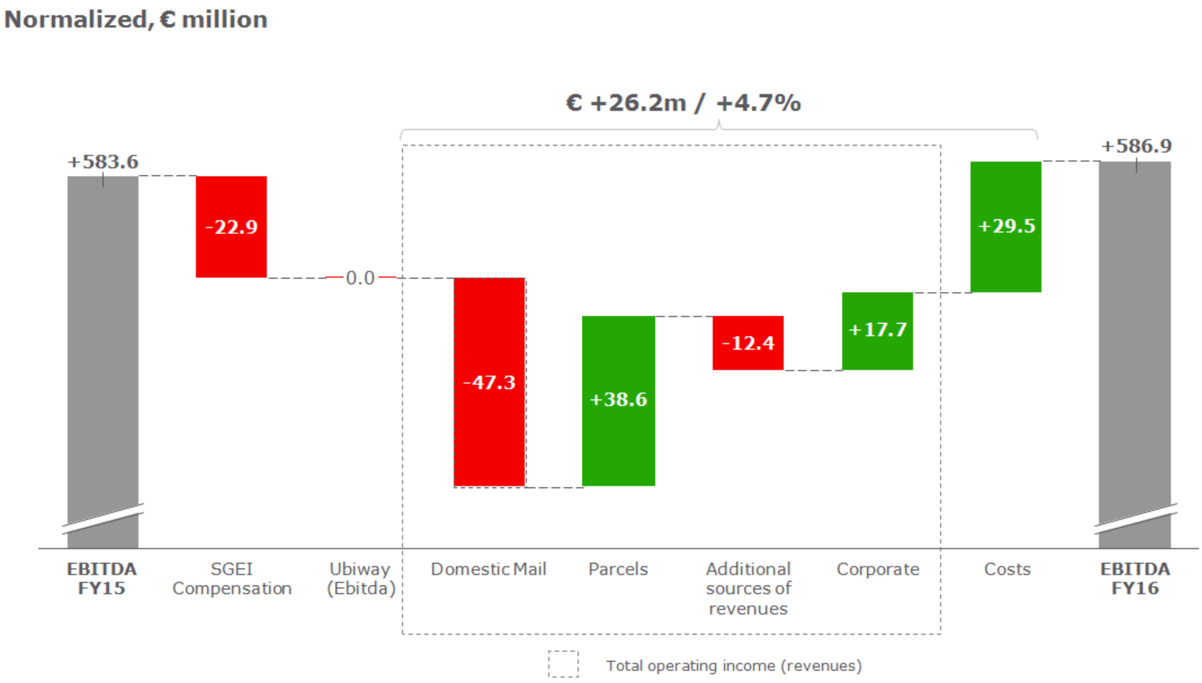
Excluding Ubiway, costs slightly decreased by EUR 0.4m. All the above is leading to an increase in normalized **EBITDA** and **EBIT** of respectively EUR 4.4m and EUR 5.1m.

Net financial result decreased by EUR 1.3m mainly due to non-cash financial results related to IAS 19 employee benefits.

Normalized income tax expense slightly increased compared to last year, with the effective tax rate being 34.3%. During the last quarter of 2016 Deltamedia NV/SA has been liquidated, triggering a positive impact of EUR 22.2m. The loss on the participation incurred by bpost NV/SA was tax deductible upon liquidation to the extent it represented previously fiscally paid-up capital in Deltamedia NV/SA and has been excluded from the normalized results due to its non-recurring nature.

Normalized IFRS group net profit reached EUR 79.5m. **Belgian GAAP net profit** of the parent company, normalized for the impact of the liquidation of Deltamedia amounted to EUR 64.7m.

Full year 2016 - Income Statement



Not taking into account the consolidation of Ubiway as of December 1, 2016 (EUR 43.8m) and the anticipated lower compensation for SGEI (EUR 22.9m), **total normalized operating income** slightly decreased by EUR 3.3m or 0.1%. The increase of Parcels (EUR +38.6m), the price increases in Domestic Mail (EUR +21.1m) and the increase of Corporate (EUR +17.7m) were slightly offset by the volume decrease of Domestic Mail (EUR -68.4m) and the lower revenues relating to Additional Sources of Revenues (EUR -12.4m).

Normalized costs - in 2015 normalized for the Alpha social plan (EUR 54.5m) - excluding Ubiway decreased by EUR 29.5m and more than compensated the total operating income loss, leading to an **EBITDA** and **EBIT** improvement of EUR 3.3m and EUR 2.1m respectively.

Net financial result decreased by EUR 11.4m mainly due to increase of non-cash financial charges related to IAS 19 employee benefits as a result of the decrease in the discount rates.

Normalized income Tax expense decreased compared to last year, with the effective tax rate being 33.8%.

Normalized IFRS group net profit reached EUR 324.1m. **Belgian GAAP net profit** of the parent company, normalized for the impact of the liquidation of Deltamedia amounted to EUR 286.5m.

Total operating income: group overview

Fourth quarter of 2016[2]

In million EUR Normalized	4Q15	SGEI	Δ	4Q16	% Δ	underlying vol. % Δ
Domestic mail	**398.9**	**3.4**	**(21.1)**	**381.2**	**-5.3%**	**-6.4%**
Transactional mail	253.4		(18.3)	235.1	-7.2%	-6.4%
Advertising mail	68.6		(2.4)	66.2	-3.6%	-7.8%
Press	76.9	3.4	(0.4)	79.9	-0.5%	-4.1%
Parcels	**98.0**	**0.0**	**20.3**	**118.3**	**20.7%**	
Domestic parcels	44.5		7.5	52.0	16.8%	+21.7%
International parcels	51.3		13.1	64.4	25.6%	
Special logistics	2.2		(0.3)	2.0	-11.7%	
Additional sources of revenues	**152.3**	**(4.2)**	**41.1**	**189.2**	**27.0%**	
International mail	48.4		(2.9)	45.5	-6.0%	
Value added services	25.2		0.3	25.5	1.2%	
Banking and financial products	51.0	(1.6)	0.5	49.9	1.0%	
Other	27.7	(2.6)	43.2	68.3	156.0%	
Corporate	**(6.3)**		**8.3**	**2.0**	**-**	
TOTAL	**642.9**	**(0.8)**	**48.6**	**690.7**	**7.6%**	

Excluding the lower compensation for SGEI (EUR 0.8m), the consolidation of Ubiway as of December 1, 2016 (EUR 43.8m, included in the portfolio Other) and the sale of a sizeable building in last quarter of 2015 (non-recurring item with a capital gain of EUR 26.1m), **total operating income** increased by EUR 4.8m or 0.7%.

Revenues from **Domestic Mail** decreased by EUR 21.1m to EUR 381.2m. Reported and underlying volume decline (corrected for 1 working day less) amounted to -7.0% and -6.4% respectively, due to tough comparables for transactional and advertising mail.
In line with previous quarter, transactional mail with a reported and underlying volume decline of respectively -7.2% and -6.4% (vs. -5.3% full year 2015 underlying volume decline), continued to be impacted by a shift towards cheaper products (less registered) and e-substitution.
Advertising mail noted a reported and underlying volume decline of -7.8% for the quarter while the full year trend significantly improved from -4.9% to -3.0% driven by the focus on growth segments. Unaddressed advertising mail continued to record a good performance, while overall advertising mail spend was front-loaded towards the first half of the year and saw a phasing effect towards the first quarter of 2017 due to the timing of the Christmas holiday.
Press volume decreased on a reported and underlying basis by -4.1%, which is in line with previous quarter (-4.2%) but slightly higher than last year's quarter (-3.6%). Periodicals volume kept up well, but newspapers continued to see low renewal rate on subscriptions that were contracted last year.
Total mail volume decline impacted revenues by EUR -26.1m, along with 1 working day less (EUR -2.1m) and was partially compensated by the net improvement in price and mix amounting to EUR 7.1m.

Parcels increased by EUR 20.3m. The continued growth in Domestic Parcels (EUR 7.5m) and International Parcels (EUR 13.1m) was slightly offset by the lower revenues for Special Logistics (EUR -0.3m).

[2] Normalized figures are not audited.

Domestic Parcels noted the strongest quarterly volume growth ever at +21.7%. E-commerce and the continued growth in C2C parcels (online offering) remained the main drivers along with the non-exclusive DPDHL B2C parcel delivery. Price increases were fully offset by the evolution of the client and product mix, resulting in a negative price mix effect of -3.4% which continued to impact revenue evolution. Growth in International Parcels was driven by the positive contribution from acquisitions and the increase of volume from the US boosted by end of year sales, partially offset by lower volumes to China.

Total operating income from **Additional Sources of Revenues** increased by EUR 41.1m to reach EUR 189.2m. Excluding the impact of Ubiway, which is included in the portfolio Other, operating income decreased by EUR 2.8m. This decrease was mainly due to the decrease of International Mail (EUR -2.9m), in turn due to the continued decline in mail volumes and the wholesales business in order to safeguard reasonable profit margins. Value Added Services continued to register growth thanks to Speos and to the development of customized solutions and services, such as European License Plates and Citydepot (sustainable urban distribution).

Revenues from **Corporate,** excluding the normalization for the sale of a sizeable building at the end of 2015 (capital gain of EUR 26.1m), increased by EUR 8.3m mainly due to the increase in proceeds from sales of buildings and the impact of revenue recognition.

Full year 2016[3]

In million EUR Normalized	FY15	SGEI	Δ	FY16	% Δ	underlying vol. % Δ
Domestic mail	**1,464.2**	**(2.5)**	**(47.3)**	**1,414.4**	**-3.2%**	**-5.0%**
Transactional mail	917.6		(44.3)	873.3	-4.8%	-5.9%
Advertising mail	250.9		(3.1)	247.8	-1.2%	-3.0%
Press	295.6	(2.5)	0.1	293.2	0.0%	-2.8%
Parcels	**340.7**	**0.0**	**38.6**	**379.4**	**11.3%**	
Domestic parcels	161.2		20.7	181.8	12.8%	+17.1%
International parcels	170.0		19.5	189.5	11.5%	
Special logistics	9.6		(1.6)	8.0	-16.3%	
Additional sources of revenues	**589.0**	**(20.4)**	**31.5**	**600.1**	**5.3%**	
International mail	175.7		(13.7)	162.0	-7.8%	
Value added services	96.2		6.8	103.1	7.1%	
Banking and financial products	205.1	(10.3)	(2.4)	192.4	-1.2%	
Other	112.0	(10.1)	40.8	142.6	36.4%	
Corporate	**13.7**		**17.7**	**31.4**	**129.4%**	
TOTAL	**2,407.6**	**(22.9)**	**40.5**	**2,425.2**	**1.7%**	

Excluding the lower compensation for SGEI (EUR 22.9m), the consolidation of Ubiway as of December 1, 2016 (EUR 43.8m, included in the portfolio Other) and the sale of a sizeable building in last quarter of 2015 (non-recurring item with a capital gain of EUR 26.1m), **total operating income** decreased by EUR 3.3m or 0.1%.

Domestic Mail revenues amounted to EUR 1,414.4m in 2016, an organic decline of EUR 47.3m versus last year, due to a reported and underlying volume evolution of -5.0%, partly compensated by a price/mix improvement.

Parcels revenues grew by EUR 38.6m to reach EUR 379.4m, mainly driven by the excellent volume growth of +17.1% in Domestic Parcels versus +12.6% in 2015 and a continued growth in International Parcels driven by acquisitions.

[3] Normalized figures are not audited.

Excluding the impact of Ubiway (EUR 43.8m), **Additional Sources of Revenues** decreased by EUR 12.4m to EUR 600.1m. The good performance of the Value added services (EUR +6.8m) was offset by bpost's consequent execution of price strategy not to grant price discounts impacting the International mail portfolio (EUR -13.7m) along with the decrease of Banking and financial products (EUR -2.4m) and Other (EUR -3.0m).

Not taking into account the sale of a sizeable building in 2015, the total operating income of **Corporate** increased by EUR 17.7m in 2016, mainly due to the higher proceeds from sales of buildings and the impact of revenue recognition.

Operating expenses

Fourth quarter of 2016

In million EUR	4Q15	4Q16	% Δ
Payroll & interim costs	300.8	305.0	*1.4%*
FTE	*24,712*	*25,388*	*675*
SG&A (excl. interim and transport costs)	129.4	128.5	*-0.7%*
Transport costs	62.0	68.9	*11.1%*
Other costs	13.5	46.8	*247.1%*
TOTAL OPERATING EXPENSES	**505.8**	**549.2**	***8.6%***

In the fourth quarter of 2016 **total operating expenses** stood at EUR 549.2m and increased by EUR 43.4m or 8.6%. Excluding the consolidation of Ubiway as of December 1, 2016 (EUR 43.9m), the operating expenses slightly decreased by EUR 0.4m as the increase of transport costs (EUR 5.1m) and payroll and interim costs (EUR 0.5m) was compensated by the decrease of SG&A excluding interim and transport costs (EUR 5.9m) and other costs (EUR 0.2m).

Payroll and interims costs amounted to EUR 305.0m and showed an increase of EUR 4.2m compared to the same period of 2015. Not taking into account the impact of Ubiway, payroll and interim costs increased by EUR 0.5m.

The integration of FTE and interims of the new subsidiaries, the internalization of newspaper delivery (= Deltamedia) and additional workforce to absorb growth of parcels volumes and solutions led to a reported average year-on-year increase of 675 FTE and generated extra costs of EUR 9.2m. The total impact of the above mentioned items amounted to 1.375 FTE and interims. Therefore the underlying average reduction in FTE and interims amounted to 699 for the quarter.
The recruitment of auxiliary postmen created a positive mix effect of EUR 2.8m. Additionally a lower number of management functions, created a positive mix effect of EUR 2.1m.
The indexation of salaries combined with the first impacts of the new CLA and the normal salary and merit increases, partially compensated by the impact of the tax shift, lower lay-off costs and lower provisions for bonuses, led to a negative price impact EUR 3.8m.
Besides this, a positive settlement of social charges (EUR 3.3m) was partially offset by increased costs of employee benefits (EUR 1.6m).

Not taking into account the impact of Ubiway, **SG&A excluding transport costs and interims** decreased by EUR 5.9m. The variation is mainly due to the decrease of publicity costs (EUR 2.2m), third party remuneration fees (EUR 2.2m), other services (EUR 2.0m) and maintenance costs (EUR 1.7m), offset by the increase of consultancy costs (EUR 1.5m).

Transport costs amounted to EUR 68.9m and were EUR 6.9m higher compared to previous year, excluding the impact of Ubiway this increase amounted to EUR 5.1m. This increase was mainly due to the growth in international parcels.

The increase in **other costs** (EUR 33.3m) is mainly explained by the consolidation of Ubiway as December 1, 2016 (EUR 33.5m).

Full year 2016[4]

In million EUR	FY15	FY15 Normalized	FY16	% Δ
Payroll & interim costs	1,226.1	1,171.6	1,165.8	*-0.5%*
FTE	*24,703*	*24,703*	*24,850*	*147*
SG&A (excl. interim and transport costs)	392.6	392.6	393.2	*0.1%*
Transport costs	212.6	212.6	217.2	*2.2%*
Other costs	47.1	47.1	62.1	*31.8%*
TOTAL OPERATING EXPENSES	**1,878.5**	**1,824.0**	**1,838.4**	***0.8%***

Total operating expenses stood at EUR 1,838.4m, on a normalized basis total operating expenses increased by 0.8% or EUR 14.3m. Excluding the consolidation of Ubiway as of December 1, 2016 (EUR 43.9m), the operating expenses decreased by EUR 29.5m as the increase of transport costs (EUR 2.9m) was compensated by the decrease of the payroll and interim costs (EUR 9.4m), SG&A excluding interim and transport costs (EUR 4.4m) and other costs (EUR 18.5m).

Payroll and interims costs decreased by EUR 60.3m. Excluding the impact of the Alpha provision, the net decrease is EUR 5.8m. The positive mix effect resulting from the recruitment of auxiliary postmen and a lower number of management functions due to a hiring freeze and reorganization was partially offset by an increase in the average headcount work force by 147 FTE (underlying decrease of 686 FTE), by a more positive settlement of social charges in 2015 and by an increase of the costs of employee benefits.

Not taking into account the impact of Ubiway, **SG&A excluding transport costs and interims** decreased by EUR 4.4m.

Transport costs amounted to EUR 217.2m and excluding the impact of Ubiway, increased by EUR 2.9m. This increase was mainly explained by growth in international parcels, lower favourable settlement of previous years' terminal dues (EUR 0.5m) and the settlement on terminal dues with another postal operator.

Other costs increased by EUR 15.0m but decreased by EUR 18.5m when excluding the impact of Ubiway. This was mainly driven by lower costs of provisions, mainly resulting from the reversal of provisions related to a terminal dues settlement with another postal operator for which the corresponding costs have been booked within the transport costs. Furthermore last year's earn-out for Gout (EUR 2.0m) and the higher increase of recoverable VAT (EUR 3.0m, percentage of recoverable VAT increased from 13% in 2014 to 14% in 2015 and 18.79% in 2016) add to the decrease.

[4] Normalized figures are not audited.

Cash flow statement

Fourth quarter of 2016

Net cash outflow increased compared to the same period last year by EUR 35.5m to EUR 186.1m.

Free cash flow amounted to EUR +34.5m in the fourth quarter of 2016 (EUR +68.6m in 2015).

Cash flow from operating activities increased by EUR 59.7m compared to the same period last year. Excluding an additional inflow following SGEI indexation in 2016 (EUR +0.9m), lower provisions and associated pay-outs related to the social plan Alpha (EUR +7.4m), a lower tax prepayment in the fourth quarter of 2016 (EUR +20.0m) and the phasing in bpost bank dividend (EUR -5.0m), the result from operating activities improved by EUR 3.4m and working capital evolution by EUR +33.0m. This improved evolution in working capital was mainly due to social security payments (EUR +29.3m), which was a phasing element.

Investing activities generated a cash outflow of EUR 89.0m in the fourth quarter of 2016 compared to an inflow of EUR 4.8m for the same period last year due to lower proceeds from the sale of property, plant and equipment (EUR -30.5m, last year sale of a major building), investment securities in 2016 (EUR -12.0m) combined with higher cash outflows related to capital expenditures (EUR -9.7m). Cash outflow relating to acquisitions of subsidiaries increased: acquisition of Ubiway (EUR -39.9m), first earn-out payment for Apple Express Canada (EUR -3.7m) and investment in the Citie digital platform (EUR -0.8m) in the fourth quarter of 2016 more than offset the outflow related to the Polish subsidiary in the same period last year (EUR 2.7m).

The cash outflow relating to **financing activities** amounted to EUR 220.6m, following the payment of the interim dividend.

Full year 2016

In 2016, bpost generated EUR -76.2m of net cash. This is a decrease of EUR 128.4m compared to the net cash inflow of EUR 52.1m in 2015.

Cash flow from operating activities resulted in a cash inflow of EUR 352.6m, EUR 8.4m less than in 2015. Cash generation from operating activities had been negatively impacted by the lower compensation and change in payment terms for SGEI (EUR -35.9m), the net impact of Alpha pay-outs (EUR -8.3m), the payment of terminal dues (EUR -16.8m), which was mainly phasing as costs were booked in previous years in transport costs and the phasing in bpost bank dividend (EUR -5.0m). Income tax paid relating to previous years was lower in 2016 compared to 2015 (EUR +21.1m), furthermore tax prepayments in 2016 are lower (EUR +10.0m). Excluding these elements, results of operating activities increased by EUR 16.1m and working capital improved by EUR 10.3m.

Investing activities generated a cash outflow of EUR 158.7m in 2016 compared to an outflow of EUR 45.1m last year, resulting from higher cash outflows related to the subsidiaries (EUR -75.4m), lower proceeds from sale of property, plant and equipment (EUR -22.2m, as 2015 included the sale of a major building), investment securities (EUR -12.0m) and higher capital expenditures (EUR -4.0m).

The cash outflow relating to **financing activities** amounted to EUR 270.1m, an increase by EUR 6.3m compared to last year given the higher final and interim dividends and the dividend to minority interests paid in 2016.

Key events during the fourth quarter

bpost and DynaGroup joined forces and combine their logistical expertise

bpost and DynaGroup signed an agreement on December 12, 2016 on the acquisition by bpost of 100% of the shares of DynaGroup. Considering that bpost has obtained control over DynaGroup in January 2017, it will be included in the consolidated figures of bpost as from 2017. The goal of the acquisition is to strengthen the bpost parcel division with new complementary logistical knowhow and accelerate the international development of DynaGroup's growth platform.

DynaGroup offers a range of logistical services and software, from the repair of electronics (from smartphones to coffee machines) to personalized e-commerce delivery services, for both small products (ranging from passports to smartphones with contract finalization on the doorstep) and large consumer products (such as the delivery and installation of washing machines). DynaGroup counts approximately one thousand customers in the Benelux (including major telecom operators, smartphone manufacturers, insurers, retail chains and market leaders in e-commerce).

Brussels Court of Appeal annulled a decision of the Belgian Competition Authority

On November 10, 2016 the Brussels Court of Appeal annulled a decision of the Belgian Competition Authority of 2012 concerning bpost's pricing policy. bpost may recover a EUR 37.4m fine paid in 2013, but the Belgian Competition Authority may still appeal the judgment before the Supreme Court.

bpost and DHL Parcel started non-exclusive cooperation in B2C parcel delivery on a pan-European level

bpost and DHL Parcel have launched their non-exclusive collaboration in the area of B2C parcel delivery on a pan-European level. With this non-exclusive partnership, DHL Parcel has access to the leading B2C delivery network of bpost in Belgium for the ever-increasing number of private parcel recipients in Belgium. bpost has access to the DHL Parcel Europe network which offers one standardized high-quality cross-border product – DHL Parcel Connect – delivered into 18 European countries currently. Based on this cooperation, both parties can better address the fast growing B2C e-commerce sector both in Belgium as well as across Europe.

bpost decided not to pursue an offer for PostNL and continues to explore others growth opportunities

On November 30, 2016, bpost sent its final and improved proposal to PostNL. On December 7, 2016 PostNL rejected the proposal and bpost has decided not to further pursue a Combination between the two companies.

bpost finalized the acquisition of the Belgian activities of Lagardère Travel Retail

On November 30, 2016 bpost acquired 100% of the shares of the Belgian subsidiaries of Lagardère Travel Retail, renamed Ubiway. The Belgian Competition Authority had already approved the deal.

In finalizing the deal, bpost takes a major step in its growth strategy within the proximity and convenience sector. To this end, bpost undertakes to expand the activities of Ubiway by opening new points of sale, renovating existing ones, diversifying the product and service range for its customers and reinforcing the kariboo! pick-up point network to offer customers a wider range of parcel services and delivery options. bpost also wants to be a reliable long-term partner within the press industry and will continue to provide a high-quality press distribution service.

Belfius, bpost and Proximus joined forces to strengthen the local economy

Belfius, bpost and Proximus have invested together in the Citie digital platform to support the local Belgian economy and boost our country's position on the digital map. The aim the three partners have set themselves is to combine Citie with their own expertise and the fact they are firmly established locally so that they can bring traders, shoppers and local authorities closer together.

The three companies will build further on the existing Citie platform that was launched in Roeselare in 2015. Currently, Citie is already operating in various cities and municipalities, including Bruges, Ostend, Roeselare, Antwerp and Genk. Belfius, bpost and Proximus intend to develop Citie further and roll out at national level what will become a genuinely essential tool for all Smart Cities, Smart Merchants and Smart Citizens.

Events after the statement of financial position date

No significant events impacting the Company's financial position have been observed after the statement of financial position date.

Financial calendar

09.03.17 (10.00 CET)	Analyst Conference Call
02.04.17	Start of quiet period ahead of Q1/2017 results
03.05.17 (17.45 CET)	Announcement Q1/2017 results
04.05.17 (10.00 CET)	Analyst Conference Call
10.05.17	Ordinary General Meeting of Shareholders
15.05.17	Ex-dividend date
16.05.17	Record date
17.05.17	Payment date of the dividend
08.07.17	Start of quiet period ahead of Q2/2017 results
07.08.17 (17.45 CET)	Announcement Q2/2017 and half-year results
08.08.17 (10.00 CET)	Analyst Conference Call
09.10.17	Start of quiet period ahead of Q3/2017 results
08.11.17 (17.45 CET)	Announcement Q3/2017 results
09.11.17 (10.00 CET)	Analyst Conference Call
04.12.17 (17.45 CET)	Interim dividend 2017 announcement
07.12.17	Ex-dividend date (interim dividend)
08.12.17	Record date (interim dividend)
11.12.17	Payment date of the interim dividend

Audited Condensed Consolidated Financial Statements[5]

The joint statutory auditors, Ernst & Young Bedrijfsrevisoren/Réviseurs d'Entreprises represented by Mr. Eric Golenvaux and PVMD Bedrijfsrevisoren/Réviseurs d'Enterprises represented by Ms. Caroline Baert, have issued an unqualified audit opinion on the consolidated financial statements and confirmed that the financial information included in this press release, do not contain materially differences with the consolidated financial statements.

Consolidated Income Statement

	Year-to-date		4th quarter	
In million EUR	**2015**	**2016**	**2015**	**2016**
Turnover	2,393.4	2,399.4	638.5	682.8
Other operating income	40.3	25.8	30.5	7.9
TOTAL OPERATING INCOME	**2,433.7**	**2,425.2**	**669.0**	**690.7**
Materials cost	(26.6)	(60.4)	(6.8)	(39.5)
Services and other goods	(645.6)	(665.2)	(207.3)	(216.6)
Payroll costs	(1,185.8)	(1,111.1)	(285.0)	(285.8)
Other operating expenses	(20.5)	(1.7)	(6.6)	(7.3)
Depreciation, amortization	(89.1)	(90.3)	(24.1)	(23.5)
TOTAL OPERATING EXPENSES	**(1,967.6)**	**(1,928.7)**	**(529.9)**	**(572.7)**
PROFIT FROM OPERATING ACTIVITIES (EBIT)	**466.1**	**496.5**	**139.1**	**118.0**
Financial income	5.3	10.7	2.0	5.5
Financial cost	(10.9)	(27.6)	0.9	(3.9)
Share of profit of associates	10.2	9.9	2.8	1.4
PROFIT BEFORE TAX	**470.6**	**489.5**	**144.8**	**121.0**
Income tax expense	(161.4)	(143.2)	(49.3)	(19.3)
PROFIT OF THE PERIOD	**309.3**	**346.2**	**95.6**	**101.7**
Attributable to:				
Owners of the Parent	307.0	343.8	95.1	100.3
Non-controlling interests	2.2	2.5	0.4	1.4

[5] A full set of consolidated financial statements and notes on full year 2016 is available in the 2016 Annual Report at corporate.bpost.be/investors.

EARNINGS PER SHARE

	Year-to-date		4th quarter	
In EUR	2015	2016	2015	2016
►basic, profit for the year attributable to ordinary equity holders of the parent	1.54	1.72	0.48	0.50
►diluted, profit for the year attributable to ordinary equity holders of the parent	1.54	1.72	0.48	0.50

In accordance with IAS 33, diluted earnings per share amounts have to be calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for the effects of all dilutive potential ordinary shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.
As far as bpost is concerned, no effects of dilution affect the net profit attributable to ordinary equity holders and the weighted average number of ordinary shares.

Consolidated Statement of Comprehensive Income

In million EUR	As of 31 December 2015	As of 31 December 2016
PROFIT FOR THE YEAR	**309.3**	**346.2**
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	0.0	1.9
NET OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	**0.0**	1.9
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):		
Fair value for financial assets available for sale by associates	(46.7)	(12.0)
(Loss)gain on available for sale financial assets	(70.7)	(18.2)
Income tax effect	24.0	6.2
Fair value of actuarial results on defined benefit plans	2.9	(4.8)
Actuarial gains/(losses) on defined benefit plans	6.6	(5.8)
Income tax effect	(3.6)	1.0
NET OTHER COMPREHENSIVE INCOME/(LOSS) NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	**(43.8)**	**(16.8)**
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**(43.7)**	**(14.9)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**265.5**	**331.4**
Attributable to:		
Owners of the Parent	263.3	328.9
Non-controlling interest	2.2	2.5

Consolidated Statement of Financial Position

In million EUR	As of 31 December 2015	As of 31 December 2016
Assets		
Non-current assets		
Property, plant and equipment	548.5	561.6
Intangible assets	89.6	224.4
Investments in associates	375.0	373.7
Investment properties	6.5	6.2
Deferred tax assets	47.2	48.2
Trade and other receivables	2.3	2.8
	1,069.2	**1,216.8**
Current assets		
Assets held for sale	3.1	1.5
Investment securities	0.0	12.0
Inventories	11.1	36.7
Income tax receivable	1.7	2.6
Trade and other receivables	411.2	481.8
Cash and cash equivalents	615.7	538.9
	1,042.8	**1,073.5**
TOTAL ASSETS	**2,112.0**	**2,290.3**
Equity and liabilities		
Equity attributable to equity holders of the Parent		
Issued capital	364.0	364.0
Reserves	230.9	274.2
Foreign currency translation	0.6	2.5
Retained earnings	99.3	135.5
	694.8	**776.3**
Non-controlling interests	(0.0)	3.1
TOTAL EQUITY	**694.8**	**779.3**
Non-current liabilities		
Interest-bearing loans and borrowings	56.2	47.7
Employee benefits	346.2	356.7
Trade and other payables	61.7	40.3
Provisions	29.2	31.6
Deferred tax liabilities	1.3	1.1
	494.7	**477.3**
Current liabilities		
Interest-bearing loans and borrowings	9.6	10.3
Bank overdrafts	0.2	0.0
Provisions	35.0	27.1
Income tax payable	39.4	31.4
Trade and other payables	838.3	964.8
	922.5	**1,033.6**
TOTAL LIABILITIES	**1,417.2**	**1,511.0**
TOTAL EQUITY AND LIABILITIES	**2,112.0**	**2,290.3**

Consolidated Statement of Changes in Equity

In million EUR	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							
	AUTHORIZED & ISSUED CAPITAL	TREASURY SHARES	OTHER RESERVES	FOREIGN CURRENCY TRANSLATION	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
AS PER 1 JANUARY 2015	**364.0**	**0.0**	**229.4**	**0.6**	**87.5**	**681.4**	**0.0**	**681.4**
Profit for the year 2015					307.0	307.0	2.2	309.3
Other comprehensive income			43.7	0.0	(87.5)	(43.7)		(43.7)
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**43.7**	**0.0**	**219.5**	**263.3**	**2.2**	**265.5**
Dividends (Pay-out)			(44.0)		(210.0)	(254.0)	0.0	(254.0)
Other			1.8		2.2	4.0	(2.2)	1.8
AS OF 31 DECEMBER 2015	**364.0**	**0.0**	**230.9**	**0.6**	**99.3**	**694.8**	**0.0**	**694.8**
AS PER 1 JANUARY 2016	**364.0**	**0.0**	**230.9**	**0.6**	**99.3**	**694.8**	**0.0**	**694.8**
Profit for the year 2016					343.8	343.8	2.5	346.2
Other comprehensive income			82.5	1.9	(99.3)	(14.9)		(14.9)
TOTAL COMPREHENSIVE INCOME	**0.0**	**0.0**	**82.5**	**1.9**	**244.5**	**328.9**	**2.5**	**331.4**
Dividends (Pay-out)			(48.0)		(212.0)	(260.0)	(2.0)	(262.0)
Other			8.9		3.7	12.6	2.6	15.2
AS OF 31 DECEMBER 2016	**364.0**	**0.0**	**274.2**	**2.5**	**135.5**	**776.3**	**3.1**	**779.3**

Consolidated Statement of Cash Flows

	Year-to-date		4th quarter	
In million EUR	2015	2016	2015	2016
Operating activities				
Profit before tax	470.6	489.5	144.8	121.0
Depreciation and amortization	89.1	89.8	24.1	23.5
Impairment on bad debts	0.1	1.6	0.3	0.8
Gain on sale of property, plant and equipment	(33.4)	(17.0)	(27.7)	(4.6)
Earn out reassessment	0.0	(0.4)	0.0	(0.4)
Change in employee benefit obligations	(15.8)	4.7	(8.0)	(2.6)
Share of profit of associates	(10.2)	(9.9)	(2.8)	(1.4)
Dividends received	5.0	0.0	5.0	0.0
Income tax paid	(137.1)	(130.4)	(71.6)	(53.3)
Income tax paid on previous years	(42.0)	(20.9)	0.0	0.0
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	**326.4**	**407.0**	**64.1**	**83.0**
Decrease/(increase) in trade and other receivables	9.4	(6.6)	(61.8)	(70.8)
Decrease/(increase) in inventories	1.2	2.0	0.3	2.5
Increase/(decrease) in trade and other payables	24.8	(36.7)	61.6	104.2
Increase/(decrease) in provisions	(0.7)	(13.1)	(0.4)	4.5
NET CASH FROM OPERATING ACTIVITIES	**361.1**	**352.6**	**63.8**	**123.5**
Investing activities				
Proceeds from sale of property, plant and equipment	49.4	27.2	39.8	9.3
Acquisition of property, plant and equipment	(67.0)	(72.7)	(29.0)	(38.2)
Acquisition of intangible assets	(13.9)	(12.3)	(3.3)	(4.2)
Acquisition of other investments	0.0	(12.0)	(0.0)	(11.5)
Acquisition of subsidiaries, net of cash acquired	(13.6)	(89.0)	(2.7)	(44.3)
NET CASH USED IN INVESTING ACTIVITIES	**(45.1)**	**(158.7)**	**4.8**	**(89.0)**
Financing activities				
Payments related to borrowings and financing lease liabilities	(9.8)	(8.1)	(9.1)	(8.6)
Interim dividend paid to shareholders	(210.0)	(212.0)	(210.0)	(212.0)
Dividends paid	(44.0)	(48.0)	0.0	0.0
Dividends paid to minority interests	0.0	(2.0)	0.0	0.0
NET CASH FROM FINANCING ACTIVITIES	**(263.8)**	**(270.1)**	**(219.1)**	**(220.6)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**52.1**	**(76.2)**	**(150.6)**	**(186.1)**
NET FOREIGN EXCHANGE DIFFERENCE	**1.4**	**(0.4)**	**0.3**	**0.9**
Cash and cash equivalent less bank overdraft as of 1st January	562.0	615.5		
Cash and cash equivalent less bank overdraft as of 31 December	615.5	538.9		
MOVEMENTS BETWEEN 1ST JANUARY AND 31 DECEMBER	**53.5**	**(76.6)**		

Glossary

- **Capex**: total amount invested in fixed assets.
- **EBIT**: Earnings Before Interests and Taxes.
- **EBITDA**: Earnings Before Interests, Taxes, Depreciation and Amortization.
- **Effective tax rate**: Income tax expense/profit before tax.
- **Net debt/(net cash)** represents interest and non-interest bearing loans less cash and cash equivalents.
- **Normalized EBITDA/EBIT/EAT/operating free cash flow:** EBITDA,EBIT/EAT/operating free cash flow excluding the non-recurring items. Non-recurring items represent significant income or expense items that due to their non-recurring character are excluded from internal reporting and performance analyses. bpost strives to use a consistent approach when determining if an income or expense item is non-recurring and if it is significant enough to be excluded from the reported figures to obtain the normalized ones. A non-recurring item is deemed to be significant if it amounts to EUR 20m or more. All profits or losses on disposal of activities are normalized whatever the amount they represent. Reversals of provisions whose addition had been normalized from income are also normalized whatever the amount they represent.
- **Operating free cash flow (FCF):** cash flow from operating activities + cash flow from investing activities.