IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the Prospectus attached to this electronic transmission and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Prospectus. In accessing the attached Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of your representation: By accessing this Prospectus you have confirmed to the Underwriters, the Company and the Selling Shareholder, that (i) you have understood and agree to the terms set out herein, (ii) (a) you and the electronic mail address you have given to us are not located in the United States, its territories and possessions or (b) you are a person that is a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act, (iii) you consent to delivery by electronic transmission, (iv) you will not transmit the attached Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Underwriters and (v) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to purchase Shares.

You are reminded that the attached Prospectus has been delivered to you on the basis that you are a person into whose possession this Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Prospectus, electronically or otherwise, to any other person and in particular to any U.S. address. Failure to comply with this directive may result in a violation of the U.S. Securities Act of 1933 (the "U.S. Securities Act") or the applicable laws of other jurisdictions.

Restrictions: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

ANY SHARES BEING SOLD HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB THAT IS ACQUIRING SUCH SHARES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBs, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

THE ATTACHED PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. DISTRIBUTION OR REPRODUCTION OF THE ATTACHED PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE SECURITIES LAWS OF OTHER JURISDICTIONS.

Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of this Prospectus who intend to subscribe for or purchase any Shares are reminded that any such subscription or purchase may only be made on the basis of the information contained in the Prospectus.

This Prospectus is being distributed only to and is directed only at persons in member states of the European Economic Area (with the exception of Belgium) who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC). In the United Kingdom, this Prospectus is being distributed only to and is directed only at (i) persons who are outside the United Kingdom; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order; or (iii) high net worth entities falling within Article 49(2)-(d) of the Order (all such persons in (ii) and (iii) being referred to as "relevant persons"). The Shares are available only to, and any invitation, offer or agreement to purchase or otherwise acquire the Shares will be engaged in only with, relevant persons. Any person who is within the United Kingdom and not a relevant person should not act or rely on this Prospectus or any of its contents.

This Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Underwriters, any person who controls any of the Underwriters, the Company or the Selling Shareholder, any director, officer, employee or agent of any of them or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version of the Prospectus.

bpost SA/NV

Centre Monnaie-Muntcentrum, 1000 Brussels, Belgium

Offering of up to 47,000,000 Ordinary Shares, which may be increased by up to 9,000,000 Ordinary Shares

Listing of all Shares on Euronext Brussels

This is an initial public offering (the "Offering") of ordinary shares without nominal value (the "Shares") of bpost SA/NV (the "Company"), a limited liability company under public law organized under the laws of Belgium. All of the shares offered (the "Offer Shares") are being offered by CVC Funds through Post Invest Europe S.à r.l. (the "Selling Shareholder"). The Selling Shareholder will receive all of the net proceeds of the Offering. The Offering consists of (i) an initial public offering to retail and institutional investors in Belgium (the "Belgian Offering"); (ii) a public offering without listing in Japan (the "Japanese Public Offering"); (iii) a private placement in the United States to persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" (as defined in Rule 144A ("Rule 144A") under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act")), in reliance on Rule 144A; and (iv) private placements to institutional investors in the rest of the world. The Offering outside the United States will be made in compliance with Regulation S ("Regulation S") under the U.S. Securities Act.

The Selling Shareholder is initially offering up to 47,000,000 Offer Shares in the Offering. In the case of oversubscription, the Selling Shareholder may decide to increase the number of Offer Shares by up to 9,000,000 Offer Shares (the "Increase Option"), in accordance with Article 10 of the Royal Decree of May 17, 2007 on primary market practices. If the Increase Option is exercised in full, the Selling Shareholder will offer a total of 56,000,000 Offer Shares.

Concurrently with the Offering, the Company will implement a share purchase plan for certain of bpost's employees (the "SPP"), conditional upon the closing of the Offering. Eligible participants in the SPP will be able to purchase a fixed number of Shares from the Selling Shareholder at a price representing a discount of 16.67% to the Offer Price. A total of 5,500,026 Shares will be offered under the SPP. The offer under the SPP will be made in compliance with Regulation S and does not form part of the Offering. The application made to list the Shares on Euronext Brussels will extend to the Shares offered under the SPP.

The Selling Shareholder has granted to J.P. Morgan Securities plc, as stabilization manager (the "Stabilization Manager"), on behalf of itself and the Underwriters (as defined herein), an option to purchase up to 15% of the number of Offer Shares sold in the Offering (including pursuant to any exercise of the Increase Option) (the "Over-allotment Shares") at the Offer Price (as defined below) to cover over-allotments or short positions, if any, in connection with the Offering (the "Over-allotment Option"). The Over-allotment Option will be exercisable for a period of 30 calendar days from the first day of trading in the Shares. As used herein, the term "Offer Shares" shall include any Over-allotment Shares (unless the context requires otherwise).

An investment in the Offer Shares involves substantial risks and uncertainties, in particular the risk factors relating to the regulatory and legislative environment (see "*Part I: Summary*" on pages 15 to 17 and "*Part II: Risk Factors — 2. Risks Relating to the Regulatory and Legislative Environment*" on pages 28 to 39), and more generally the risk factors relating to bpost's business (see "*Part I: Summary*" on pages 12 to 14 and "*Part II: Risk Factors — 1. Risks Relating to bpost's Business*" on pages 22 to 28) and the risk factors relating to the offering (see "*Part I: Summary*" on page 17 and "*Part II: Risk Factors — 3. Risks Relating to the Offering*" on pages 39 to 44). All of these risk factors must be considered before investing in the Offer Shares.

PRICE RANGE: €12.50 TO €15.00 PER OFFER SHARE

The price per Offer Share (the "Offer Price") will be determined during the Offering Period (as defined herein) through a book-building process in which only institutional investors can participate. The date of determination of the Offer Price is herein referred to as the "Pricing Date." The actual number of Offer Shares to be sold by the Selling Shareholder in the Offering (including any decision by the Selling Shareholder to exercise the Increase Option) will only be determined after the Offering Period and will be published in the Belgian financial press, simultaneously with the publication of the Offer Price and the allocation to retail investors, which is currently expected to take place on or about June 20, 2013 and in any event no later than the first business day after the end of the Offering Period. The Offer Price will be a single price in euro, exclusive of the Belgian tax on stock exchange transactions, and costs charged by financial intermediaries for the submission of applications, if any, that will apply to all investors, whether retail or institutional. The Offer Price is expected to be between €12.50 and €15.00 per Offer Share (the "Price Range"), although it may be set below the lower end of the Price Range. The Offer Price for investors shall not, however, exceed the higher end of the Price Range.

The offering period (the "Offering Period") will begin on June 6, 2013 and is expected to close no later than 4:00 pm (CET) on June 19, 2013, subject to the possibility of an early closing, provided that the Offering Period will in any event be open for at least six business days from the availability of this Prospectus. Certain of these dates will not apply to the Japanese Public Offering. Any early closing of the Offering Period will be published in the Belgian financial press, and the dates for each of pricing, allocation, publication of the Offer Price and results of the Offering, conditional trading and closing of the Offering will in such case be adjusted accordingly.

Prior to the Offering, there has been no public market for the Shares. An application has been made to list the Shares on Euronext Brussels under the symbol "BPOST." Trading of the Shares on Euronext Brussels is expected to commence, on an "if-and-when-delivered" basis, on or about June 21, 2013 (the "Listing Date").

Delivery of the Offer Shares is expected to take place in book-entry form against payment therefor in immediately available funds on or about June 25, 2013 (the "Closing Date") to investors' securities accounts *via* Euroclear Belgium, the Belgian central securities depository.

This document constitutes an offer and listing prospectus for the purposes of Article 3 of Directive 2003/71/EC of the European Parliament and of the Council of the European Union (as amended, including by Directive 2010/73/EU, the "Prospectus Directive") and has been prepared in accordance with Article 20 of the Belgian Law of June 16, 2006 on the public offering of securities and the admission of securities to trading on a regulated market, as amended (the "Prospectus Law"). This Prospectus was approved by the Belgian Financial Services and Market Authority (the "FSMA") on June 5, 2013.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any of the Offer Shares in any jurisdiction or to any person to whom it would be unlawful to make such an offer.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Prospective purchasers are hereby notified that sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. For a description of certain restrictions on transfer of the Shares, see "*Part XIX: Transfer Restrictions*."

Joint Global Coordinators

J.P. Morgan **Nomura** **BNP Paribas Fortis**

Joint International Bookrunners

J.P. Morgan **Nomura** **Morgan Stanley** **UBS**

Joint Belgian Bookrunners

BNP Paribas Fortis **KBC Securities** **ING**

Joint Lead Managers

RBC Capital Markets **Belfius**

Co-Lead Managers

Bank Degroof **Petercam**

Prospectus dated June 5, 2013

IMPORTANT INFORMATION

In accordance with Article 61, §1 and §2 of the Prospectus Law, the Company, represented by its Board of Directors, assumes responsibility for the completeness and accuracy of all of the contents of this Prospectus. Certain sections of this Prospectus have been drafted on the basis of the information provided by the Selling Shareholder relating to (i) the description of the Selling Shareholder and its shareholding in the Company; (ii) the description of the Over-allotment Option granted by the Selling Shareholder; and (iii) the use of proceeds of the Offering. The Selling Shareholder also assumes responsibility for these sections of the Prospectus.

Having taken all reasonable care to ensure that such is the case, each of the Company (for the entirety of this Prospectus) and the Selling Shareholder (only with respect to the sections for which it assumes responsibility) attests that the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

None of J.P. Morgan Securities plc, Nomura International plc, BNP Paribas Fortis SA/NV, Morgan Stanley & Co. International plc, UBS Limited, ING Belgium SA/NV, KBC Securities SA/NV, RBC Europe Limited, Belfius Bank SA/NV, Bank Degroof SA/NV or Petercam SA/NV makes any representation or warranty, express or implied, as to, or assumes any responsibility for, the accuracy or completeness or verification of the information in this Prospectus, and nothing in this Prospectus is, or shall be relied upon as, a promise or representation by the Underwriters, whether as to the past or the future. Accordingly, the Underwriters disclaim, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Prospectus.

In making an investment decision, investors must rely on their own assessment of the Company and the terms of this Prospectus, including the merits and risks involved. Any purchase of the Offer Shares should be based on the assessments that the investor in question may deem necessary, including the legal basis and consequences of the Offering, and including possible tax consequences that may apply, before deciding whether or not to invest in the Offer Shares. In addition to their own assessment of the Company and the terms of the Offering, investors should rely only on the information contained in this Prospectus, including the risk factors described herein, and any notices that are published by the Company under current legislation or the rules of Euronext Brussels applying to issuers of shares.

No person has been authorized to give any information or to make any representation in connection with the Offering other than those contained in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorized. Without prejudice to the Company's obligation to publish supplements to the Prospectus when legally required (as described below), the delivery of this Prospectus at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the affairs of bpost since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

The Underwriters are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein.

The FSMA approved this Prospectus on June 5, 2013 in accordance with Article 23 of the Prospectus Law. The FSMA's approval does not imply any opinion by the FSMA on the suitability and the quality of the Offering or on the status of the Company. This Prospectus has been prepared in English and has been translated into Dutch and French. The Company is responsible for the consistency between the Dutch, French and English versions of the Prospectus. In the case of discrepancies between the different versions of this Prospectus, the English version will prevail.

The information in this Prospectus is as of the date printed on the front of the cover, unless expressly stated otherwise. The delivery of this Prospectus at any time does not imply that there has been no change in bpost's business or affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof. In accordance with Article 34 of the Prospectus Law, in the event of any changes to the information in this Prospectus that may affect the valuation of the Offer Shares during the period from the date of announcement to the first day of trading, a supplement to this Prospectus shall be published. Any supplement is subject to approval by the FSMA, in the same manner as this Prospectus and must be made public in the same manner as this Prospectus.

If a supplement to the Prospectus is published, investors shall have the right to withdraw their orders made prior to the publication of the supplement. Such withdrawal must be done within the time limits set forth in the supplement (which shall not be shorter than two business days after publication of the supplement).

The distribution of this Prospectus and the Offering may, in certain jurisdictions, be restricted by law, and this Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer of, or an invitation to, purchase any Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. The Company, the Selling Shareholder and the Underwriters require persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. None of the Company, the Selling Shareholder or the Underwriters accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Shares, of any such restrictions. The Company, the Selling Shareholder and the Underwriters reserve the right in their own absolute discretion to reject any offer to purchase Shares that the Company, the Selling Shareholder, the Underwriters or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

STABILIZATION

In connection with the Offering, J.P. Morgan Securities plc or its affiliates will act as Stabilization Manager on behalf of itself and the Underwriters and may engage in transactions that stabilize, maintain or otherwise affect the price of the Shares for up to 30 calendar days from the first day of trading in the Shares on Euronext Brussels (the "Stabilization Period"). These activities may support the market price of the Shares at a level higher than that which might otherwise prevail. Stabilization will not be executed above the Offer Price. Such transactions may be effected on Euronext Brussels, in the over-the-counter markets or otherwise. The Stabilization Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilization Manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above.

Within five business days of the end of the Stabilization Period, the following information will be published in accordance with Article 5, §2 of the Royal Decree of May 17, 2007 on primary markets practices: (i) whether or not stabilization was undertaken; (ii) the date at which stabilization started; (iii) the date on which stabilization last occurred; (iv) the price range within which stabilization was carried out, for each of the dates on which stabilization transactions were carried out; and (v) the final size of the Offering, including the result of the stabilization and the exercise of the Over-allotment Option, if any.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

bpost's unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2013 and its audited consolidated financial statements as of and for the years ended December 31, 2012, 2011 and 2010 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). Its audited consolidated financial statements as of and for the years ended December 31, 2012, 2011 and 2010 have been audited by Ernst & Young Bedrijfsrevisoren BV CVBA and PVMD Bedrijfsrevisoren-Reviseurs d'Entreprises SC SCRL.

Effective January 1, 2013, bpost has two operating segments: Mail and Retail Solutions (MRS) and Parcels & International (P&I). Prior to that date, it had three operating segments: Residential market and mass channels (RSS), Business (BIZ) and P&I. bpost has included its results of operations by operating segment in its financial statements for the first time in the audited financial statements covering the years ended December 31, 2012, 2011 and 2010. It has also included its results of operations by operating segment in "*Part XI: Operating and Financial Review and Prospects*." It has elected to present its results of operations by operating segment according to both the decision-making organizational unit that was in force from 2010 to 2012 and the new decision-making organizational structure that was in place from January 1, 2013 in order to facilitate comparability. The operating segments are the lowest level at which performance is assessed by the Chief Operating Decision Maker under the definition of IFRS 8.22. The Chief Operating Decision Maker is the Board of Directors.

Rounding adjustments have been made in calculating some of the financial information included in this Prospectus. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Non-IFRS Financial Measures

Management believes that bpost's operating performance cannot be measured solely on the basis of its reported IFRS historical financial information. bpost measures its financial performance using financial measures that are not defined under IFRS, such as EBIT, EBITDA and operating free cash flow. bpost uses EBIT, EBITDA and operating free cash flow to facilitate the comparison of its operating performance and because it believes these measures are frequently used by securities analysts. EBIT, EBITDA and operating free cash flow have limitations as analytical tools, and prospective purchasers should not consider them in isolation from, or as a substitute for analysis of, financial measures that are defined under IFRS. These measures may also not be comparable to other similarly titled measures used by other companies and, therefore, do not provide a basis for comparison of bpost's financial performance with that of other companies.

EBIT corresponds to the line item profit from operating activities on bpost's consolidated income statement and bpost defines EBITDA as EBIT plus depreciation and amortization. Operating free cash flow represents net cash from operating activities less net cash used in investing activities.

bpost also analyzes the performance of its activities on a normalized basis or before 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 recurring or non-recurring and if it is significant enough to be excluded from the reported figures to obtain the normalized figures. A non-recurring item is deemed to be significant if it amounts to €20 million or more. All profits or losses on disposals of activities are normalized regardless of the amount they represent. Reversals of provisions whose addition had been normalized from income are also normalized regardless of the amount they represent. All other normalizations must both be non-recurring and must amount to €20 million or more.

Normalized operating free cash flow in 2010 and 2012 excludes the impact of the unwinding of the cash management arrangements that existed between bpost and the Belgian state treasury until 2010. This unwinding translated into the repayment of advances received from the Belgian state and of deposits received from third parties under the cash management arrangements. Normalized operating free cash flow in 2012 and for the three months ended March 31, 2013 and 2012 also excludes the repayment of the alleged overcompensation for the SGEIs following the decision of the European Commission of January 25, 2012. See "*Part VIII: Business — 16. Legal Proceedings — 16.1 State aid*" and "*Part XI: Operating and Financial Review and Prospects — 3. Key Factors Affecting Results of Operations — Compensation for SGEIs.*"

The presentation of normalized results is not in conformity with IFRS and is not audited. The normalized results may not be comparable to normalized figures reported by other companies as those companies may compute their normalized figures differently from bpost. For a reconciliation of normalized performance measures to the relevant IFRS measures, see "*Part X: Selected Consolidated Financial Information and Operating Data*."

Belgian GAAP Information

The Company maintains its official accounting records and prepares its unconsolidated financial statements for statutory purposes in accordance with accounting principles generally accepted in Belgium ("Belgian GAAP"). Also, the Company's ability to pay dividends and its dividend policy are based upon its unconsolidated statutory accounts prepared in accordance with Belgian GAAP. A reconciliation of net profit in accordance with Belgian GAAP to net profit in accordance with IFRS for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010 is set forth in "*Part V: Dividends and Dividend Policy — Reconciliation of IFRS Consolidated Net Profit to Belgian GAAP Unconsolidated Net Profit.*" See also "*Appendix A: Extracts from Belgian GAAP Unconsolidated Financial Statements of the Company*."

In addition, prior to 2005, bpost prepared its consolidated financial statements in accordance with Belgian GAAP. In this Prospectus, all financial data for 2003 and 2004 is presented in accordance with Belgian GAAP. This data is not comparable to the corresponding data for the years 2005 to 2012. Investors should consult their own professional advisors for an understanding of the differences between IFRS and Belgian GAAP and how these differences might affect the financial data provided herein.

Other Information

In this Prospectus, references to the "Company" are to bpost SA/NV and references to "bpost" are to the Company together with its consolidated subsidiaries.

References to the "Belgian state" are to the Kingdom of Belgium and the federal government of the Kingdom of Belgium. References to "euro" or "€" are to the common currency of the member states of the EU that are part of the Eurozone. References to the "United States" or the "U.S." are to the United States of America and references to "U.S. dollars" or "$" are to the lawful currency of the United States.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Offer Shares have not been and will not be registered under the U.S. Securities Act and are being offered and sold: (i) in the United States only to persons who are reasonably believed to be QIBs in reliance on Rule 144A; and (ii) outside the United States in compliance with Regulation S. Prospective investors are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A. For certain restrictions on transfer of the Offer Shares, see "*Part XIX: Transfer Restrictions*."

The Offer Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

In the United States, this Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Underwriters or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without the Company's prior written consent, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Offer Shares.

The Company believes it is likely to be considered a passive foreign investment company ("PFIC") for U.S. federal income tax purposes. As a result, U.S. investors could be subject to material adverse U.S. federal income tax consequences. See "*Part XV: Taxation — 2. Certain U.S. Federal Income Tax Considerations — 2.1 Passive Foreign Investment Company Considerations*."

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (RSA 421-B) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THE SECRETARY OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN JAPAN

As part of the offering, it is expected that there will be a Japanese Public Offering. No Offer Shares have been or will be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except in accordance with the terms and conditions of the Japanese Public Offering, as stated in the securities registration statement filed on June 4, 2013, as amended (the "Japanese Offering Document"), with the Japanese authority under, or pursuant to any exemption from the registration requirements and from the requirements to deliver a prospectus under, the Financial Instruments and Exchange Law of Japan and otherwise in compliance with any applicable laws and regulations of Japan. As used in this paragraph, "resident of Japan" means any person residing in Japan, including any corporations or other entities organized under the laws of Japan.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Prospectus has been prepared on the basis that all offers of Offer Shares other than the offers contemplated in Belgium, once the Prospectus has been approved by the competent authority in such Member State and published in accordance with the Prospectus Directive (2003/71/EC) as implemented in Belgium will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("EEA"), from the requirement to produce a prospectus for offers of Offer Shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the Company, the Selling Shareholder or any of the Joint Global Coordinators to produce a prospectus for such offer. Neither the Company, the Selling Shareholder nor the Joint Global Coordinators have authorized, nor do the Company, the Selling Shareholder or the Joint Global Coordinators authorize, the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Joint Global Coordinators which constitute the final placement of Offer Shares contemplated in this Prospectus.

The Offer Shares have not been, and will not be, offered to the public in any Member State of the European Economic Area that has implemented the Prospectus Directive, except for Belgium (a "Relevant Member State"). Notwithstanding the foregoing, an offering of the Offer Shares may be made in a Relevant Member State:

- to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company, the Selling Shareholder or any Joint Global Coordinator of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares so as to enable an investor to decide to purchase Offer Shares, as that definition may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

Offers of the Offer Shares pursuant to the Offering are only being made to persons in the United Kingdom who are "qualified investors" or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the U.K. Financial Services and Markets Act 2000.

Any investment or investment activity to which the Prospectus relates is available only to, and will be engaged in only with, persons who (i) are investment professionals falling within Article 19(5) or (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, "relevant persons"). Persons who are not relevant persons should not take any action on the basis of the Prospectus and should not act or rely on it.

AVAILABLE INFORMATION

This Prospectus is available to retail investors in Belgium in English, French and Dutch. The Prospectus will be made available to investors at no cost at the Company's registered office, located at Centre Monnaie-Muntcentrum, 1000 Brussels and can be obtained by retail investors in Belgium on request from the BNP Paribas Fortis Telecenter at (0)2/433.40.31 (Dutch), (0)2/433.40.32 (French) or (0)2/433.40.34 (English); ING Belgium at (0)2/464.60.01 (Dutch), (0)2/464.60.02 (French) or (0)2/464.60.04 (English); the KBC Telecenter at (0)3/283.29.70; CBC Banque at (0)800/92.020; Belfius Bank at (0)2/222.12.02 (Dutch) or (0)2/222.12.01 (French); Bank Degroof at (0)2/287.91.56 or Petercam at (0)2/229.64.46.

Subject to selling and transfer restrictions, the Prospectus is also available to investors in Belgium in English, French and Dutch on the following websites: *www.bpost.be/ipo, www.bnpparibasfortis.be/sparenenbeleggen*, *www.bnpparibasfortis.be/epargnererplacer*, *www.ing.be/aandelentransacties* (Dutch)*, www.ing.be/transactionsdactions* (French)*, www.ing.be/equitytransactions* (English), *www.kbcsecurities.be*, *www.bolero.be*, *www.kbc.be*, *www.cbc.be*, *www.belfius.be*, *www.degroof.be* and *www.petercam.be*.

The posting of the Prospectus on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the Shares to or from any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution. Information on the Company's website (*www.bpost.be*) or any other website does not form part of the Prospectus.

The Company has filed its deed of incorporation and must file its coordinated Articles of Association and all other deeds that are to be published in the Annexes to the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*) with the clerk's office of the commercial court of Brussels, where they are available to the public. bpost SA/NV is registered with the register of legal entities (Brussels) under enterprise number 0214.596.464. A copy of the Company's most recent Articles of Association and corporate governance charter (the "Corporate Governance Charter") will also be available on its website after completion of the Offering.

In accordance with Belgian law, the Company must also prepare audited annual statutory and consolidated financial statements. The annual statutory financials statements, together with the reports of the Board of Directors and the Board of Auditors, as well as the consolidated financial statements, together with the report of the Board of Directors and the audit report of the joint auditors, will be filed with the National Bank of Belgium, where they will be available to the public. Furthermore, as a listed company, the Company must publish an annual financial report (composed of the financial information to be filed with the National Bank of Belgium and a responsibility statement), a semi-annual financial report (composed of condensed consolidated financial statements, the report of the joint auditors, if audited or reviewed, and a responsibility statement) and interim management statements or quarterly financial reports. These reports will be made publicly available on the Company's website.

As a listed company, the Company must also disclose price sensitive information, information about its shareholder structure and certain other information to the public. In accordance with the Belgian Royal Decree of November 14, 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market (*Arrêté royal relatif aux obligations des émetteurs d'instruments financiers admis aux négociations sur un marché réglementé belge/Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een Belgische gereglementeerde markt*), such information and documentation will be made available through press releases, the financial press in Belgium, the Company's website, the communication channels of Euronext Brussels or a combination of these media.

The Company has agreed that, for so long as any of the Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 (the "U.S. Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, on the request of such holder, beneficial owner or prospective purchaser, the information required to be provided to such persons pursuant to Rule 144A(d)(4) under the U.S. Securities Act. The Company is not currently subject to the periodic reporting requirements of the U.S. Exchange Act.

MARKET AND INDUSTRY INFORMATION

This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to bpost's business and markets. To the extent available, such information has been extracted from reliable third-party sources such as professional organizations, consultants and analysts and information otherwise obtained from third party sources, including the Centre for Retail Research, Ogone Payment Services, the Centrum voor Informatie over de Media (CIM), Datamonitor, Eurobarometer, MediaXim and the National Bank of Belgium. Such information has been accurately reproduced, and, as far as the Company is aware from such information, no facts have been omitted which would render the information provided inaccurate or misleading.

Certain other statistical or market-related data has been estimated by management based on reliable third-party sources, where possible, including those referred to above. Although management believes its estimates regarding markets, market sizes, market shares, market positions and other industry data to be reasonable, these estimates have not been verified by any independent sources (except where explicitly cited to such sources), and the Company cannot assure prospective investors as to the accuracy of these estimates or that a third party using different methods to assemble, analyze or compute market data would obtain the same results. Management's estimates are subject to risks and uncertainties and are subject to change based on various factors. The Company does not intend, and does not assume any obligation, to update the industry or market data set forth herein, other than as required by Article 34 of the Prospectus Law.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and cannot give any assurance as to the accuracy of market data contained in this Prospectus that were extracted or derived from these industry publications or reports. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus and estimates and assumptions based on that information are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in "*Part II: Risk Factors*" and elsewhere in this Prospectus.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a limited liability company under public law (*société anonyme de droit public/naamloze vennootschap van publiek recht*) incorporated under the laws of Belgium.

Pursuant to Article 8 of the Law of March 21, 1991 on the reform of certain economic state-owned companies, as amended (the "1991 Law"), the Company is not subject to Belgian bankruptcy laws and therefore cannot be declared bankrupt or be subject to the appointment of a trustee in bankruptcy for the liquidation and distribution of its assets. In addition, the Company can only be dissolved and liquidated pursuant to an act of the Belgian Parliament. The Company's properties and assets, which are entirely or partially used in, or designated for the performance of, public service tasks may not be subject to any enforcement measures by creditors. See "*Part XIV: Description of Share Capital, Articles of Association and Group Structure — 6. Liquidation, Bankruptcy and Limitations on Enforcement*."

All of the Company's directors and senior management live outside the United States. All or a substantial portion of the Company's assets and of the assets of these individuals are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon these individuals or the Company or to enforce against them judgments obtained in the United States based on the civil liability provisions of the U.S. securities laws. There is uncertainty as to the enforceability in Belgium of original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus, such as statements that include the words or phrases "aims," "would," "could," "is expected to," "will continue," "anticipates," "estimate," "intend," "plan," "project," "objective," "goal," "intention," "forecast," "strategy" or similar expressions, may constitute forward-looking statements. Other forward-looking statements can be identified by the context in which the statements are made. Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, under the headings "*Part I: Summary*," "*Part II: Risk Factors*," "*Part V: Dividends and Dividend Policy*," "*Part VII: Industry*," "*Part VIII: Business*," "*Part IX: Regulation*" and "*Part XI: Operating and Financial Review and Prospects*."

Although management believes that the expectations reflected in these forward-looking statements are reasonable, such forward-looking statements are based on management's current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of bpost and are difficult to predict, that may cause actual results or developments to differ materially from any future results or developments expressed or implied from the forward-looking statements. Some of the factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, among others:

- trends in mail volumes as a result of electronic substitution, economic conditions or other factors;
- competition from postal operators and other market players;
- the loss of business from key customers, including the Belgian state;
- the impact of bpost's productivity enhancement initiatives and other strategic plans;
- bpost's ability to improve and/or maintain margins through headcount reductions;
- bpost's ability to retain its senior management and other qualified personnel;
- bpost's ability to implement its strategy, including expanding into new markets and introducing new products and services;
- changes in interest rates or other trends that affect the banking sector;
- actions by postal regulatory or competition authorities or bpost's competitors with regard to its pricing policy; and
- regulatory or legislative actions or developments at the national or EU level, including in relation to any state aid issues or the provision of public services.

Should one or more of these risks or uncertainties materialize, or should any underlying assumptions prove to be incorrect, bpost's actual financial condition, cash flows or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. Investors are urged to read the sections of this Prospectus entitled "*Part II: Risk Factors*," "*Part VIII: Business*" and "*Part XI: Operating and Financial Review and Prospects*" for a more complete discussion of the factors that could affect bpost's future performance and the industry in which it operates.

The forward-looking statements included in this Prospectus speak only at the date of this Prospectus and are expressly qualified in their entirety by the cautionary statements included in this Prospectus. Without prejudice to its obligations under Belgian law in relation to disclosure and ongoing information, the Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I: SUMMARY

Summaries are made up of disclosure requirements known as "Elements." These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and company, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not applicable."

Section A — Introduction and warnings

Element	Disclosure requirement
A.1	**Introduction and warnings** This summary must be read as an introduction to this Prospectus and is provided to aid investors when considering whether to invest in the Shares, but is not a substitute for this Prospectus. Any decision to invest in the Shares should be based on consideration of this Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area, no civil liability will attach to the persons responsible for this summary in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares. Where a claim relating to this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.
A.2	**Consent for use of the prospectus for subsequent resale** Not applicable. The Company does not consent to the use of the Prospectus for the subsequent resale or final placement of securities by financial intermediaries.

Section B — Company

Element	Disclosure requirement
B.1	**The legal and commercial name of the Company** bpost SA/NV was converted into a limited liability company under public law organized under the laws of Belgium in March 2000. The Company operated under the name "*La Poste — De Post*" until January 17, 2011, at which point it formally changed its name to bpost SA/NV.
B.2	**Domicile and legal form of the Company** The Company is a limited liability company incorporated in the form of a *société anonyme de droit public/naamloze vennootschap van publiek recht* under the laws of Belgium. bpost SA/NV is registered with the legal entities register (Brussels) under number 0214.596.464. The Company's registered office is located at Centre Monnaie-Muntcentrum, 1000 Brussels, Belgium.

Element	Disclosure requirement
B.3	**Current operations and principal activities of the Company and the principal markets in which it competes** bpost is the leading postal operator in Belgium. Its core business is collecting, sorting, transporting and delivering letters and parcels. bpost also positions itself as a supplier of integrated solutions and its product portfolio encompasses products and services in the areas of document management and value-added services. bpost also offers banking and insurance products on behalf of bpost bank, an associate of the Company whose other shareholder is BNP Paribas Fortis, and also offers its own public and commercial payment services. As of December 31, 2012, bpost served its customers through 1,340 points of sale, including 670 post offices and 670 PostPoints. During 2012, it handled an average of 10.5 million mail items per day and an average of 100,000 parcels per day. bpost also has international mail and parcels subsidiaries in North America, the United Kingdom, China, Hong Kong and Singapore. In 2012, 93.5% of bpost's total operating income was derived from Belgium or from Belgian customers. Effective January 1, 2013, bpost operates its business through the following two business units: • the Mail and Retail Solutions unit (MRS), which focuses on the sale of mail products and manages relationships with business and residential customers. Large business customers are served through dedicated account managers serving different portfolios of customers. Residential and small business customers are served through bpost's "mass channels," including post offices, PostPoints, bpost's eShop, stamp distributors and the Contact Center. The MRS business unit also offers banking and insurance products on behalf of bpost bank and offers certain other financial services; and • the Parcels & International unit (P&I), which specializes in parcels (domestic and international) and international mail and e-commerce logistics solutions (including fulfillment, handling, delivery and return management). The MRS business unit and the P&I business unit accounted for 82.2% and 15.5% of bpost's consolidated total operating income for the three months ended March 31, 2013 and 84.9% and 14.2% of its consolidated total operating income for the year ended December 31, 2012, respectively. The remaining portion of consolidated total operating income was attributable to the Corporate reconciliation category. bpost provides products and services based on the following product lines: (i) transactional mail, (ii) advertising mail, (iii) press, (iv) parcels, (v) value-added services, (vi) international mail, (vii) banking and financial products and (viii) other. Turnover from transactional mail, advertising mail, press, value-added services and banking and financial products is included within the MRS business unit. Turnover from international mail is mainly included within the P&I business unit. Turnover from parcels sold through the retail network, mainly C2X parcels (parcels sent by consumers), is included within the MRS business unit, with the remainder of turnover from parcels included within the P&I business unit. Other turnover is allocated across the MRS and P&I business units. The products offered by bpost are subject to different postal regulatory regimes depending upon whether the relevant products are part of the USO, an SGEI or a commercial service (that is, a service that neither falls within the USO nor is an SGEI). These regimes contain various commercial and operational constraints and requirements that affect these products, which are described below. For the year ended December 31, 2012: • products falling within the USO accounted for 59.5% of total operating income (with products subject to the price cap formula (which is described below) accounting for 28.6% and other USO products accounting for 30.9% of total operating income); • SGEIs accounted for 20.8% of total operating income (with compensation from the Belgian state pursuant to the management contract accounting for 13.4% and tariffs charged to customers and operating income from SGEIs outside the scope of the management contract accounting for 7.4% of total operating income); and • commercial services accounted for 18.6% of total operating income.

Element	Disclosure requirement
	The remaining 1.1% of operating income was attributable to non-commercial products, such as the sale of buildings. All SGEIs are provided by the MRS operating segment. The MRS and P&I operating segments include both USO products and commercial products. ***Universal service obligation (USO)*** The Law of March 21, 1991 on the reform of certain economic state-owned companies, as amended (the "1991 Law") designates the Company as USO provider until December 31, 2018 and provides that, following that date, one or more USO provider(s) shall be appointed for a period of ten years and that the universal service may then be divided into various segments. The 1991 Law provides that the procedure for designating the USO provider should, at the latest, be finalized three years prior to the end of the term of the current USO provider. This implies that the identity of the future USO provider(s) should be known by the end of 2015. The new USO provider(s) will become providers as from January 1, 2019, with the Company continuing to be the USO provider until that date. In 2012, 2011 and 2010, the USO was profitable and hence did not represent an unfair burden on the Company. In the past the Company has not made any request to receive compensation for providing the USO. The designation as USO provider does not imply the granting of any exclusive rights to provide services. All services falling within the USO can be provided by other operators who obtain the license to do so. The universal service obligation (the "USO") under Article 142 of the 1991 Law consists of the following services (including both national and cross-border services): • the collection, sorting, transport and distribution of postal items weighing up to 2kg; • the collection, sorting, transport and distribution of postal packages weighing up to 10kg; • the distribution in Belgium of postal packages from Member States weighing up to 20kg; and • the provision of services for registered items and insured items. The USO requires compliance with the principle of non-discrimination and the offering of an identical service to all users under comparable conditions; compliance with essential requirements (*i.e.*, confidentiality, security of the network, data protection, etc.); continued service except in the case of "force majeure" events; the evolution of the service offering to take into account technical, social or economic trends and the needs of the customer; the provision of correct and complete information to the public (*e.g.*, the publication of general terms and conditions and tariffs); and compliance with pricing rules and compliance with quality targets. The Company is further required to: • operate at least one access point for the deposit of postal items falling within the scope of the USO in each municipality in Belgium; • organize at least one collection and distribution of specified postal items at least five days per week, excluding Sundays and official holidays; and • distribute postal items (including packages up to 10kg) throughout Belgium. The Company is also required to comply with certain quality of service requirements. The Company faces a number of pricing constraints in relation to certain products belonging to the USO: • *General USO pricing principles*: the tariffs of the products concerned are subject to ex post verification by the IBPT/BIPT regarding compliance with the following pricing principles: (i) affordability; (ii) cost orientation; (iii) transparency; (iv) non-discrimination; and (v) uniformity of tariffs throughout the country.

Element	Disclosure requirement
	• *Price cap formula*: in addition to the general USO pricing principles described above, the products belonging to the "small user basket" (mainly single piece mail items and certain parcels) are subject to a price cap formula. Tariff increases are subject to ex ante approval by the IBPT/BIPT, which verifies whether the tariff increases are permitted under a price cap formula. This formula is set by Royal Decree and allows bpost to modify its tariffs for these services each year (on January 1) based on changes in the Belgian health index (which is the Belgian consumer price index excluding certain goods such as tobacco products, alcohol, petrol and diesel). The price cap formula also includes a quality bonus applicable upon compliance with specified delivery times for single piece mail falling within the "small user basket." The Company does not receive any compensation under the Fifth Management Contract for the provision of services falling within the USO. However, the 1991 Law provides that if, in any given year, the performance of the USO has created an unfair burden on the Company, it is entitled to compensation by the Belgian state in respect of this unfair burden. ***Services of General Economic Interest (SGEIs)*** The main SGEIs offered by the Company are set out in the Fifth Management Contract, which the Company and the Belgian state are expected to enter into on or around June 7, 2013. The Fifth Management Contract will be effective from January 1, 2013 and will replace the Fourth Management Contract dated December 2, 2005. The Fifth Management Contract sets forth the terms and conditions pursuant to which the Company must fulfill certain SGEIs for the period from January 1, 2013 to December 31, 2015. The SGEIs entrusted to the Company under the Fifth Management Contract include: • the maintenance of the retail network; • the provision of day-to-day SGEIs (*i.e.*, early delivery of newspapers, distribution of periodicals, "cash at counter" services and home delivery of pensions and social allowances); and • the provision of certain ad hoc SGEIs, which are SGEIs that by their nature are provided without any recurrence. Under the Fifth Management Contract, the Belgian state compensates the Company for the provision of the SGEIs in accordance with a NAC methodology, which provides that compensation shall be based upon the difference between the net cost to the provider of operating with the SGEI and the net cost or profit of the same provider of operating without the SGEI, increased by the share of efficiency gains or decreased by the share of efficiency losses. The share of efficiency gains or losses attributed to the Company can be further adjusted on the basis of its performance against the quality targets set forth in the Fifth Management Contract. The Company receives compensation from the Belgian state for most of the SGEIs provided by the Company under the Fifth Management Contract. Under the Fifth Management Contract, the Company will receive compensation for providing the SGEIs in the maximum amount of €303.7 million in 2013, €304.4 million in 2014 and €294.3 million in 2015. The decrease in compensation for SGEIs over the period of the Fifth Management Contract is based on forecasts of the net avoided cost. In addition to compensation received from the Belgian state, bpost's customers pay the tariffs agreed between the Company and the Belgian state in the management contract or its implementing agreements or, in the absence of such a contractual tariff, the tariff approved by the Belgian state. The NAC methodology takes into account the amount paid by the customers for the provision of these services. ***Commercial services*** No postal regulatory restrictions apply to the Company's pricing policies or operations for products falling under the commercial services category. The Company receives no compensation from the Belgian state for the products falling under the commercial services category.

Element	Disclosure requirement
B.4a	**Significant recent trends affecting the Company and the industries in which it operates** bpost's results of operations are affected by trends in volumes of mail. bpost has experienced a relatively modest but sustained decline in mail volumes during the past decade. Management estimates that volumes of domestic mail fell on average by approximately 2.5% per annum for the period from 2008 to 2012, with declines of approximately 3.5%, 2.0%, 0.5%, 4.0% and 2.0% in 2012, 2011, 2010, 2009 and 2008, respectively, largely due to electronic substitution. For the three months ended March 31, 2013, volumes of domestic mail fell by approximately 5.6% compared to the three months ended March 31, 2012. bpost's different product lines have been affected to varying degrees by electronic substitution. bpost's volumes of transactional mail (which includes daily mail, registered mail, outbound social mail and administrative mail) declined by 4.5%, 3.3%, 1.9% and 0.4% in the first quarter of 2013 and in 2012, 2011 and 2010, respectively. Within transactional mail, bpost has experienced the largest declines in daily mail and outbound social mail, while administrative mail volumes have been more stable. Volumes of daily mail and outbound social mail have been adversely affected by customers' increasing use of e-mail, text messaging and social media. Although the impact of electronic substitution on administrative volumes has been less pronounced, the rate of decline may in the future be adversely affected by e-government initiatives or other measures introduced by the Belgian state or any other public authority that encourage electronic substitution, as well as by initiatives in the private sector. Legislation granting registered e-mail the same legal status as registered mail could also affect volumes of registered mail sent by bpost's clients. bpost's volumes of advertising mail (which includes direct mail and unaddressed mail) declined by 10.9%, 5.8% and 5.2% in the first quarter of 2013 and in 2012 and 2011, respectively, after having remained stable in 2010. Advertising mail volumes are affected by the evolution of investments in advertising. During the past few years, advertisers have generally shifted spending towards the Internet and other electronic media, while the share of paper-based advertising has decreased. Investments in advertising may also be affected by economic conditions. During times of economic distress, volumes of advertising mail may decline as customers reduce their advertising budgets and/or shift their spending to media other than paper. In addition, opt-in legislation or any similar legislation that requires explicit prior consent of the addressee for the use of personal data, could, if introduced, contribute to a significant decline in advertising mail volumes. Notwithstanding the declines in domestic mail volumes that it has experienced, bpost increased its normalized operating income in each of these periods primarily through price increases across the product lines, including those covered by the price cap formula, as well as the introduction of new products and services and acquisitions, which mitigated the effect of lower mail volumes. bpost's results of operations are also affected by volume growth in parcels. Management estimates that parcels volumes increased by 10.2%, 4.7%, 15.8% and 5.0% in the first quarter of 2013 and in 2012, 2011 and 2010, respectively. This increase was due in part to the expansion of e-commerce, particularly in the B2C and C2X parcels segment. bpost's total operating income increased to €632.7 million for the three months ended March 31, 2013 from €616.5 million for the three months ended March 31, 2012. Total operating income increased to €2,415.7 million in 2012 from €2,364.6 million in 2011 and €2,317.8 million in 2010. bpost also increased normalized EBIT during each of these periods, including through the continued implementation of productivity enhancement initiatives. Productivity enhancement initiatives have enabled bpost to contain its normalized total operating expenses, which were relatively flat during the past three years. One of the key components of these initiatives during the last few years has been the ongoing reduction in headcount, which has been facilitated by reorganizations and productivity programs in the postal value chain and the optimization of service units such as HR&O and Service Operations. Payroll costs have also been positively affected by an average salary mix effect as older employees have retired and have been replaced by younger employees. These costs savings have helped bpost to offset the effects of inflation on its cost base. As a result, bpost has been able to decrease its payroll costs during each of the periods under review, which has contributed to the increase in its normalized EBIT margin despite limited increases in turnover. bpost's normalized EBIT increased to €138.9 million for the three months ended March 31, 2013 from €137.3 million for the three months ended March 31, 2012. Normalized EBIT increased to €404.1 million in 2012 from €358.6 million in 2011 and €319.2 million in 2010.

Element	Disclosure requirement
B.5	**Description of the Group and the Company's position within the Group** The Company accounted for €2,275.7 million of total operating income for the year ended December 31, 2012, which represented approximately 94.2% of the total operating income of bpost. The Company's subsidiaries accounted for the remaining portion of total operating income. The Company has a number of direct and indirect subsidiaries, including, among others, Speos Belgium SA/NV, a document management subsidiary that accounted for €35.1 million of total operating income in 2012; Euro-Sprinters SA/NV, which operates bpost's special logistics network and accounted for €19.1 million of total operating income in 2012; Belgian Post International SA/NV, a subsidiary providing cross-border transit mail and parcels services to certain customers, which accounted for €17.0 million of total operating income in 2012; and Deltamedia SA/NV, which delivers newspapers to households in East and West Flanders and accounted for €11.4 million of total operating income in 2012. The Company's subsidiaries also include Landmark Global, Inc. and Mail Services, Inc., which are U.S. based cross-border parcels consolidators. Landmark Global, Inc. was not consolidated in bpost's results of operations in 2012 but had total operating income of U.S.$38.0 million (approximately €29.2 million) in 2012. Mail Services, Inc. accounted for €36.0 million of total operating income in 2012. bpost's international subsidiaries also include bpost International (UK) Limited, which provides cross-border mail and parcels and e-commerce fulfillment services in the United Kingdom and Asia (through its subsidiaries bpost Singapore Pte. Ltd. and bpost Hong Kong Ltd.). These subsidiaries accounted for €4.6 million of total operating income in 2012. bpost also offers banking and insurance products on behalf of bpost bank, an associate of the Company whose other shareholder is BNP Paribas Fortis. The Company owns 50% of bpost bank, with BNP Paribas Fortis owning the remaining 50%. bpost fully consolidates the results of operations of all of its subsidiaries. Its associate, bpost bank, is not fully consolidated but rather is accounted for using the equity method. Accordingly, the operating income recorded in the banking and financial products product line does not include the operating income of bpost bank. It does, however, include, the commissions and fees that bpost receives from bpost bank for offering products and services on its behalf. Furthermore, the balance sheet of bpost does not include assets from the balance sheet of bpost bank, which as of December 31, 2012 amounted to €8.8 billion under Belgian GAAP (€9.5 billion under IFRS).
B.6	**Relationship with major shareholders** The principal direct shareholders of the Company are (i) the Belgian state (24.13%), (ii) Société Fédérale de Participations et d'Investissement SA/Federale Participatie- en Investeringsmaatschappij NV ("SFPI/FPIM") (25.87%), which is owned by the Belgian state, and (iii) Post Invest Europe S.à r.l. (49.99%), which is owned indirectly by CVC Funds. The combined ownership of the Belgian state and SFPI/FPIM represents 50% of the Company's share capital plus 488 Shares. ***Shareholders' Agreement*** On January 17, 2006, the Belgian state, SFPI/FPIM and the Selling Shareholder entered into a shareholders' agreement (as amended from time to time, the "Shareholders' Agreement"). The Shareholders' Agreement contains the terms upon which the parties wish to organize their mutual relationship as shareholders of the Company and their participation in its governance. The Shareholders' Agreement includes, among others, provisions relating to strategy, governance (composition of the Board of Directors and its committees, quorum for Shareholders' Meetings and meetings of the Board of Directors and voting majorities), share transfer restrictions, distributions to the shareholders and exit. Most of the provisions of the Shareholders' Agreement are reflected in the Articles of Association.

Element	Disclosure requirement
	The applicability of the Shareholders' Agreement is generally subject to the condition that the Selling Shareholder owns at least 20% of the voting Shares. Certain provisions of the Shareholders' Agreement, however, survive termination of the Shareholders' Agreement depending on the remaining share ownership of public institutions or the Selling Shareholder (alone or together with its affiliates). Similarly, certain other arrangements shall remain in effect after the termination of the Shareholders' Agreement, regardless of the remaining number of voting Shares owned by the Selling Shareholder. The provisions related to corporate governance will survive for the benefit of the Selling Shareholder for so long as it owns at least 5% of the voting Shares. ***Prior purchases and sales of the Shares*** Prior purchases of Shares by Alteris SA/NV (a wholly owned subsidiary of the Company) and sales of Shares by Alteris SA/NV to the Selling Shareholder were based on the exercise price for put and call options granted in connection with the employee stock option plan introduced by the Company in 2006. The exercise price was determined each year by the Board of Directors based, among other sources, on a range of valuations determined by an independent international investment bank using valuation methodologies compliant with the plan rules. In addition, the Board of Directors took into account other factors such as an illiquidity discount to take into consideration the fact that the Shares were not publicly traded on an open market and other factors such as the state aid investigation by the European Commission, which was still pending at the time. In 2011, Alteris SA/NV purchased 2,589 Shares at a price of €5,414 per Share, which was determined in 2011. In 2012, it purchased 1,473 Shares at a price of €4,923 per Share, which was determined in 2012. The Selling Shareholder purchased on December 7, 2012 4,062 Shares (being the total amount of Shares acquired by Alteris SA/NV during 2011 and 2012) from Alteris SA/NV pursuant to the call option exercised by the Selling Shareholder, at a price of €5,236 per Share, which reflected the weighted average exercise price of the put options for 2011 and 2012 (plus interest in respect of the period from February 28, 2012 to December 7, 2012). Taking into account the stock split approved by the Extraordinary Shareholders' Meeting on May 27, 2013, which is subject to approval by Royal Decree (which is expected prior to the Pricing Date), the price per Share at which Alteris SA/NV purchased Shares in 2011 and 2012 was €11.09 and €10.09, respectively, and the price at which the Selling Shareholder, pursuant to its call option, acquired 4,062 Shares on December 7, 2012 was €10.73. The prices at which the Selling Shareholder and Alteris SA/NV purchased Shares in 2012 and in 2011 and 2012, respectively, correspond to the exercise prices of the put and call options described above, which were determined each year by the Board of Directors in the manner described above. The Price Range, by contrast, has been determined (and the Offer Price will be determined) by the Selling Shareholder following recommendations from the Joint Global Coordinators, taking into account market conditions and other factors including, but not limited to, the condition of the financial markets, the Company's financial position, a qualitative assessment of the demand for the Offer Shares and all other factors deemed relevant.

Element	Disclosure requirement
B.7	**Summary historical key financial information**

Consolidated Income Statement Data

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions)		
Turnover	613.6	612.1	2,396.0	2,342.3	2,279.0
Other operating income	19.1	4.4	19.8	22.3	38.7
Total operating income	632.7	616.5	2,415.7	2,364.6	2,317.8
Materials cost	(7.8)	(8.4)	(34.6)	(32.0)	(27.3)
Services and other goods	(149.8)	(136.5)	(602.8)	(570.4)	(545.1)
Payroll costs	(306.4)	(307.0)	(1,238.5)	(1,288.1)	(1,314.5)
Other operating expenses	5.6	(6.1)	(118.9)	(313.5)	6.6
Total operating expenses excluding depreciations/ amortizations	(458.4)	(457.9)	(1,994.8)	(2,204.0)	(1,880.3)
EBITDA	174.3	158.5	420.9	160.6	437.5
Depreciation, amortization	(20.7)	(21.3)	(98.0)	(91.3)	(115.0)
Profit from operating activities (EBIT)	153.5	137.3	323.0	69.2	322.4
Financial income	0.8	2.6	6.8	14.4	11.1
Financial cost	(2.4)	(9.5)	(60.6)	(19.7)	(31.7)
Share of profit of associates	2.5	3.0	3.5	2.2	13.3
Profit before tax	154.4	133.4	272.7	66.0	315.0
Income tax expense	(55.0)	(43.9)	(98.5)	(123.4)	(105.4)
Profit from continuing operations	99.4	89.6	174.2	(57.4)	209.6

Selected Consolidated Statement of Financial Position Data

	As of March 31, 2013[(1)]	As of December 31,		
		2012	2011	2010
		(€ millions)		
Total non-current assets	1,140.0	1,112.8	854.5	925.7
Total current assets	1,306.7	1,115.3	1,548.4	1,547.8
Total assets	2,446.7	2,228.1	2,402.9	2,473.5
Total equity	683.8	737.7	777.3	1,114.3
Total non-current liabilities	579.2	573.1	565.0	578.6
Total current liabilities	1,183.8	917.3	1,060.5	780.6
Total liabilities	1,762.9	1,490.4	1,625.5	1,359.2

Note:

(1) The effects on the statement of financial position resulting from the exceptional dividend of €53.5 million to the Company's existing shareholders prior to the Closing Date, which is expected to be approved by an extraordinary Shareholders' Meeting to be held on or around June 7, 2013, and the distribution resulting from the capital reduction of €144.5 million approved by the extraordinary Shareholders' Meeting on March 25, 2013 are not reflected in the statement of financial position as of March 31, 2013, but are taken into account in the capitalization and indebtedness table.

Selected Consolidated Statement of Cash Flows Data

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions)		
Net cash from operating activities	196.4	117.8	71.3	296.3	154.6
Net cash from investing activities	(27.1)	(18.6)	(88.1)	(70.1)	(42.2)
Net cash from financing activities[(1)]	(0.1)	(0.2)	(412.5)	(230.7)	(171.2)

Note:

(1) Investment securities meet the definition of cash & cash equivalents as per IAS 7.

Element	Disclosure requirement

Other Financial Data

Management believes that bpost's operating performance cannot be measured solely on the basis of its reported IFRS historical financial information. bpost measures its financial performance using financial measures that are not defined under IFRS, such as EBIT, EBITDA and operating free cash flow. bpost also analyzes the performance of its activities on a normalized basis. Normalized financial measures have been adjusted for elements that are considered to be non-recurring by bpost. Non-recurring items represent significant income or expense items that due to their non-recurring character are excluded from internal reporting and performance analyses. The presentation of normalized results is not in conformity with IFRS and is not audited. The normalized results may not be comparable to normalized figures reported by other companies as those companies may compute their normalized figures differently from bpost.

Normalized operating free cash flow in 2010 and 2012 excludes the impact of the unwinding of the cash management arrangements that existed between bpost and the Belgian state treasury until 2010. This unwinding translated into the repayment of advances received from the Belgian state and of deposits received from third parties under the cash management arrangements. Normalized operating free cash flow in 2012 and for the three months ended March 31, 2013 and 2012 also excludes the repayment of the alleged overcompensation for the SGEIs following the decision of the European Commission of January 25, 2012. Normalized financial measures are presented below.

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
	(€ millions, except as otherwise noted)				
Normalized total operating income[(1)]	618.1	616.5	2,415.7	2,364.6	2,317.8
Normalized total operating expenses excluding depreciation, amortization[(2)]	458.4	457.9	1,913.7	1,914.6	1,883.5
Normalized profit from operating activities (Normalized EBIT)[(3)]	138.9	137.3	404.1	358.6	319.2
Normalized EBIT margin[(4)]	22.5%	22.3%	16.7%	15.2%	13.8%
EBITDA[(5)]	174.3	158.5	420.9	160.6	437.5
Normalized EBITDA[(6)]	159.7	158.5	502.0	450.0	434.3
Normalized EBITDA margin[(7)]	25.8%	25.7%	20.8%	19.0%	18.7%
Normalized profit for the year[(8)]	92.1	89.6	227.7	227.1	207.5
Operating free cash flow[(9)]	169.3	99.2	(16.8)	226.2	112.4
Normalized operating free cash flow[(10)]	258.2	374.2	284.1	226.2	224.7
Normalized operating free cash flow/normalized EBITDA	161.6%	236.1%	56.6%	50.3%	51.7%
Normalized operating free cash flow/normalized total operating income	41.8%	60.7%	11.8%	9.6%	9.7%
Earnings per share (€)[(11)]	241.56	219.03	425.78	(140.34)	510.45

Notes:

(1) Normalized total operating income represents total operating income excluding the impact of non-recurring items and is not audited.

(2) Normalized total operating expenses excluding depreciation, amortization represents operating expenses excluding depreciation, amortization and the impact of non-recurring items and is not audited.

(3) Normalized EBIT represents profit from operating activities excluding the impact of non-recurring items and is not audited.

(4) Normalized EBIT margin represents normalized EBIT divided by normalized total operating income and is not audited.

(5) EBITDA represents EBIT plus depreciation and amortization.

(6) Normalized EBITDA represents EBITDA excluding the impact of non-recurring items and is not audited.

(7) Normalized EBITDA margin represents normalized EBITDA divided by normalized total operating income and is not audited.

(8) Normalized profit for the year represents profit for the year excluding the impact of non-recurring items and is not audited.

(9) Operating free cash flow represents net cash from operating activities less net cash used in investing activities and is not audited.

(10) Normalized operating free cash flow for the year represents operating free cash flow for the year excluding the impact of non-recurring items and is not audited.

Element	Disclosure requirement
	(11) In accordance with IAS 33, basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. A stock split was approved at the Extraordinary Shareholders' Meeting on May 27, 2013. Taking into the account the effect of the stock split, which resulted in a total of 200,000,944 Shares, earnings per share for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010 would have been €0.50, €0.45, €0.87, negative €0.29 and €1.05, respectively.
B.8	**Selected key pro forma financial information** Not applicable. No pro forma information has been included in the Prospectus.
B.9	**Profit forecast or estimate** Not applicable. No profit forecast has been included in the Prospectus.
B.10	**A description of the nature of any qualifications in the audit report on the historical financial information** Not applicable. There are no qualifications to the audit report on the historical financial information.
B.11	**Working capital** In the opinion of the Company, the working capital available to it is sufficient for the Company's present requirements, that is, for the next 12 months following the date of this Prospectus.

Section C — Shares

Element	Disclosure requirement
C.1	**Type and class of the securities being offered and admitted to trading** The Selling Shareholder is offering up to 47,000,000 Offer Shares (which are ordinary shares without nominal value of bpost SA/NV) (excluding any Over-allotment Shares) in the Offering, which may be increased by up to 9,000,000 Ordinary Shares. All of the Shares belong to the same class of securities. They are in registered or dematerialized form. The following codes have been assigned to the Shares of the Company: Common code: 093804660 ISIN: BE0974268972 National code: 974268.97
C.2	**Currency of the Shares** The currency of the Shares is euro.
C.3	**Numbers of Shares issued** Following the stock split approved by the Extraordinary Shareholders' Meeting on May 27, 2013 and subject to the approval by Royal Decree (which is expected prior to the Pricing Date), the Company's share capital is represented by 200,000,944 Shares, each representing an identical fraction of the Company's share capital. All of these Shares have been fully paid up.
C.4	**Rights attached to the Shares** All the Shares have the same voting rights except if they are held by the Company as treasury shares. The Shares offered in the Offering carry the right to participate in dividends and other entitlements declared after the Closing Date, in respect of the financial year ending December 31, 2013 and future years.

Element	Disclosure requirement
C.5	**Restrictions on the free transferability of the Shares** The Company's shares are freely transferable, subject to any contractual restrictions. However, no transaction may result in the combined ownership of the Belgian state and SFPI/FPIM dropping below 50% plus one Share.
C.6	**Applications for admission to trading on a regulated market and identity of all the regulated markets where the Shares are or are to be traded** An application has been made to have the Shares listed on Euronext Brussels under the symbol "BPOST." Trading of the Shares on Euronext Brussels is expected to commence, on an "if-and-when-delivered" basis, on or about June 21, 2013.
C.7	**A description of dividend policy** In 2012, the Company paid to its shareholders dividends of €170.0 million (corresponding to €0.85 on a per Share basis) and an exceptional dividend out of the excess of legal reserve of €28.0 million (corresponding to €0.14 on a per Share basis). In 2011, 2010, 2009, 2008 and 2007, it paid its shareholders dividends of €215.9 million, €170.8 million, €171.7 million, €121.6 million and €42.4 million (corresponding to €1.08, €0.85, €0.86, €0.61 and €0.21 on a per Share basis), respectively. All dividends on a per Share basis are based upon the number of outstanding Shares following the stock split approved by the Extraordinary Shareholders' Meeting on May 27, 2013, which is subject to approval by Royal Decree (which is expected prior to the Pricing Date). In 2005 and 2006, no dividends were paid. The Company expects to declare and pay, on or around June 7, 2013, an exceptional dividend of €53.5 million to the Company's existing shareholders prior to the Closing Date. The Shares offered in the Offering carry the right to participate in dividends and other entitlements declared after the Closing Date in respect of the financial year ending December 31, 2013 and future years. Investors in the Offering shall not be entitled to (i) the distribution resulting from the €144.5 million capital reduction approved by the extraordinary Shareholders' Meeting on March 25, 2013 or (ii) the €53.5 million exceptional dividend. The tax expense to the Company associated with the exceptional dividend is €17.6 million, including €7.3 million which was already recorded in the first quarter of 2013 and €10.3 million which will be recorded upon payment of the exceptional dividend. Subject to the availability of distributable results, the Company currently intends to declare and distribute annual dividends (*i.e.*, the aggregate of the interim dividend and the final dividend) of a minimum of 85% of its Belgian GAAP annual net profit on an unconsolidated basis. The amount of any interim or final dividends and the determination of whether to pay dividends in any year may be affected by a number of factors, including bpost's business prospects, cash requirements and financial performance, the condition of the market and the general economic climate and other factors, including tax and other regulatory considerations. So long as the Selling Shareholder (alone or together with its affiliates) owns 7.5% or more of the voting Shares of the Company, the payment of dividends by the Company shall be subject to certain financial constraints set forth in the Shareholders' Agreement. Following the payment of a dividend, the ratio of net financial debt to equity must remain below 1:1 and the ratio of net financial debt to EBITDA must remain below 3:2. Both ratios are measured based on the Company's consolidated financial statements under Belgian GAAP. For purposes of those ratios, financial debt shall consist only of interest-bearing debt, excluding provisions.

Section D — Risks

Element	Disclosure requirement
D.1	**Key Risks Relating to bpost's Business** • Traditional mail accounts for a significant portion of bpost's turnover. The use of mail has declined in recent years primarily as a result of the increased use of e-mail and the Internet, which can communicate information faster, and in many cases more cost effectively, than traditional mail. Management estimates that bpost's volumes of domestic mail fell on average by approximately 2.5% per annum for the period from 2008 to 2012, with declines of approximately 3.5%, 2.0%, 0.5%, 4.0% and 2.0% in 2012, 2011, 2010, 2009 and 2008, respectively. For the three months ended March 31, 2013, volumes of domestic mail fell by approximately 5.6% compared to the three months ended March 31, 2012. The most significant declines have occurred in social mail as a result of the increasing use of e-mail, text messaging and social media. The rate of decline in mail volumes may also be affected by e-government initiatives or other measures introduced by the Belgian state or other public authorities or private enterprises that encourage electronic substitution in administrative mail. In addition, the enactment of any legislation that requires explicit prior consent of the addressee for the use of personal data (commonly referred to as "opt-in" legislation) would contribute to a significant decline in advertising mail volumes. If mail volumes continue to decline, whether at rates similar to those bpost has experienced in the past or at accelerated rates, this could have a material adverse effect on its business, financial condition, results of operations and prospects. • The substantial majority of bpost's turnover is generated in Belgium. Accordingly, mail and parcels volumes are influenced by the level of economic activity in Belgium and, to a lesser extent, abroad. In particular, during times of economic distress, volumes of advertising mail may be adversely affected as bpost's clients reduce their advertising budgets or shift their spending to media other than paper. Volumes of parcels may also be adversely affected due to the effect of economic distress on the level of business activity and e-commerce. In addition, demand for bpost's ancillary services, such as document management services, may be affected by adverse economic developments in Belgium and elsewhere. Following the economic downturn and the Eurozone sovereign debt crisis, Belgium's economy contracted in 2008 and 2009 and again in 2012. Management believes that the decline in mail volumes it has experienced in recent years has been due in part to adverse economic conditions (in addition to electronic substitution). Furthermore, there can be no assurance that the effects of the sovereign debt crisis in Belgium or elsewhere will not become more pronounced. If the effects of the economic downturn and the sovereign debt crisis prove to be sustained or if economic conditions otherwise worsen, the decline in mail volumes bpost is currently experiencing may accelerate, parcels volumes may decline and demand for bpost's ancillary services may weaken, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Element	Disclosure requirement
	• In order to respond to declines in mail volumes, bpost must constantly adjust its cost base. Due to the relatively fixed nature of its cost base, a decline in mail volumes may translate into a significant decline in profit unless bpost can reduce its costs. Accordingly, bpost has introduced a series of productivity enhancement initiatives to reduce its costs. In 2003, in anticipation of the full liberalization of the Belgian postal market, bpost embarked on a modernization program which included a number of cost reduction measures, such as the streamlining of operations, particularly within the Mail Services Operations ("MSO") service unit, and the replacement of post offices with PostPoints. Productivity enhancement initiatives have enabled bpost to contain its normalized total operating expenses, which were relatively flat during the past three years. bpost has also recently launched its Vision 2020 strategic plan, which involves significant changes to bpost's MSO service unit, such as a reduction in the number of distribution offices, the transformation of sorting centers into industrial mail centers and a reduction in the preparation time required by postmen through further automation. There can be no assurance, however, that bpost will be successful in implementing its productivity enhancement initiatives or that the benefits management expects from such plans will be realized during the expected time frame or at all. Further, bpost may be required to spend more on these initiatives than it has currently budgeted, which could constrain its investments in other areas. If bpost does not realize the benefits it expects from these productivity enhancement initiatives or if it is required to spend more to achieve its objectives, this could have a material adverse effect on its business, financial condition, results of operations and prospects. • As of March 31, 2013, bpost had net unrealized gains in respect of bpost bank's bond portfolio of €215.0 million, which represented 54.6% of total investments in associates. Unrealized gains and losses are not recognized in the income statement but rather are recorded directly in equity in other comprehensive income. In the three months ended March 31, 2013 and the year ended December 31, 2012, bpost recorded a net unrealized loss on the bond portfolio of €10.5 million and a net unrealized gain of €263.8 million, respectively. These unrealized gains and losses reflected bpost's 50% share of the change in the fair value of the bond portfolio. The unrealized gains were generated by the low level of interest rates at the end of the period compared to the acquisition yields of the bonds. As the bonds in bpost bank's portfolio reach maturity, the level of unrealized gains are likely to decrease. As a result, there can be no assurance that bpost will continue to record unrealized gains or that it will not be required to record unrecognized losses, which would have the effect of reducing bpost's equity. As of March 31, 2013 and December 31, 2012, net unrealized gains accounted for 31.4% and 30.6% of bpost's total equity, respectively. Accordingly, if bpost were to cease to record unrealized gains or if it were to record unrealized losses, this could have a material adverse effect on bpost's business, financial condition, results of operations and prospects. • Although bpost bank has had unrealized gains in prior periods, it has also realized losses in respect of the portfolio, including losses in relation to disposals of its sovereign bond holdings. Any realized loss on its investment portfolio impacts bpost bank's income statement. Since bpost bank is included in bpost's accounts using the equity method, 50% of bpost bank's net profit after tax under IFRS, including any realized loss, is included in bpost's income statement. Although bpost bank made an overall profit in each of 2012, 2011 and 2010, it incurred net portfolio losses (defined as losses less gains on sale in the investment portfolio) of €3.6 million, €42.1 million and €4.1 million, respectively, as it sought to reduce the risk profile of its bond portfolio. It may in the future experience losses, particularly as its investment portfolio is largely composed of sovereign bond holdings. As of December 31, 2012, Belgian sovereign bonds and foreign sovereign bonds accounted for 68% and 6% of the bond portfolio, respectively, with the remainder of the bond portfolio being comprised primarily of bonds issued by corporates and financial institutions. The economic downturn or the sovereign debt crisis may continue to impact the value of its investment portfolio. Any deterioration in bpost bank's investment portfolio could adversely affect its capital ratios and its reputation. Although the Company is not under a legal obligation to recapitalize bpost bank, the shareholders agreement in effect between the Company and BNP Paribas Fortis in relation to bpost bank provides that, in the event that a capital increase is envisaged, each of the parties must subscribe to such increase on a 50-50 basis. If such capital increase occurs (either to address capital adequacy concerns or for other reasons), under the shareholders agreement bpost would be contractually obligated to participate in such capital increase and this could have a material adverse effect on its business, financial condition, results of operations and prospects.

Element	Disclosure requirement
	• While a significant portion of bpost's business falls within the traditional mail sector where opportunities for innovation are limited, it relies on the development of new products and solutions in order to mitigate the effects of declining mail volumes. bpost may not be able to develop new products and services successfully and, even if it does develop them, the new products and services might not be successful. In addition, bpost's competitors may introduce new products and services before bpost. The development of new products and services could also require significant expenditures and the commitment of human resources. If bpost is unsuccessful at developing new products and services or if the costs of development exceed its expectations, this could have a material adverse effect on its business, financial condition, results of operations and prospects. • bpost derives a significant proportion of its operating income from sales to a relatively concentrated customer base, with 47% of turnover attributable to its top 100 customers (including the Belgian state) and 18% of operating income attributable to the Belgian state (including compensation from the Belgian state in respect of SGEIs) in 2012. If the Belgian state were to reduce the volume of mail it sends, whether as a result of e-government initiatives, the rationalization of mail flows or otherwise, this could lead to an acceleration of the decline in mail volumes bpost is already experiencing. In relation to bpost's non-governmental clients, customer concentration varies by product line. For certain product lines, such as direct mail and administrative mail, bpost relies on a relatively limited number of customers that send large volumes. In 2012, the top ten customers in direct mail accounted for 35% of its direct mail operating income and the top ten customers in administrative mail accounted for 48% of its administrative mail operating income. In the event that any of bpost's key customers elects not to use bpost's services or reduces spending on bpost's services, this could have a material adverse effect on its business, financial condition, results of operations and prospects. bpost is also subject to the following additional business risks: • bpost faces competition from other operators, which may intensify in the future; • bpost is subject to re-mailing risk, which is the risk that bpost's clients elect to send their mail via international postal operators or consolidators, who re-route the mail back to Belgium; • bpost's operations are dependent upon a small number of key facilities functioning properly; • bpost depends upon key suppliers in certain areas of its operations and the loss of any such suppliers or any interruption in the services provided by them could significantly disrupt its operations; • the status of statutory employees and the terms of collective labor agreements may restrict bpost's operational flexibility; • bpost is subject to the risk of strike actions, which may disrupt its operations; • bpost's employees may experience unusually high levels of stress, which may have a number of adverse effects on its business; • fluctuations in the factors that determine the value of bpost's employee benefit obligations could result in actuarial gains and losses; • bpost's competitive position and future prospects depend on its senior management's experience and expertise and its ability to recruit and retain qualified senior management; • bpost bank, the Company's associate, is exposed to interest rate risk and volatility in interest rates may affect its business, and it may also be required to increase its capital, in particular as a result of new capital requirements; • bpost may encounter difficulties as a result of acquisitions in other countries; • bpost is dependent on support provided by ICT systems; and • bpost's business entails operational risks.

Element	Disclosure requirement
	Key Risks Relating to the Regulatory and Legislative Environment • Changes to the 1991 Law and the existing and future regulations implementing the 1991 Law could adversely affect bpost. In particular, certain changes to the 1991 Law are expected to be adopted in the near future, including technical changes as well as changes specifying the analytical accounting framework and implementing regulations applicable to both the designated USO provider and other operators. It is not possible to predict any other changes to the 1991 Law or any of its implementing regulations or the impact any such changes may have on bpost's business and operations. In addition, there can be no assurance that the Belgian Full Market Opening Law which amended the 1991 Law to implement the Third Postal Directive will not be modified in a manner that is adverse to bpost. The Belgian Full Market Opening Law contains licensing conditions that a new entrant would be required to satisfy to provide letter mail services falling within the scope of the USO. For instance, new entrants must employ contractual workers, must cover 80% of each of Belgium's three regions within five years, must deliver mail at least twice per week within two years and must offer uniform pricing. On May 29, 2013, in the context of its recommendation to the Council of the European Union on Belgium's 2013 national reform program, the European Commission expressed the view that regulatory barriers in Belgium's postal legislation, particularly the provisions of the Belgian Full Market Opening Law concerning certain licensing conditions should be removed. Management cannot predict what action, if any, the Belgian state will take in response to these recommendations or the timing of any such action. • Following the state aid investigation launched by the European Commission in 2009, the Company was required to repay alleged state aid in the amount of €300.8 million (including interest and net of taxes) in respect of the period from 1992 to 2010. On May 2, 2013, the European Commission approved the state aid granted to the Company under the terms of the Fifth Management Contract covering the period from 2013 to 2015. In connection with the notification of the Fifth Management Contract, the Belgian state committed to the European Commission to recover €123.0 million from the Company relating to the period from 2011 to 2012. The Company agreed with the Belgian state to repay such amount under certain conditions. In anticipation of the amount due (*i.e.*, €123.1 million following the final computation of interest), the Belgian state withheld in the first quarter of 2013 an amount of €88.9 million from the outstanding balance of state compensation due in respect of 2012 under the Fourth Management Contract. The balance due in the amount of €34.2 million is expected to be paid by the Company on or about June 7, 2013. Although the European Commission's decisions on state aid provide the Company with a degree of certainty regarding the compatibility of the compensation it receives for the provision of SGEIs with state aid rules for the period from 1992 through 2015, it cannot be excluded that the Company could be subject to further state aid allegations and investigations in respect of this period in relation to SGEIs, other public services and other services it performs for the Belgian state and various public entities. • Pursuant to the Fifth Management Contract and the 1991 Law, the Company will continue to be the provider of certain SGEIs through December 31, 2015. In respect of the period commencing January 1, 2016, the Belgian state may cease to provide certain public services or may conclude that such services do not constitute SGEIs and hence do not warrant compensation. The Belgian state may also substantially change the scope and content of the SGEIs that it continues to provide. Furthermore, the public services that the Belgian state continues to provide may not be entrusted to the Company. The Belgian state has committed to the European Commission that it will organize a competitive, transparent and non-discriminatory tendering procedure, with a view to awarding by the end of 2014 a service concession at national level in respect of the distribution of newspapers and periodicals in Belgium. The successful candidate in this tender process will be entitled to begin providing such services as of January 1, 2016. The Belgian state has also committed to the European Commission that it will reassess the approach for the entrustment of the other SGEIs set forth in the Fifth Management Contract and in the 1991 Law for the period after December 31, 2015. • The Company may be required to provide other postal operators with access to specific elements of its postal infrastructure or certain services, such as post boxes, information on change of address, re-direction and return to sender services. It may be required to provide access at uneconomic price levels or the access conditions imposed upon it may otherwise be onerous. In the event it fails to comply with this requirement, it may also be subjected to fines and/or other operators may initiate proceedings seeking damages in national courts.

Element	Disclosure requirement
	• The Company is required to demonstrate that its pricing for the services falling within the USO complies with the principles of affordability, cost orientation, transparency, non-discrimination and uniformity of tariffs. Tariff increases for certain single piece mail and USO parcels included in the "small user basket" of postal services within the scope of the USO are subject to a price cap formula and prior control by the IBPT/BIPT and the IBPT/BIPT may refuse to approve such tariffs or tariff increases if they are not in compliance with the aforementioned principles or price cap formula. The IBPT/BIPT may issue injunctions requiring the Company to cease applying certain pricing policies. It may also impose fines of up to 5% of the Company's turnover in the postal sector during the preceding year (which may be doubled in certain circumstances) or other sanctions for the infringement of regulatory requirements applicable to the USO. In addition, in relation to activities for which bpost is deemed to have a dominant market position, its pricing must not constitute an abuse of such dominant position. Failure to observe this requirement may result in fines of up to 10% of its consolidated annual turnover in cases. bpost may also be ordered by national courts to discontinue certain commercial practices or to pay damages to third parties. • The Company is subject to the requirement of no cross-subsidization between public services on the one hand and commercial services on the other hand. In addition, according to state aid rules, if the Company engages in commercial services, the business case for providing such services must comply with the "private investor test," that is, the Company must be able to demonstrate that a private investor would have made the same investment decision. If the Company is found not to be in compliance with the no cross-subsidization principle or the private investor test, the European Commission could find that commercial services have benefited from unlawful state aid and order the recovery of this state aid from the Company. The Company may also be subjected to other adverse consequences as a result of a failure to comply with the cross-subsidization principle or the private investor test. • The 1991 Law designates the Company as USO provider until December 31, 2018. The designation as USO provider does not imply the granting of any exclusive rights to provide services. All services falling within the USO can be provided by other operators who obtain the license to do so. Although in the past the Company has not made any request to receive compensation for providing the USO, the obligation to provide the USO may represent a financial burden on the Company. Although the 1991 Law provides that the Company is entitled to compensation by the Belgian state in the event the USO has created an unfair burden, there can be no assurance that the entire net cost of the USO will be covered. Furthermore, following the expiration of the Company's current term as designated USO provider on December 31, 2018, if the Company were to be designated as a USO provider, there is uncertainty regarding the terms and conditions and financing mechanism that would apply to the provision of the USO. • If enacted, opt-in legislation or any similar legislation, whether at the national or EU level, would contribute to a significant decline in advertising mail volumes and could have an adverse impact on bpost's business. The enactment of legislation granting registered e-mail the same legal status as registered mail could also adversely affect volumes of registered mail sent by bpost's clients. • bpost is subject to certain risks in relation to employment matters. In particular, bpost is involved in litigation initiated by a number of auxiliary postmen (which include all postmen recruited from January 1, 2010 performing certain core functions such as collection, sorting, transport and distribution of mail). bpost's contractual employees could also challenge their employment status and claim damages to compensate them for being deprived of statutory employment protection and benefits. There can also be no assurance that the Company will not face challenges regarding certain employment matters on state aid grounds. bpost is also subject to the following additional regulatory and legislative risks: • if the Company fails to meet quality of service targets, this may have adverse consequences for its business;

Element	Disclosure requirement
	• there are instances in which the Belgian Competition Authority's powers to resolve disputes in the postal sector overlap with those exercised by the IBPT/BIPT or the Belgian courts, which may result in the Company being subject to parallel proceedings and conflicting decisions on the same issues in Belgium; • bpost may become subject to ex ante regulation in markets in which it is deemed to have "significant market power;" • the tariffs of certain of bpost's products may become subject to scrutiny by the Belgian Price Observatory; • the introduction of VAT on most mail products may reduce turnover earned from customers that are unable to recover VAT; • the interaction between the laws applicable to all private limited liability companies and the specific public law provisions and principles applicable to the Company may present difficulties in interpretation and cause legal uncertainty; • amendments to, or the introduction of new, legislation and regulations, including legislation and regulations relating to state pensions, could result in additional burdens for bpost; • bpost may become subject to stricter customs requirements, which may adversely affect its business; • bpost may face higher costs as a consequence of measures promoting energy efficiency and reducing greenhouse gas emissions; and • bpost is subject to transport regulations at the international, EU, national and regional levels and failure to comply with such regulations could result in fines or the suspension or revocation of licenses.
D.3	**Key Risks Relating to the Securities** • The Belgian state (directly and indirectly through SFPI/FPIM) holds, and will continue to hold following the Offering, a majority of the Shares and voting rights (50% plus 488 Shares). Accordingly, the Belgian state will continue to have the power to decide on matters submitted to a vote of shareholders, including the ability to control the outcome of certain corporate actions, such as dividend policy, mergers and other extraordinary transactions. In addition, the Belgian state has the power to appoint a number of directors proportionate to the number of voting rights attached to its shareholding and may therefore also exercise control or significant influence at the level of the Board of Directors. The interests of the Belgian state and the factors that it considers in exercising its vote could differ from those of the Company's other shareholders. • Following completion of the Offering, the Selling Shareholder will own 20.22% of the Shares, assuming placement of the maximum number of Offer Shares and assuming that the Increase Option is not exercised but that the Over-allotment Option is exercised in full and that all Shares offered to employees under the SPP are sold. Pursuant to the Shareholders' Agreement, following the completion of the Offering, for so long as the Selling Shareholder (alone or together with its affiliates) holds at least 20% of the voting Shares, the Selling Shareholder's consent will continue to be required for the adoption of certain shareholders' resolutions. Accordingly, the Selling Shareholder may continue to have the ability to exercise influence over certain matters and its interests may not necessarily be aligned with the interests of other shareholders. • Subject to the availability of distributable results, the Company currently intends to declare and distribute annual dividends (*i.e.*, the aggregate of the interim dividend and the final dividend) of a minimum of 85% of its Belgian GAAP annual net profit on an unconsolidated basis. No assurance can be given, however, that the Company will make dividend payments in the future.

Element	Disclosure requirement
	• Due to the Company's status as an autonomous public sector enterprise, certain contractual arrangements entered into by the Company, such as the Fifth Management Contract, and any changes to the Articles of Association approved by the Shareholders' Meeting, must be approved by the Belgian state pursuant to the 1991 Law. Such approval is granted through a Royal Decree deliberated in the Council of Ministers. Although it is expected that the Belgian state will adopt all necessary Royal Decrees prior to the Pricing Date, there can be no assurance as to the timing of the adoption of such Royal Decrees. Any failure by the Belgian state in this respect may result in a delay to the Pricing Date or lead to uncertainty with respect to the governance of the Company following the Offering. • The Company believes it is likely to be considered a PFIC for U.S. federal income tax purposes. As a result, U.S. investors could be subject to material adverse U.S. federal income tax consequences.

Section E — The Offering

Element	Disclosure requirement
E.1	**Net proceeds and expenses of the Offering** Assuming placement of the maximum number of Offer Shares and that the Offer Price is at the mid-point of the Price Range and assuming that the Increase Option is not exercised but that the Over-allotment Option is exercised in full, the gross proceeds of the Offering will be €743.2 million and the underwriting fees will be €14.3 million. This does not include any incentive fees which may be paid at the discretion of the Company and the Selling Shareholder. The underwriting fees, including any incentive fees, will be paid by the Selling Shareholder. The Selling Shareholder shall pay all expenses of the Offering (including the printing costs of offering documents, the costs of investor presentations and roadshows, marketing and advertising expenses, a portion of the fees of the Company's transaction counsel and the fees of the FSMA), except that the Company shall bear the initial and recurring fees payable to Euronext Brussels in connection with the listing of the Shares and a portion of the fees of its transaction counsel. The costs to be incurred by the Selling Shareholder are estimated at €12.9 million and the costs to be incurred by the Company are estimated at €1.3 million. Based on the aforementioned assumptions, net proceeds of the Offering to the Selling Shareholder will be €715.9 million. The Selling Shareholder has agreed to bear the cost of the 16.67% discount at which Shares will be sold to bpost's employees under the SPP in respect of a maximum of 0.5% of the Shares. The Company shall bear the cost of such discount in respect of all other Shares sold to bpost employees under the SPP. Assuming that the Offer Price is at the mid-point of the Price Range and that all Shares offered to employees under the SPP are sold, the cost of the SPP is estimated at €13.6 million, of which €2.3 million will be borne by the Selling Shareholder and €11.3 million will be borne by the Company.
E.2a	**Use of proceeds** The Company will not receive any of the net proceeds of the Offering. The Selling Shareholder will receive all of the net proceeds of the Offering, after deduction of selling, underwriting and management commissions and other expenses payable by the Selling Shareholder. The net proceeds received by the Selling Shareholder as a result of the Offering will be entirely at the disposition of the Selling Shareholder. The Selling Shareholder is owned by CVC Funds. As with other private equity funds, CVC Funds enter into and exit investments from time to time as part of their ongoing business, and the Selling Shareholder invested in the Company in 2006 with a view to eventually exit.

Element	Disclosure requirement
E.3	**Terms and conditions of the Offering** The Offering consists of (i) an initial public offering to retail and institutional investors in Belgium (the "Belgian Offering"); (ii) a public offer without listing in Japan (the "Japanese Public Offering"); (iii) a private placement in the United States to persons who are reasonably believed to be "qualified institutional buyers;" and (iv) private placements to institutional investors in the rest of the world. The Offering outside the United States will be made in compliance with Regulation S. The Offer Price will be determined during the Offering Period through a book-building process in which only institutional investors can participate. The actual number of Offer Shares to be sold by the Selling Shareholder in the Offering (including any decision by the Selling Shareholder to exercise the Increase Option) will only be determined after the end of the Offering Period and will be published in the Belgian financial press, simultaneously with the Offer Price and the allocation to retail investors on or about June 20, 2013 and in any event no later than the first business day after the end of the Offering Period. The Offer Price will be a single price in euro, exclusive of the Belgian tax on stock exchange transactions, and costs charged by financial intermediaries for the submission of applications, if any, that will apply to all investors, whether retail or institutional. The Offer Price is expected to be between €12.50 and €15.00 per Offer Share, although it may be set below the lower end of the Price Range. The Offer Price for investors shall not, however, exceed the higher end of the Price Range. The Offering Period will begin on June 6, 2013 and is expected to close at 4:00 pm (CET) on June 19, 2013, subject to the possibility of an early closing, provided that the Offering Period will in any event be open for at least six business days from the availability of this Prospectus. Certain of these dates do not apply to the Japanese Public Offering. Any early closing of the Offering Period will be published in the Belgian financial press, and the dates for pricing, allocation, publication of the Offer Price and the results of the Offering, conditional trading and closing of the Offering will in such case be adjusted accordingly. In accordance with Belgian regulations, a minimum of 10% of the Offer Shares must be allocated to retail investors in Belgium, subject to sufficient retail demand. It is intended that approximately 20% of the Offer Shares effectively allocated will be allocated to retail investors in Belgium, subject to sufficient retail demand. The proportion of the Offer Shares allocated to retail investors in Belgium may, however, be more or less than 20% depending on relative demand from institutional and retail investors. The Selling Shareholder has reserved the option to increase the number of Offer Shares by up to 9,000,000 Offer Shares in the case of oversubscription. The Selling Shareholder has granted to the Stabilization Manager, on behalf of itself and the other Underwriters, an option to purchase up to 15% of the number of Offer Shares sold in the Offering (including pursuant to any exercise of the Increase Option) at the Offer Price to cover over-allotments or short positions, if any, in connection with the Offering. The Over-allotment Option will be exercisable for a period of 30 calendar days following the date of commencement of trading of the Shares. Delivery of the Offer Shares is expected to take place in book-entry form against payment therefor in immediately available funds on or about June 25, 2013 to investors' securities accounts *via* Euroclear Belgium, the Belgian central securities depository. The Shares initially offered and sold in certain jurisdictions are subject to restrictions on transfer.
E.4	**Material interests to the Offering** The Underwriters and the Japanese Public Offering Bookrunner will offer the Offer Shares at the Offer Price. Assuming placement of the maximum number of Offer Shares and that the Offer Price is at the mid-point of the Price Range and assuming that the Increase Option is not exercised but that the Over-allotment Option is exercised in full, the underwriting fees will be €14.3 million. This does not include any incentive fees which may be paid at the discretion of the Company and the Selling Shareholder. The underwriting fees, including any incentive fees, will be paid by the Selling Shareholder. The Selling Shareholder has also agreed to reimburse the Underwriters for certain expenses incurred by them in connection with the Offering.

Element	Disclosure requirement
	Certain of the Underwriters and their respective affiliates have from time to time provided, and may in the future provide, commercial banking, investment banking and financial advisory or other services to the Company, the Selling Shareholder and/or the Belgian state in the ordinary course of their respective businesses. Prior to and concurrent with its role as Joint International Bookrunner, UBS Limited provided financial advice to the Belgian state and SFPI/FPIM. In addition to being an Underwriter, BNP Paribas Fortis is the other shareholder of bpost bank, which is an associate of the Company. Several agreements and arrangements exist in this respect among the three companies.
E.5	**Selling Shareholder and Lock-ups** The Selling Shareholder is Post Invest Europe S.à r.l., a limited liability company organized under the laws of Luxembourg, having its registered office at 20, Avenue Monterey, L-2163 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg company registry under No B108964. The Company is expected to agree with the Underwriters that it will not, and will procure that none of its subsidiaries will, for a period of 180 days from the first day of trading in the Shares, without the prior written consent of the Joint Global Coordinators, acting on behalf of the Underwriters: (i) issue, offer, sell, contract to sell or otherwise transfer, dispose of, lend (or publicly announce such action), directly or indirectly, any shares or securities of the Company that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, shares of the Company or any such substantially similar securities; (ii) purchase or sell any option or other guaranty or enter into any swap, hedge or other arrangement that transfers to any other person or entity, in whole or in part the economic consequences of its ownership of shares, whether any such transaction is to be settled by delivery of Shares or such other securities, or cash or otherwise; or (iii) submit to its shareholders or any other body a proposal to effect any of the foregoing. The Selling Shareholder is expected to agree with the Underwriters that, except as set forth below, it will not, for a period of 180 days after the first day of trading of the Shares, without the prior written consent of a majority of the Joint Bookrunners: (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company or request or demand that the Company file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of the Company, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to the Company's shareholders or any other body of the Company a proposal to effect any of the foregoing. The foregoing shall not apply to: (i) the sale of the Shares in the Offering; (ii) the lending of Shares to the Joint Global Coordinators pursuant to the stock lending agreement expected to be dated June 20, 2013; (iii) any transfer of Shares to any legal successors following a merger, liquidation, demerger or similar transaction; (iv) any transfer of Shares following the acceptance of a public takeover bid in respect of the Shares; or (v) any transfer of Ordinary Shares by the Selling Shareholder to its direct and indirect shareholders, provided that each such transferee shall continue to be bound by the foregoing restrictions for the remainder of the lock-up period.

Element	Disclosure requirement
	Each of the Belgian State and SFPI/FPIM is expected to agree with the Underwriters that, except as set forth below, it will not, for a period of 180 days after the first day of trading of the Shares, without the prior written consent of the Joint Global Coordinators, acting on behalf of the Underwriters: (i) offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company or request or demand that the Company file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, the economic consequence of ownership of any Shares or other shares of the Company, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise. The foregoing shall not apply to: (i) any transfer of Shares to any legal successors following a merger, liquidation, demerger or similar transaction; or (ii) any transfer of Shares following the acceptance of a public takeover bid in respect of the Shares.
E.6	**Dilution resulting from the Offering** Not applicable. No dilution of the existing shareholders will result from the Offering.
E.7	**Estimated expenses charged to the investor by the Company or the Selling Shareholder** Not applicable. No fees or expenses in connection with the Offering will be charged to investors by the Company or the Selling Shareholder.

PART II: RISK FACTORS

The following risk factors may affect the business, financial condition, results of operations and prospects of bpost and the value of an investment in bpost. Investors should carefully consider the following risk factors, as well as the other information contained in this Prospectus, before making an investment decision. Additional risks and uncertainties not presently known to management, or that management currently believes to be immaterial, may also affect bpost's business, financial condition, results of operations and prospects.

1 Risks Relating to bpost's Business

Declining mail usage and increased electronic substitution have had, and are expected to continue to have, an adverse impact on bpost's mail volumes.

Traditional mail accounts for a significant portion of bpost's turnover. The use of mail has declined in recent years primarily as a result of the increased use of e-mail and the Internet, which can communicate information faster, and in many cases more cost effectively, than traditional mail. Management estimates that bpost's volumes of domestic mail fell on average by approximately 2.5% per annum for the period from 2008 to 2012, with declines of approximately 3.5%, 2.0%, 0.5%, 4.0% and 2.0% in 2012, 2011, 2010, 2009 and 2008, respectively. For the three months ended March 31, 2013, volumes of domestic mail fell by approximately 5.6% compared to the three months ended March 31, 2012. The most significant declines have occurred in social mail as a result of the increasing use of e-mail, text messaging and social media. The rate of decline in mail volumes may also be affected by e-government initiatives or other measures introduced by the Belgian state or other public authorities or private enterprises that encourage electronic substitution in administrative mail. In addition, the enactment of any legislation that requires explicit prior consent of the addressee for the use of personal data (commonly referred to as "opt-in" legislation) would contribute to a significant decline in advertising mail volumes. If mail volumes continue to decline, whether at rates similar to those bpost has experienced in the past or at accelerated rates, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

Recent economic conditions in Belgium and abroad have had, and may continue to have, an adverse impact on bpost's mail and parcels volumes and results of operations.

The substantial majority of bpost's turnover is generated in Belgium. Accordingly, mail and parcels volumes are influenced by the level of economic activity in Belgium and, to a lesser extent, abroad. In particular, during times of economic distress, volumes of advertising mail may be adversely affected as bpost's clients reduce their advertising budgets or shift their spending to media other than paper. Volumes of parcels may also be adversely affected due to the effect of economic distress on the level of business activity and e-commerce. In addition, demand for bpost's ancillary services, such as document management services, may be affected by adverse economic developments in Belgium and elsewhere. Following the economic downturn and the Eurozone sovereign debt crisis, Belgium's economy contracted in 2008 and 2009 and again in 2012. Management believes that the decline in mail volumes it has experienced in recent years has been due in part to adverse economic conditions (in addition to electronic substitution). Furthermore, there can be no assurance that the effects of the sovereign debt crisis in Belgium or elsewhere will not become more pronounced. If the effects of the economic downturn and the sovereign debt crisis prove to be sustained or if economic conditions otherwise worsen, the decline in mail volumes bpost is currently experiencing may accelerate, parcels volumes may decline and demand for bpost's ancillary services may weaken, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

bpost faces competition from other operators, which may intensify in the future.

bpost faces competition across a number of markets. In particular, it faces competition in the B2B (parcels sent by businesses to other businesses), B2C (parcels sent by businesses to consumers, primarily comprising e-commerce and mail order catalogues) and C2X (parcels sent by consumers) parcels segments, where it competes with large international operators as well as smaller local operators. Major global operators such as DHL, TNT Express and UPS account for slightly more than half of the Belgian parcels market. Other operators active in the market include DPD, GLS and Trans-o-Flex (which is a wholly owned subsidiary of PostNL). Major global operators may have access to greater financial resources or may accept lower margins than bpost is willing to accept. In its international mail business, bpost faces competition from large

international operators, including DHL Global Mail, Asendia (which is a joint venture between La Poste International and Swiss Post International) and Spring Global Mail (which is a wholly owned subsidiary of PostNL), as well as local incumbent operators. bpost's Distripost service competes with Belgische Distributiedienst NV and smaller local operators in unaddressed mail. Within banking and financial products, bpost competes with large banks, such as BNP Paribas Fortis, KBC, Belfius (formerly Dexia) and ING, as well as international banks active in Belgium and smaller banks.

In addition, although currently seven operators have a license to provide letter mail services within the USO, no major direct competitor has effectively entered the domestic mail market since the Belgian postal services market was fully opened to competition in 2011, in the future, bpost may face increasing competition if additional operators were to enter this market, including as a result of any changes in the regulatory environment, the reorganization of the USO and/or the designation of another USO provider or of other USO providers. Furthermore, the Belgian state has committed to the European Commission that it will organize a competitive, transparent and non-discriminatory tendering procedure, with a view to awarding by the end of 2014 a service concession at national level in respect of the distribution of newspapers and periodicals in Belgium. The successful candidate in this selection process will be entitled to begin providing such services as of January 1, 2016. See "— *2. Risks Relating to the Regulatory and Legislative Environment — In the future, the Belgian state may discontinue the provision of public services or may substantially change their scope and content and even if it continues to provide such services, it is uncertain whether the Company will be entrusted with them on favorable terms at all.*" If competition in the markets in which bpost operates intensifies, whether as a result of the activities of its existing competitors or new entrants to these markets, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

bpost is subject to re-mailing risk, which is the risk that bpost's clients elect to send their mail via international postal operators or consolidators, who re-route the mail back to Belgium.

bpost is subject to re-mailing risk, which is the risk that bpost's clients elect to send their domestic mail *via* international postal operators or consolidators (which are operators that consolidate mail from end users for injection into the postal network), who in turn re-route the mail back to Belgium. International postal operators and consolidators look for the most cost effective routes for mail, in particular, business clients' mail. In cases of re-mailing, bpost loses the domestic tariff it would otherwise be able to charge its customer, although it still receives terminal dues, which are payments for the delivery of cross-border letter mail between postal operators, when the mail re-enters Belgium. In this way, bpost's margins can be adversely affected by re-mailing. Re-mailing risk is heightened when terminal dues are low when compared with bpost's domestic tariffs. The re-mailing activities of international postal operators and consolidators could have a material adverse effect on bpost's business, financial condition, results of operations and prospects.

A limited number of key customers account for a significant proportion of bpost's turnover.

bpost derives a significant proportion of its operating income from sales to a relatively concentrated customer base, with 47% of turnover attributable to its top 100 customers (including the Belgian state) and 18% of operating income attributable to the Belgian state (including compensation from the Belgian state in respect of SGEIs) in 2012. If the Belgian state were to reduce the volume of mail it sends, whether as a result of e-government initiatives, the rationalization of mail flows or otherwise, this could lead to an acceleration of the decline in mail volumes bpost is already experiencing. In relation to bpost's non-governmental clients, customer concentration varies by product line. For certain product lines, such as direct mail and administrative mail, bpost relies on a relatively limited number of customers that send large volumes. In 2012, the top ten customers in direct mail accounted for 35% of its direct mail operating income and the top ten customers in administrative mail accounted for 48% of its administrative mail operating income. In the event that any of bpost's key customers elects not to use bpost's services or reduces spending on bpost's services, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

bpost may not be successful in implementing its planned productivity enhancement initiatives or its other strategic plans and it may not realize all of the benefits expected from such plans.

In order to respond to declines in mail volumes, bpost must constantly adjust its cost base. Due to the relatively fixed nature of its cost base, a decline in mail volumes may translate into a significant decline in profit unless bpost can reduce its costs. Accordingly, bpost has introduced a series of productivity enhancement initiatives to reduce its costs. In 2003, in anticipation of the full liberalization of the Belgian

postal market, bpost embarked on a modernization program which included a number of cost reduction measures, such as the streamlining of operations, particularly within the Mail Services Operations ("MSO") service unit, and the replacement of post offices with PostPoints. Productivity enhancement initiatives have enabled bpost to contain its normalized total operating expenses, which were relatively flat during the past three years. bpost has also recently launched its Vision 2020 strategic plan, which involves significant changes to bpost's MSO service unit, such as a reduction in the number of distribution offices, the transformation of sorting centers into industrial mail centers and a reduction in the preparation time required by postmen through further automation. See "*Part VIII: Business — 7. Service Units — 7.1 Mail Service Operations*" for more detail on the Vision 2020 strategic plan. There can be no assurance, however, that bpost will be successful in implementing its productivity enhancement initiatives or that the benefits management expects from such plans will be realized during the expected time frame or at all. Further, bpost may be required to spend more on these initiatives than it has currently budgeted, which could constrain its investments in other areas. If bpost does not realize the benefits it expects from these productivity enhancement initiatives or if it is required to spend more to achieve its objectives, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

bpost's operations are dependent on a small number of key facilities functioning properly.

bpost's mail and parcel operations are heavily dependent on the successful operation of its five sorting centers and the European Mail Center, which is located at the Brussels airport and serves as bpost's hub for international mail and parcels. If one or more of these facilities were to be shut down for a period of time, whether as a result of a power outage, accident, strike action, natural disaster or extreme weather or otherwise, the Company might be unable to comply with delivery times set forth in the Fifth Management Contract and secondary postal legislation, the Remuneration of International Mail ("REIMS") agreements, the Universal Postal Union Convention (the "UPU Convention") or other agreements. If the Company fails to comply with such delivery times, the amount by which it is permitted to increase its tariffs for certain services could be reduced, the compensation it receives for certain SGEIs could be adversely affected and it could face claims for damages. See "*— 2. Risks Relating to the Regulatory and Legislative Environment — If the Company fails to meet quality of service targets, this may have adverse consequences for its business.*" bpost may also lose customers and suffer damage to its brand and reputation in such circumstances. Any of the foregoing could have a material adverse effect on bpost's business, financial condition, results of operations and prospects.

bpost depends upon key suppliers in certain areas of its operations and the loss of any such suppliers or any interruption in the services provided by them could significantly disrupt its operations.

bpost depends on key suppliers in certain areas of its operations. For instance, within its MSO service unit, it mainly relies on one supplier for the supply and maintenance of its sorting machines and certain other equipment. It also relies on the sole licensed supplier for cash transport services in Belgium. If either of these suppliers were to cease to provide services to bpost for whatever reason, there can be no assurance that it would be able to replace them in a timely and cost effective manner, or at all. Furthermore, any interruption in the operations of its key suppliers could result in delays in bpost's services, which could, among other things, prevent it from meeting its quality of service obligations. The loss of any of bpost's key suppliers or any interruptions in the services provided by any of these suppliers could have a material adverse effect on bpost's business, financial condition, results of operations and prospects.

The status of statutory employees and the terms of collective labor agreements may restrict bpost's operational flexibility.

bpost employs both statutory employees and contractual employees. It has two main types of contractual employees: (i) baremic contractual employees (*i.e.*, employees who are paid according to a pay scale), who perform activities similar to statutory employees; and (ii) non-baremic contractual employees, who are mainly employees in management positions. In addition to these two types of contractual employees, bpost hires auxiliary postmen, which include all postmen recruited from January 1, 2010 performing certain core functions such as collection, sorting, transport and distribution of mail. As of December 31, 2012, the Company employed 16,987 statutory employees, representing approximately 58% of its work force, 6,783 baremic contractual employees, representing approximately 23% of its work force, 4,336 auxiliary postmen, representing approximately 15% of its work force, and 1,276 non-baremic contractual employees, representing approximately 4% of its work force. For further details of these classifications, see "*Part VIII: Business — 10. Employees*." Statutory employees benefit from job security as a result of their administrative

law status, which is similar to that of civil servants. Their employment cannot be terminated except by reason of gross breach of their duties or professional incompetence. Baremic contractual employees are generally subject to the same collective labor agreements applicable to statutory employees. These collective labor agreements are adopted at the level of the committee formed under the 1991 Law composed of representatives of the Company and labor unions (the "Joint Committee") and provide for the main terms and conditions of employment for such employees. The current collective labor agreement, which is valid until December 31, 2013, contains a job security clause applicable to baremic contractual employees. The job security clause is, however, subject to a provision in the collective labor agreement that states that if the volume of work were to be reduced significantly, the parties agree to renegotiate the agreement. Furthermore, if the legal regime applicable to postal employees were to change, the validity of the job security clause could be affected. As a result of the job security clause, baremic contractual employees are in practice protected against dismissal on economic and technical grounds. Auxiliary postmen have not benefited from job security under applicable collective labor agreements since their introduction in 2010.

In addition to the limited ability bpost has to dismiss statutory employees, the administrative law status of these employees contains strict rules and offers limited flexibility, particularly in the areas of evaluations, promotions, mobility and remuneration methodologies. In particular, bpost may face limitations in its ability to redeploy statutory employees to new functions. Collective labor agreements applicable to statutory and contractual employees also contain terms that restrict bpost's operational flexibility. All of these factors may limit bpost's ability to react to significant changes in the economic environment or an acceleration in declines in mail volumes. For example, bpost could be delayed in implementing a particular restructuring program and could incur additional costs in connection with any such program. If it is unable to react with sufficient flexibility to changes in the business or economic environment as a result of the status of its employees, bpost's business, financial condition, results of operations and prospects could be materially adversely affected.

bpost is subject to the risk of strike actions, which may disrupt its operations.

The last company wide strike experienced by bpost occurred on February 11, 2012 and was called in protest of the Company's strategic plan for 2011 to 2015, which is aimed at reorganizing the Company from a logistical point of view and which the unions believed would result in job losses. Minor local strikes also occur from time to time. Although these strikes have had a limited impact on its operations in the past, there can be no assurance that bpost's operations will not be adversely affected by such actions in the future. Work stoppages or other labor-related developments may result in a decline in the quality of service provided to customers, may cause bpost to incur significant costs to continue providing a high quality of service or may damage bpost's brand and reputation, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

bpost's employees may experience unusually high levels of stress, which may have a number of adverse effects on its business.

In the past decade, bpost has significantly reduced its work force, which has generally increased the workload of its employees and may have contributed to increased levels of stress across the organization, as indicated by a survey conducted by bpost. This may adversely affect bpost's business in a number of ways. It may be difficult to achieve further savings through cost reduction initiatives such as the Vision 2020 strategic plan. Absenteeism may also increase as a result of relatively high stress levels. In addition, labor unions may resist the introduction of further cost reduction initiatives. Furthermore, bpost's strategy relies in part on product renewal opportunities, which in turn require engaged employees. To the extent employees are experiencing stress, bpost's strategic objectives may become more difficult to achieve. While bpost has taken steps to address stress levels across its workforce, there can be no assurance that stress levels will not have a material adverse effect on its business, financial condition, results of operations and prospects.

Fluctuations in the factors that determine the value of bpost's employee benefit obligations could result in actuarial gains and losses.

bpost grants its active and retired personnel post-employment benefits, other long term benefits and termination benefits. These benefit plans have been valued in conformity with IAS 19. Actuarial gains and losses caused by changes in discount rates are booked as a financial cost. In all other cases, actuarial gains and losses are recorded as operating expenses. The main assumptions used in computing the benefit obligations on the statement of financial position date include the rate of inflation (long term), future

salary increases and mortality tables. Discount rates are determined by reference to market yields at the statement of financial position date. Fluctuations in these factors will cause the value of employee benefits to change and may result in actuarial gains and losses. If bpost were to experience significant actuarial gains and losses, its business, financial condition, results of operations and prospects could be materially adversely affected.

bpost's competitive position and future prospects depend on its senior management's experience and expertise and its ability to recruit and retain qualified senior management.

bpost's ability to maintain its competitive position and to implement its strategy is dependent on its senior management team. If one or more members of bpost's senior management were unable or unwilling to continue in their present positions, it may not be able to replace these individuals in a timely manner or at all. Moreover, competition for senior management with relevant expertise may be intense and may result in higher compensation levels. bpost's ability to attract and retain qualified senior management may also be adversely affected by legislation limiting the compensation of senior management of entities owned or controlled by the Belgian state, such as bpost. Specifically, the coalition agreement of December 1, 2011 provides that the Belgian government will take initiatives to limit the remuneration of the CEO and the members of the management committee of state-owned companies, including the variable portion of such remuneration. The loss of any members of senior management or an inability to attract, retain and motivate senior management could have a material adverse effect on bpost's business, financial condition, results of operations and prospects.

bpost may not continue to recognize unrealized gains in respect of bpost bank's investment portfolio.

As of March 31, 2013, bpost had net unrealized gains in respect of bpost bank's bond portfolio of €215.0 million, which represented 54.6% of total investments in associates. Unrealized gains and losses are not recognized in the income statement but rather are recorded directly in equity in other comprehensive income. In the three months ended March 31, 2013 and the year ended December 31, 2012, bpost recorded a net unrealized loss on the bond portfolio of €10.5 million and a net unrealized gain of €263.8 million, respectively. These unrealized gains and losses reflected bpost's 50% share of the change in the fair value of the bond portfolio. The unrealized gains were generated by the low level of interest rates at the end of the period compared to the acquisition yields of the bonds. As the bonds in bpost bank's portfolio reach maturity, the level of unrealized gains are likely to decrease. As a result, there can be no assurance that bpost will continue to record unrealized gains or that it will not be required to record unrecognized losses, which would have the effect of reducing bpost's equity. As of March 31, 2013 and December 31, 2012, net unrealized gains accounted for 31.4% and 30.6% of bpost's total equity, respectively. Accordingly, if bpost were to cease to record unrealized gains or if it were to record unrealized losses, this could have a material adverse effect on bpost's business, financial condition, results of operations and prospects.

bpost bank has in the past, and may in the future continue to, experience losses in respect of its investment portfolio.

Although bpost bank has had unrealized gains in prior periods, it has also realized losses in respect of the portfolio, including losses in relation to disposals of its sovereign bond holdings. Any realized loss on its investment portfolio impacts bpost bank's income statement. Since bpost bank is included in bpost's accounts using the equity method, 50% of bpost bank's net profit after tax under IFRS, including any realized loss, is included in bpost's income statement. Although bpost bank made an overall profit in each of 2012, 2011 and 2010, it incurred net portfolio losses (defined as losses less gains on sale in the investment portfolio) of €3.6 million, €42.1 million and €4.1 million, respectively, as it sought to reduce the risk profile of its bond portfolio. It may in the future experience losses, particularly as its investment portfolio is largely composed of sovereign bond holdings. As of December 31, 2012, Belgian sovereign bonds and foreign sovereign bonds accounted for 68% and 6% of the bond portfolio, respectively, with the remainder of the bond portfolio being comprised primarily of bonds issued by corporates and financial institutions. The economic downturn or the sovereign debt crisis may continue to impact the value of its investment portfolio. Any deterioration in bpost bank's investment portfolio could adversely affect its capital ratios and its reputation. Although the Company is not under a legal obligation to recapitalize bpost bank, the shareholders agreement in effect between the Company and BNP Paribas Fortis in relation to bpost bank provides that, in the event that a capital increase is envisaged, each of the parties must subscribe to such increase on a 50-50 basis. If such capital increase occurs (either to address capital adequacy concerns or for other reasons), under the shareholders agreement bpost would be contractually obligated to participate in such capital increase and this could have a material adverse effect on its business, financial condition, results of operations and prospects.

bpost bank is exposed to interest rate risk, and volatility in interest rates may adversely affect its business.

bpost bank is exposed to risks resulting from mismatches between interest rates on its interest-bearing liabilities (which primarily include deposits) and interest-earning assets (which primarily includes its investment portfolio). Since bpost bank is included in bpost's accounts using the equity method, 50% of the change in bpost bank's equity as a result of fluctuations in interest rate is recorded in bpost's own equity. Volatility in interest rates may have a material adverse effect on bpost bank's business, which could indirectly impact bpost's business, financial condition and results of operations and prospects.

bpost bank may be required to increase its capital as a result of financial regulatory requirements, which could increase its cost of doing business.

As a Belgian credit institution, bpost bank is subject to a number of financial regulations, including in respect of capital requirements, and operates under the prudential supervision of the National Bank of Belgium. At the end of the third quarter of 2010, the Basel Committee on Banking Supervision issued guidance relating to amendments to its existing rules for calculating regulatory capital for internationally active banks (commonly referred to as Basel II), which are included in further recommendations known as Basel III. The Basel III recommendations were finalized on January 1, 2011 and include changes to capital requirements and the introduction of a leverage ratio and liquidity standards. The recommendations also require banks to increase their regulatory capital as a percentage of risk-weighted assets to achieve certain minimum ratios by January 1, 2019. On July 20, 2011, the European Commission adopted a legislative package of proposals (known as CRD IV) to implement the changes through the replacement of the existing Capital Requirements Directive with a new Directive and Regulation. A compromise text on the CRD IV package was approved on March 27, 2013 by the Council's Permanent Representatives Committee (COREPER). The Council declared that if the European Parliament approves the CRD IV package texts as agreed (which it did during its plenary session of April 16, 2013), the Council will also approve it without further discussion once it has been finalized in all official European languages. The Council further declared that the new rules will apply from January 1, 2014 if publication takes place in the Official Journal by June 30, 2013. Full implementation is expected by January 2019. However, as the CRD IV package has not yet been formally adopted by the Council and the Directive that forms part of the package must still be transposed into Belgian law, the overall timing of CRD IV remains uncertain. Compliance with Basel III and CRD IV is expected to result in an increase in bpost bank's cost of doing business, both as a result of the higher capital requirements and an increase in personnel to comply with the new requirements. In anticipation of these requirements, bpost bank completed a capital increase in the amount of €100 million on March 20, 2013, pursuant to which the Company has contributed €37.5 million in cash (following the capital increase, the Company's shareholding in bpost bank continued to be 50%). Nonetheless, there can be no assurance that bpost bank's capital will prove to be adequate following the adoption and transposition of CRD IV. The National Bank of Belgium may also make changes to other financial regulations at any time in ways which may have an adverse effect on the business of bpost bank. Any such changes could have a material adverse effect on bpost bank's business, and therefore bpost's business, financial condition, results of operations and prospects.

If bpost fails to develop and introduce new products and services on a timely basis, its turnover could decline.

While a significant portion of bpost's business falls within the traditional mail sector where opportunities for innovation are limited, it relies on the development of new products and solutions in order to mitigate the effects of declining mail volumes. bpost may not be able to develop new products and services successfully and, even if it does develop them, the new products and services might not be successful. In addition, bpost's competitors may introduce new products and services before bpost. The development of new products and services could also require significant expenditures and the commitment of human resources. If bpost is unsuccessful at developing new products and services or if the costs of development exceed its expectations, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

bpost may encounter difficulties as a result of acquisitions in other countries.

The Company has recently acquired several companies operating outside of Belgium and it may continue to make acquisitions in the future. For example, in 2009, the Company acquired a 60% stake in Mail Services Inc. (subsequently increased to 80% in 2012) and in 2012, the Company acquired a 51% stake in Landmark

Global Inc. in order to expand its operations in North America. See “*Part VIII: Business — 11. Subsidiaries and Associates.*” The Company also acquired Citipost (Holdings) Limited in 2011, which mainly operates in Singapore and Hong Kong. For the most part, bpost operates its foreign subsidiaries as independent entities. The acquisition of companies in new jurisdictions may pose risks to its operations. bpost may have less familiarity with the operating environment and regulatory regime in these jurisdictions. bpost may also encounter similar risks in relation to acquisitions in Belgium to the extent it expands into new products and services in the future. Any of the foregoing could have a material adverse effect on its business, financial condition, results of operations and prospects.

bpost is dependent on support provided by ICT systems.

bpost is reliant on information and communication technology (“ICT”) systems in order to provide its services. These ICT systems underpin the operations of bpost’s MSO service unit, its retail network and certain of its services. These systems are subject to risks such as power outages, disruptions to internet traffic, software bugs, problems arising from human error and viruses, any of which could result in loss of data or significant disruption to bpost’s operations. In addition, bpost relies on a number of tools, such as firewalls, virus scanners and access control at the operating system level, to prevent any unauthorized access to data and to protect the confidentiality, integrity and authenticity of data. Should one or more of these tools fail temporarily or permanently, the consequent disruption could lead to damage to bpost’s brand and reputation, a loss of customers and potential claims and losses, and could give rise to unforeseen additional expenditures in order to rectify the issues. Any of the foregoing could have a material adverse effect on bpost’s business, financial condition, results of operations and prospects.

bpost’s business entails operational risks.

bpost is exposed to operational risk, which is the risk of loss resulting from inadequacy or failure of internal processes or systems or from external events. bpost is susceptible to, among other things, fraud by employees or outsiders, unauthorized transactions by employees and operational errors, including clerical or record keeping errors and errors resulting from faulty computers or ICT systems. Such risks may be heightened in certain areas of bpost’s business, such as financial services. bpost and bpost bank maintain a system of internal controls designed to monitor and control operational risk. However, there can be no assurance that bpost will not suffer losses from any failure of these controls to detect or contain operational risk in the future. Any such losses could have a material adverse effect on bpost’s business, financial condition, results of operations and prospects.

2 Risks Relating to the Regulatory and Legislative Environment

Changes to the 1991 Law and the regulations implementing the 1991 Law could adversely affect bpost.

Changes to the 1991 Law and the existing and future regulations implementing the 1991 Law could adversely affect bpost. In particular, certain changes to the 1991 Law are expected to be adopted in the near future, including technical changes as well as changes specifying the analytical accounting framework and implementing regulations applicable to both the designated USO provider and other operators. It is not possible to predict any other changes to the 1991 Law or any of its implementing regulations or the impact any such changes may have on bpost’s business and operations.

In addition, there can be no assurance that the Belgian Full Market Opening Law which amended the 1991 Law to implement the Third Postal Directive will not be modified in a manner that is adverse to bpost. The Belgian Full Market Opening Law contains licensing conditions that a new entrant would be required to satisfy to provide letter mail services falling within the scope of the USO. For instance, new entrants must employ contractual workers, must cover 80% of each of Belgium’s three regions within five years, must deliver mail at least twice per week within two years and must offer uniform pricing. On May 29, 2013, in the context of its recommendation to the Council of the European Union on Belgium’s 2013 national reform program, the European Commission expressed the view that regulatory barriers in Belgium’s postal legislation, particularly the provisions of the Belgian Full Market Opening Law concerning certain licensing conditions should be removed. Management cannot predict what action, if any, the Belgian state will take in response to these recommendations or the timing of any such action. If any of the licensing conditions set forth in the Belgian Full Market Opening Law were to be modified or eliminated, the competitive landscape could change and the level of competition experienced by bpost could increase significantly, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The European Commission has required and may in the future require the Company to reimburse a portion of the compensation it receives for the provision of public services to the extent that such compensation is deemed to constitute unlawful state aid.

The Company is entitled to receive compensation from the Belgian state in respect of certain SGEIs it provides, which include, among other services, the early delivery of newspapers, the distribution of periodicals, "cash at counter" services and home delivery of pensions and social allowances. For the years ended December 31, 2012, 2011 and 2010, the Company received €322.9 million, €320.9 million and €325.7 million in gross compensation from the Belgian state for providing SGEIs.

In 2009, the European Commission launched a state aid investigation in relation to compensation for SGEIs, among other things. Following this investigation, the Company repaid €300.8 million of alleged state aid (including interest but net of taxes) in respect of the period from 1992 to 2010. See "*Part VIII: Business — 16. Legal Proceedings — 16.1 State aid*" for further details regarding the state aid investigation and decision of the European Commission.

On May 2, 2013, the European Commission approved the state aid granted to the Company under the terms of the Fifth Management Contract covering the period from 2013 to 2015. The European Commission's decision may be appealed at any time up until the date that is two and a half months after its publication in the EU's Official Journal.

In connection with the notification of the Fifth Management Contract, the Belgian state committed to the European Commission to recover €123.0 million from the Company relating to the period from 2011 to 2012. In its decision regarding the Fifth Management Contract, the European Commission considered that the Company in all likelihood benefited from overcompensation during the period 2011 and 2012 and that the commitment of the Belgian state will remove such overcompensation. The Company agreed with the Belgian state to repay such amount under certain conditions. In anticipation of the amount due (*i.e.*, €123.1 million following the final computation of interest), the Belgian state withheld in the first quarter of 2013 an amount of €88.9 million from the outstanding balance of state compensation due in respect of 2012 under the Fourth Management Contract. The balance due in the amount of €34.2 million is expected to be paid by the Company on or around June 7, 2013.

Although the European Commission's decisions on state aid provide the Company with a degree of certainty regarding the compatibility of the compensation it receives for the provision of SGEIs with state aid rules for the period from 1992 through 2015, it cannot be excluded that the Company could be subject to further state aid allegations and investigations in respect of this period in relation to SGEIs, other public services and other services it performs for the Belgian state and various public entities. Such further review may result from an appeal against the May 2, 2013 decision as well as, for example, from changes in the interpretation of state aid rules by the courts and the relevant authorities, changes in the legislative framework affecting bpost or its non-public competitors or the evolution of other factors impacting state aid analysis. Any future state aid decision by the European Commission requiring the Company to reimburse compensation or other financial benefits received from the Belgian state could have a material adverse effect on its business, financial condition, results of operations and prospects.

In the future, the Belgian state may discontinue the provision of SGEIs or may substantially change their scope and content and even if it continues to provide such services, it is uncertain whether the Company will be entrusted with them on favorable terms or at all.

Pursuant to the Fifth Management Contract and the 1991 Law, the Company will continue to be the provider of certain SGEIs through December 31, 2015. These services include, among others, the operation of the retail network, the distribution of newspapers and periodicals, the distribution of electoral materials, the acceptance of cash deposits at post offices and the home delivery of state pensions and social allowances. The Company is compensated for providing most of the services mentioned in the Fifth Management Contract based on a net avoided cost ("NAC") methodology. This methodology provides that compensation shall be based upon the difference between the net cost to the provider of operating with the SGEI and the net cost or profit to the same provider of operating without the SGEI. The compensation for providing the SGEIs is subject to a cap, which will be adjusted to the extent the evolution of the Belgian consumer price index exceeds 2.2% in a given year. The Company also receives income from the tariffs payable by users of certain SGEIs.

In respect of the period commencing January 1, 2016, the Belgian state may cease to provide certain public services or may conclude that such services do not constitute SGEIs and hence do not warrant compensation. The Belgian state may also substantially change the scope and content of the SGEIs that it continues to provide.

Furthermore, the public services that the Belgian state continues to provide may not be entrusted to the Company. The Belgian state has committed to the European Commission that it will organize a competitive, transparent and non-discriminatory tendering procedure, with a view to awarding by the end of 2014 a service concession at national level in respect of the distribution of newspapers and periodicals in Belgium. The successful candidate in this tender process will be entitled to begin providing such services as of January 1, 2016. The Belgian state has also committed to the European Commission that it will reassess the approach for the entrustment of the other SGEIs set forth in the Fifth Management Contract and in the 1991 Law for the period after December 31, 2015. The Belgian state may similarly initiate a competitive selection process in respect of these SGEIs, although it has not announced any intention to do so.

In addition, the Company manages the cash accounts of the Belgian state and certain other public entities pursuant to the Royal Decree of January 12, 1970 regulating the postal service, as amended pursuant to the Royal Decree of April 30, 2007 regulating postal financial services (the "1970 Royal Decree") (these services are not provided pursuant to the Fifth Management Contract and compensation for these services is not included in the table set forth in "*Part XI: Operating and Financial Review and Prospects — 3. Key Factors Affecting Results of Operations — Compensation for SGEIs*"). It cannot be excluded that these services may be considered as being subject to public procurement rules and should therefore be opened to a competitive process by the Belgian state.

If the Company is ineligible to participate in any such public procurement procedure or if it is unsuccessful in any such procedures, it would lose the compensation paid to it by the Belgian state for providing the services and where applicable the tariffs paid by the users of such services. In such a case, while it could continue to provide such services on a commercial basis, there can be no assurance that it would be able to do so profitably. In the case of newspapers and periodicals, bpost would lose a significant amount of compensation in the event it is unsuccessful in the public procurement procedure the Belgian state will organize, although it would also be able to reduce its costs in that event. bpost received an advance of €47.2 million from the Belgian state in compensation for the three months ended March 31, 2013 and €281.4 million from the Belgian state in compensation for the year ended December 31, 2012 in respect of newspapers and periodicals. Its total operating income from the press product line (including both compensation from the Belgian state and tariffs charged to publishers of newspapers and periodicals) amounted to €79.4 million and €406.4 million in the three months ended March 31, 2013 and the year ended December 31, 2012, respectively.

For the period commencing January 1, 2016, failing an agreement on a new management contract, the Belgian state may also unilaterally impose for a limited period of time (*i.e.*, until such time as agreement on a new management contract is reached) the performance of public services upon the Company. In such circumstances, the terms imposed upon the Company may be unfavorable.

Any future award of public services will also be subject to state aid constraints and challenges. The manner in which the state aid framework will evolve and the application of such framework by the courts and the relevant authorities remains uncertain, including with regard to the NAC methodology upon which compensation for SGEIs is based. Additional requirements or conditions could also be imposed upon the Company in relation to the provision of SGEIs. In particular, it could in the future be required to provide access to certain parts of its network and infrastructure in connection with the provision of SGEIs. Any of the foregoing could significantly reduce the compensation the Company receives from the Belgian state or in connection with the provision of these services and could have a material adverse effect on its business, financial condition, results of operations and prospects.

If the Company is required to provide access to specific elements of its postal infrastructure or certain services to other operators or other market players at uneconomic price levels or if onerous access conditions are imposed, its business could be materially adversely affected.

The Third Postal Directive provides that Member States shall ensure that transparent and non-discriminatory access conditions are available to specific elements of the postal infrastructure or to services rendered in the framework of the USO whenever necessary to protect the interests of users or to promote effective competition. The Belgian Full Market Opening Law implementing the Third Postal Directive provides, among other things, that the Company must, whenever necessary to protect the interests of users or to promote effective competition, conclude bilateral and reciprocal agreements with other postal operators offering such access. If the parties are unable to agree on such terms after a six-month negotiation period, the IBPT/BIPT may impose terms upon them. If the Company is required to provide other postal operators with access to specific elements of its postal infrastructure or certain services, such as post boxes, information on change of address, re-direction and return to sender services, at uneconomic price levels, or

if the access conditions imposed upon it are otherwise onerous, its business could be materially adversely affected. Failure to comply with this requirement could result in fines of up to 5% of the Company's turnover in the postal sector in Belgium during the preceding year (which may be doubled in certain circumstances) or other measures. See "*Part IX: Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.4 Regulatory supervision*" for details of the fines and other sanctions that can be imposed by the IBPT/BIPT.

Furthermore, if the Company voluntarily provides such access, it is required to do so on a non-discriminatory basis unless the discrimination is objectively justified. In addition, the refusal to provide access could constitute an abuse of a dominant position under Belgian or EU competition law, which may result in a maximum fine of up to 10% of the Company's consolidated annual turnover and may trigger proceedings initiated by other operators seeking damages in national courts. See "*Part IX: Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.4 Regulatory supervision*" and "*Part IX: Regulation — 4. Competition and State Aid Laws — 4.1 Competition*" for details of the fines and other penalties that can be imposed by regulators. In addition to the rules on access provided for in the Third Postal Directive and the Belgian Full Market Opening Law, the Fifth Management Contract provides in certain specified circumstances for a right of access to certain post offices for other postal operators. If the Company is required to provide access to other postal operators on unfavorable terms, or if it is found to have done so on a discriminatory basis or, in certain circumstances, to have abusively refused such access, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Company's pricing policies have been and may in the future be subject to challenge on postal regulatory and competition law grounds.

The Company is required to demonstrate that its pricing for all of its products falling within the USO complies with the principles of affordability, cost orientation, transparency, non-discrimination and uniformity of tariffs. These principles have not been fully defined in legislation or in case law and the IBPT/BIPT has discretion in their interpretation, resulting in uncertainty as to the position the IBPT/BIPT will adopt with regard to such tariffs. The IBPT/BIPT may issue injunctions requiring the Company to cease applying certain pricing policies. It may also impose fines of up to 5% of the Company's turnover in the postal sector during the preceding year (which may be doubled in certain circumstances) or other sanctions for the infringement of regulatory requirements applicable to the USO. See "*Part IX: Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.4 Regulatory supervision*" for details of the fines and other measures that can be imposed by the IBPT/BIPT. Tariff increases for single piece mail and parcels included in the "small user basket" of postal services within the scope of the USO are, in addition, subject to a price cap formula and prior control by the IBPT/BIPT and the IBPT/BIPT may refuse to approve such tariffs or tariff increases if they are not in compliance with the aforementioned principles or price cap formula.

In addition, in relation to activities for which bpost is deemed to have a dominant market position, its pricing must not constitute an abuse of such dominant position. For example, under certain circumstances, bpost could be deemed to have abused its dominant position if its pricing is discriminatory, predatory (below cost), excessive or exclusionary or involves loyalty inducing practices, where these practices cannot be objectively justified. Where bpost has a dominant position and has access to commercially sensitive information pertaining to certain customers who are also considered by competent authorities to be competitors, it must not use such information to gain an unjustified competitive advantage. Failure to observe this requirement may constitute an abuse of dominant position. Under EU and Belgian competition law, the Company is subject to the risk of fines of up to 10% of its consolidated annual turnover in cases where it is found to have abused its dominant position. See "*Part IX: Regulation — 4. Competition and State Aid Laws*" for details of the fines and other penalties that can be imposed by the competent competition authorities.

Both the IBPT/BIPT and the Belgian Competition Authority have in the past taken action against the Company in relation to its 2010 direct mail and administrative mail conventional pricing policy towards intermediaries. In July 2011, for instance, the IBPT/BIPT concluded that this pricing policy infringed the 1991 Law and imposed a fine of €2.3 million. In December 2012, the Belgian Competition Authority also took action against the Company, concluding that it had abused its dominant position and imposing a fine of €37.4 million. The Company discontinued this pricing policy before the Belgian Competition Authority issued its decision and paid the fine during the first quarter of 2013. The Company is appealing both decisions and a decision is expected in relation to the IBPT/BIPT fine prior to the Closing Date. See "*Part VIII: Business — 16. Legal Proceedings*." There can be no assurance that the Company will not be subject to further fines or injunctions in relation to its pricing policies.

In addition to enforcement action and fines imposed by the IBPT/BIPT and the Belgian Competition Authority, bpost may also be ordered by national courts to discontinue certain commercial practices or to pay damages to third parties that demonstrate (whether based on an earlier infringement decision by the authority or independently of any such decision) that they have been adversely affected by an alleged infringement of the postal regulatory framework and/or violation of the competition rules by bpost. For example, the Company is involved in claims for damages by two intermediaries, Publimail SA/NV and Link2Biz International SA/NV, for €19.9 million and €27.8 million, respectively. Both claims are pending before the Brussels Commercial Court. Future legislation at the EU and Belgian levels may facilitate the bringing of such individual or collective follow-on actions.

Furthermore, uncertainty in the application of the Belgian and EU postal regulatory and competition regimes may restrict bpost's operational and commercial flexibility. For instance, as regards competition law principles, product and geographic markets are not always clearly established and it cannot be determined with certainty for which activity bpost may be considered to have a dominant position. There also can be no assurance that changes in legislation will not restrict bpost's pricing flexibility.

If bpost becomes subject to fines or injunctions by regulators or litigation by third parties in respect of its pricing policies, if it is required to modify its tariffs or if its commercial flexibility is restricted as a result of uncertainty in the application of postal regulatory or competition law requirements or changes in legislation, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

If the Company's policy with respect to its commercial products were deemed not to be compliant with the principle of no cross-subsidization under state aid or competition law, this could result in recovery of state aid, fines, damages or interim measures and could present certain challenges for its business.

The Company is subject to the requirement of no cross-subsidization between public services on the one hand and commercial services on the other hand. Where a subsidiary or business unit of the Company receives commercial and/or logistical assistance from it to render commercial services, that subsidiary or business unit must pay an appropriate transfer price to the Company for this assistance. In addition, according to state aid rules, if the Company engages in commercial services, the business case for providing such services must comply with the "private investor test," that is, the Company must be able to demonstrate that a private investor would have made the same investment decision. For instance, this means that in practice products should be profitable within a reasonable time period, using the appropriate costing methodology standard. If the Company is found not to be in compliance with the no cross-subsidization principle or the private investor test, the European Commission could find that commercial services have benefited from unlawful state aid and order the recovery of this state aid from the Company. Furthermore, competitors may institute legal proceedings before national courts, which may order the Company to suspend or discontinue certain activities considered to be in violation of EU state aid rules and may award damages or introduce interim measures such as injunctions.

In addition, cross-subsidization may be scrutinized under EU and Belgian competition law, in particular if the Company is deemed to have abused the dominant position it may hold in certain markets by adopting certain behavior in adjacent markets (*i.e.*, leveraging its position). Finally, in addition to recovery of state aid, fines and damages, proceedings at the EU or national level may disrupt the Company's business as the competent authorities may order it to suspend or change the activities concerned. Any of the foregoing could have a material adverse effect on its business, financial condition, results of operations and prospects.

There are uncertainties regarding the financing of the USO by the Belgian state if the USO were to represent an unfair burden to the Company in the future.

The 1991 Law designates the Company as USO provider until December 31, 2018. In 2012, products falling within the USO accounted for 59.5% of total operating income (with products subject to the price cap formula accounting for 28.6% and other USO products accounting for 30.9% of total operating income). The designation as USO provider does not imply the granting of any exclusive rights to provide services. All services falling within the USO can be provided by other operators who obtain the license to do so.

Although in the past the Company has not made any request to receive compensation for providing the USO, the obligation to provide the USO may represent a financial burden on the Company as the cost of providing this service may in the future exceed the revenues earned from the service and certain constraints apply to the ability of the Company to freely set and increase its tariffs. The 1991 Law provides that if, in any given year, the performance of the USO has created an unfair burden on the Company, it is entitled to compensation by the Belgian state in respect of this unfair burden. The general principles for calculating the

compensation from the Belgian state are set out in the 1991 Law and are in accordance with the Third Postal Directive, which requires the application of a NAC methodology. However, the specific methodology for the calculation of the net cost remains to be elaborated upon in a Royal Decree, which may render compensation more difficult. As a consequence, there can be no assurance that any net cost of the USO will be covered. In addition, the 1991 Law provides that only net costs of the USO above a certain minimum threshold will be considered to be an unfair burden and subject to reimbursement by the Belgian state. Moreover, when verifying the calculation of the net cost of the USO, the IBPT/BIPT can take into account elements that are subject to interpretation, such as intangible and market benefits. The Fifth Management Contract does not provide for any compensation for providing the USO.

Following the expiration of the Company's current term as designated USO provider on December 31, 2018, one or more USO provider(s) shall be appointed for a period of ten years and the universal service may then be divided into various segments. The 1991 Law provides that the procedure for designating the USO provider should, at the latest, be finalized three years prior to the end of the term of the current USO provider. This implies that the identity of the future USO provider(s) should be known by the end of 2015. The new USO provider(s) will become providers as from January 1, 2019, with the Company continuing to be the USO provider until that date. If the Company were to be designated as USO provider (whether or not in conjunction with other USO providers), there is uncertainty regarding the terms and conditions and financing mechanism that would apply to the provision of the USO.

Furthermore, the Belgian state has the power to unilaterally impose for a limited period of time such terms and conditions and financing mechanism, as permitted by Article 5 of the 1991 Law, in the event that no agreement is reached on a new management contract (*i.e.*, until a new management contract is concluded) after the expiration of the previous management contract. Such terms and conditions and financing mechanism may potentially be less favorable to the Company than the current terms and conditions and financing mechanism, including as a result of the imposition of access obligations in respect of the Company's network and infrastructure in relation to the USO. If the USO is imposed upon the Company on unfavorable terms, its business, financial condition, results of operations and prospects could be materially adversely affected.

If the Company fails to meet quality of service targets, this may have adverse consequences for its business.

The Company must meet certain quality of service targets, including in respect of the USO and SGEIs. In relation to the USO, a Royal Decree implementing the 1991 Law provides that the Company is entitled to a quality bonus, which is included in the price cap formula, to the extent the Company meets specified delivery times (*i.e.*, more than 90% of the items that are part of the "small user basket" on average are delivered on time). For the year ended December 31, 2012, 28.6% of bpost's total operating income was attributable to products subject to the price cap formula. In addition, non-compliance with specified delivery times (*i.e.*, less than 90% of single piece domestic D+1 mail items are delivered on time) may give rise to corrective measures, including investment in projects aimed at improving quality of the service. Between 2006 and 2012, bpost has never been subject to such corrective measures. Furthermore, under the terms of the Fifth Management Contract, the Company undertakes to deliver 95% of single piece items within the scope of the USO within the specified delivery times, with 97% being delivered no more than one day after the specified delivery times.

In relation to SGEIs, the quality of service provided by the Company can affect the level of compensation that it receives from the Belgian state for each specified SGEI (*i.e.*, the retail network SGEI, early delivery of newspapers, distribution of periodicals, "cash at counter" services and home delivery of pensions and social allowances). Compensation for such SGEIs is calculated on the basis of the net avoided cost incurred by the Company to discharge the relevant SGEI, which includes a reasonable profit, increased by the share of efficiency gains or decreased by the share of efficiency losses. See "*Part IX: Regulation — Key EU-driven Belgian Legislation Governing Postal Services — 1.3 Other public services entrusted to the Company — Compensation*" for the definition of efficiency gains and losses. According to the terms of the Fifth Management Contract, efficiency gains and losses are shared in a proportion of 67% for the Company and 33% for the Belgian state. With respect to compensation for the day-to-day SGEIs (*i.e.*, early delivery of newspapers, distribution of periodicals, "cash at counter" services and home delivery of pensions and social allowances), if the Company does not meet the applicable basic quality principles or quality enhancement targets for the relevant SGEI and it achieves efficiency gains in a particular year, its share of the gains shall be reduced from 67% to 33%. If it does not meet such principles or targets and incurs efficiency losses in a particular year, its share of the losses shall be increased from 67% to 100%. Such quality principles and targets include, for newspapers, the distribution of newspapers by a certain time and ensuring that the net

number of complaints relating to newspaper distribution must remain below 11 for every 10,000 deliveries and, for periodicals, the requirement to distribute at least 95% of periodicals within the delivery times specified in a special agreement between the Belgian state and bpost and at least 97% of periodicals within the delivery times specified in the special agreement, plus one day. With respect to the retail network SGEI, the Company must meet specific quality targets with respect to waiting time (between 80% and 90% of all customers should wait no longer than five minutes before they are served) and customer interaction in post offices (the application level of the GOOLDA/BRASMA model should be between 80% and 90%). In addition, 95% of all "cash at counter" transactions should be executed on time (*i.e.*, transactions relating to bpost bank accounts must be executed on the first working day following the transaction and transactions for all other accounts must be executed on the second working day following the transaction) and the net number of complaints received relating to the home delivery of pensions, must remain below 50 for every 10,000 deliveries. See "*Part VIII: Business — 8. Quality of Service — 8.2 SGEIs.*" The performance against these quality targets will have an impact on the compensation it receives, in accordance with a formula set out in the Fifth Management Contract, as described above. In each case, this is subject to the cap on the overall remuneration under the Fifth Management Contract for the relevant year not being exceeded. The Company is also subject to quality obligations under international postal regulations and international agreements such as the REIMS agreements. As a result of the foregoing, if the Company does not meet quality of service targets, its business, financial condition, results of operations and prospects could be materially adversely affected.

There are instances in which the Belgian Competition Authority's powers to resolve disputes in the postal sector overlap with those exercised by the IBPT/BIPT or the Belgian courts, which may result in the Company being subject to parallel proceedings and conflicting decisions on the same issues in Belgium.

The Belgian Competition Authority has the authority to determine compliance with Belgian and EU competition law in respect of disputes among postal operators and between postal operators and their clients. However, in certain circumstances the IBPT/BIPT may also intervene in such disputes based on its general power to enforce the provisions of the 1991 Law. In addition, Belgian courts have jurisdiction to determine infringements of competition law, including pursuant to claims brought by postal operators and their customers, as well as to adjudicate damage claims based on competition law and postal regulation. These "overlapping" powers in Belgium may result in the Company being forced to litigate competitors' or customers' complaints in more than one forum on the same issue. There can be no assurance that the Belgian Competition Authority, the IBPT/BIPT and the Belgian courts will always reach the same or consistent conclusions on identical or similar issues. Such uncertainty can lead to potentially conflicting compliance obligations being imposed on the Company and forum shopping by potential litigants or complainants. Management cannot predict what the consequences of these overlapping powers may be on bpost's business and this uncertainty could have a material adverse effect on its business, financial condition, results of operations and prospects.

The enactment of legislation restricting advertising mail or the adoption of stricter rules regarding data protection and the use of personal data would contribute to a significant decline in advertising mail volumes.

If enacted, opt-in legislation or any similar legislation, whether at the national or EU level, would contribute to a significant decline in advertising mail volumes and could have an adverse impact on bpost's business. For the three months ended March 31, 2013 and 2012, €71.5 million and €77.7 million in total operating income, respectively, was derived from advertising mail. For the years ended December 31, 2012, 2011 and 2010, total operating income from advertising mail was €287.3 million, €309.1 million and €318.9 million, respectively. On January 25, 2012, the EU Commission published proposals with respect to the reform of the EU data protection framework. The proposals would substantially tighten the data protection regime, including by requiring explicit consent for the processing of personal data, which would need to be evidenced by a statement or clear affirmative action, and by introducing fines of up to 2% of the annual worldwide turnover of the relevant entity for non-compliance with these requirements. If addressees are required to explicitly consent to the use of personal data, bpost may experience a significant decline in advertising mail volumes as senders of advertising mail curtail their direct mail activities, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The enactment of legislation granting registered e-mail the same legal status as registered mail may have an adverse effect on bpost.

The enactment of legislation granting registered e-mail the same legal status as registered mail could adversely affect volumes of registered mail sent by bpost's clients. On December 13, 2010, a law providing

an explicit legal framework for registered e-mail was introduced. This law provided that service providers would not require prior authorization to serve registered mails electronically, so long as they comply with certain requirements set forth in the law. However, this law was subsequently withdrawn by a law dated May 31, 2011. In order to give registered e-mail the same legal status as registered mail, a new legislative initiative would need to be taken. On July 26, 2011, the Belgian parliament notified to the EU Commission a new law for registered e-mail that largely tracked the previous law. bpost may lose registered mail volumes as a result of the enactment of such legislation, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

bpost may become subject to ex ante regulation in markets in which it is deemed to have "significant market power."

bpost may become subject to ex ante regulation, whether at the national or EU level, in markets where it is deemed to have "significant market power." In particular, the European Commission issued a green paper consultation on an integrated parcel delivery market for the growth of e-commerce in the European Union on November 29, 2012. In this paper, the European Commission considered the possibility of subjecting the parcel delivery sector to ex ante regulation (such as transparency obligations, obligations to provide access to delivery networks, and obligations for tariffs to be cost oriented) where an operator has significant market power. Since bpost is the incumbent postal operator in Belgium, it may be deemed to have significant market power in certain parcel delivery markets in Belgium and thus may be subject to such potential ex ante regulation. Management cannot predict what the effect on bpost's business, financial conditions, results of operations and prospects would be if a regime of ex ante regulation is introduced for the parcel delivery sector.

bpost may become subject to scrutiny by the Belgian Price Observatory.

The new Belgian Competition Act, which was enacted in April 2013 but has not yet entered into force, will grant additional competencies to the Belgian Price Observatory (*Observatoire des Prix/ Prijzenobservatorium*) and the Belgian Competition Authority, which may affect bpost. Under the new Belgian Competition Act, the Price Observatory may investigate any anomaly in pricing or margins, any abnormal price evolution as well as any structural market issues in Belgium. The Price Observatory may submit reports on any such investigations to the Belgian Competition Authority, which may impose interim measures such as injunctions to remedy the issues reported by the Price Observatory. bpost's commercial services may be subject to scrutiny by the Price Observatory. If bpost becomes subject to scrutiny by the Price Observatory, its business, financial condition, results of operations and prospects could be materially adversely affected.

The introduction of VAT on most mail products may reduce turnover earned from customers that are unable to recover VAT.

On January 1, 2012, VAT at the standard rate of 21% was introduced on all postal services provided by bpost, except for the provision of services (and the supply of goods ancillary to such services) covered by the USO. Prior to that date, the postal services provided by bpost were exempt from VAT under an exemption provided by the sixth VAT Directive of the EU for public postal service. The European Court of Justice (the "ECJ") ruled in 2009 that the concept of public postal service in the sixth VAT Directive must be interpreted to cover postal operators, whether public or private, who undertake to provide, in an EU Member State, all or part of the USO. This implies that the VAT exemption should be applied to the supply of the USO by operators in their capacity as designated USO providers in respect of such services (other than passenger transport and telecommunications services and the supply of goods incidental thereto). The ECJ also ruled that the VAT exemption does not apply to supplies of services (or of goods incidental thereto) for which the terms have been individually negotiated. The application of VAT as of 2012 to all postal services provided by bpost (except for the exempted postal services covered by the USO) may result in a loss of turnover earned from customers that are unable to recover part or all of the VAT on their expenditure (*e.g.*, private individuals, public authorities, banks, insurance companies, certain real estate companies and certain holding companies). Although management currently believes that the impact of such a loss in turnover could be offset by its ability to recover an increased proportion of the VAT that it incurs on its expenditure, there can be no assurance that this will be the case.

The interaction between the laws applicable to all private limited liability companies and the specific public law provisions and principles applicable to the Company may present difficulties in interpretation and cause legal uncertainty.

The Company is an autonomous public sector enterprise that has adopted the legal form of a limited liability company under public law organized under Belgian law. It is governed by Belgian laws applicable to all private limited liability companies except to the extent that the 1991 Law, or other laws or regulations adopted pursuant thereto, provide otherwise. The 1991 Law differs from ordinary Belgian corporate and other laws in certain important respects, including with respect to (i) the appointment of directors; (ii) the composition and functioning of the Board of Directors and the management of the Company; (iii) shareholder structure and share capital and changes thereto; (iv) the distribution of profits; (v) the status of employees and the forum for and scope of collective bargaining; (vi) the supervision by the Belgian state through a Government Commissioner; (vii) the appointment of the Company's board of auditors; and (viii) compliance with public procurement laws. The Company is also subject to a specific insolvency and liquidation regime and some of its assets may not be subject to enforcement measures by creditors. The specific public law provisions applicable to the Company could be the subject of a state aid investigation by the European Commission.

As a result of the Company's status as an autonomous public sector enterprise, it is also governed by certain general provisions of Belgian public law such as those relating to the formal motivation of decisions, transparency in public administrations and the use of languages. The interaction between the laws applicable to all private limited liability companies and the specific public law provisions and principles applicable to the Company may present uncertainty in interpretation and result in certain risks. In particular, many of the specific public law provisions and principles applicable to the Company have not been interpreted by the Belgian courts. Furthermore, to the extent that the law or implementing regulations regarding public services or public law principles applicable to the Company or to the provision of those services conflict with provisions in the management contract entered into between the Company and the Belgian state, it remains uncertain how the Belgian courts would resolve any such conflict. Any uncertainty in the interpretation of these provisions and principles, or any conflict between these provisions and principles and the management contract entered into between the Company and the Belgian state, could have a material adverse effect on bpost's business, financial condition, results of operations and prospects.

The Company may be subject to more stringent equal treatment rules than its competitors in employment matters, certain of which are currently being litigated, including in a case relating to the status of auxiliary postmen.

As a result of its public law status, the Company may be subject to certain public law regulations and principles such as the principle of equal treatment and non-discrimination set forth in Articles 10 and 11 of the Belgian Constitution. The application of these principles of equal treatment and non-discrimination would require that bpost does not differentiate between comparable employees without an objective and reasonable justification. Conversely, the equal treatment rules that apply to the companies belonging to the private sector are based on a limited list of protected grounds. bpost is currently involved in litigation initiated by a number of auxiliary postmen in relation to the equal treatment of postmen recruited after January 1, 2010. See "*Part VIII: Business — 10. Employees — 10.2 Contractual employees*" and "*Part VIII: Business — 16. Legal Proceedings — 16.3 Litigation on certain employee matters.*" If this litigation is determined adversely to bpost, it could be required to increase the compensation of such auxiliary postmen. An adverse decision could also set a precedent that could encourage other auxiliary postmen to make similar claims, which could have a material adverse effect on bpost's business, financial condition, results of operations and prospects.

Certain contractual employees could challenge their employment status and claim damages to compensate them for being deprived of statutory employment protection and benefits.

Under the 1991 Law, the Company must recruit its personnel under administrative law status. Personnel may not be recruited under an employment contract, except in the limited circumstances set out in the 1991 Law. Notwithstanding this requirement, bpost discontinued the recruitment of statutory employees from 1998. Since then, nearly all employees have been recruited on a contractual basis. It cannot be excluded that contractual employees (mainly baremic contractual employees and auxiliary postmen) could challenge their contractual status and claim damages to compensate them for being deprived of statutory employment protection and benefits. An adverse decision in such a claim could set a precedent that could encourage other contractual employees to make similar claims. The foregoing could have a material adverse effect on bpost's business, financial condition, results of operations and prospects.

There can be no assurance that the Company will not face challenges regarding certain employment matters on state aid grounds.

In connection with the state aid investigation conducted by the European Commission in respect of the period from 1992 to 2010, it was determined that the pension relief granted by the Belgian state to the Company in 1997 constituted state aid that was compatible with the internal market. Although in that context the European Commission also found that the Company is not in a better situation than other operators as regards the social security costs of its statutory personnel and thus does not benefit from any advantage in that respect, there can be no assurance that the statutory employment framework will not in the future be subject to challenge on state aid grounds. This may, for example, result from changes in the interpretation of state aid rules by the courts and the relevant authorities, changes in the legislative framework affecting the Company or its non-public competitors or the evolution of other factors impacting state aid analysis.

Similarly, it cannot be excluded that the Company may in the future face state aid challenges in relation to its specific legal framework under the 1991 Law, which implies that the Company is not subject to the 1968 Law on Joint Committees and Collective Bargaining Agreements (the "1968 Law"). Under the 1968 Law, industry-level collective bargaining agreements set minimum salary scales from which companies in the relevant industry may not depart. These collective bargaining agreements also contain working time requirements that place limits on flexible working schemes. Companies that are subject to the 1968 Law are also automatically subject to a number of related labor and social security laws and regulations. The Company does not fall within the scope of the 1968 Law or certain related laws and regulations. Under the 1991 Law, the Company has the autonomy to negotiate employment terms and conditions at the level of the bpost's Joint Committee (see "*Part VIII: Business — 10. Employees — 10.8 Employee relations*"). There can be no assurance that the Company will not face state aid claims in relation to its specific legal framework in the future. In the event that it does face such claims, the European Commission could find that the specific legal framework constitutes incompatible state aid and order the recovery of this state aid from the Company, as well as changes to the legal framework. State aid claims could also be brought before national courts. Accordingly, if the Company faces challenges regarding employment matters on state aid grounds, its business, financial condition, results of operations and prospects may be materially adversely affected.

Some of the registrations of the "bpost" trademarks could become subject to limitations or qualifications.

The Company has filed several applications for the registration of its "bpost" trademarks within the European Union, and is in the process of defending certain of these applications in opposition procedures initiated by Deutsche Post before the Office for Harmonization in the Internal Market. By decision of January 31, 2013, the Opposition Division of the Office for Harmonization in the Internal Market upheld the opposition of Deutsche Post AG in one of the three opposition procedures initiated by it and rejected the Community Trademark application for the word "bpost" due to its similarity and likelihood of confusion with Deutsche Post's earlier trademarks. The Company lodged an appeal against this decision on March 21, 2013 before the Board of Appeal of the Office for Harmonization in the Internal Market. The appeal had the effect of suspending the earlier decision of the Office for Harmonization in the Internal Market. Although management believes the Company has strong arguments to defend its case, it may not be successful in defending these applications. If the Company fails in its appeal to overturn the adverse decision with respect to the registration of these trademarks, the registration of the applicable "bpost" trademarks could become subject to certain limitations or qualifications, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

Amendments to, or the introduction of new, legislation and regulations, including legislation and regulations relating to state pensions or the legal retirement age and/or part-time career interruption, could result in additional burdens for bpost.

bpost operates in a highly regulated environment, with legislation and regulations having a significant impact on its business and operations. Such legislation and regulations are subject to ongoing change at both the Belgian and EU levels, including as a result of political change. It is not possible to anticipate the changes that may be made to the current legislation and regulations, or to anticipate what impact such changes might have on bpost's business and operations.

For example, in relation to state pension regulations, recent ongoing and intensifying government actions aimed at restricting (or financially disincentivizing) early retirement or at reducing the cost to the Belgian state in relation to state pensions generally could adversely affect the Company's ability to implement

certain policies or programs, including those aimed at combating absenteeism through the repurchase of sickness days. If the Belgian state were to restrict (or financially disincentivize) such policies or programs, the Company's opportunities to pursue attrition based productivity enhancements could be limited and/or the costs associated with such programs could increase. In particular, there can be no assurance that the Belgian state will not introduce measures delaying the point in time at which statutory employees who are permanently unable to work enter into early retirement.

As another example, if the Belgian state were to introduce legislation further increasing the legal retirement age or further restricting conditions in relation to part-time career interruption, this would result in an increase in the Company's payroll costs and the provisions it would need to take to cover future benefits. Any of the foregoing could have a material adverse effect on bpost's business, financial condition, results of operations and prospects.

bpost may become subject to stricter customs requirements, which may adversely affect its business.

Historically, postal operators have benefited from simplified customs procedures. With the development of international trade *via* postal networks as well as the increased focus on security, simplified customs procedures may be re-examined. In this regard, the European Commission has announced on several occasions that the current postal exemption is under scrutiny and will be removed gradually. Article 9 of the UPU Convention was already modified at the 2012 Doha Congress to include a pre-alert data requirement principle in respect of postal items. Many countries and regions intend to require advanced data on postal items before they arrive in the country of destination, as is already the case for cargo. Consequently, more exhaustive customs information will be required by customs and security authorities. These future changes may impact collection and transmission of data, responsibility for completeness of data, compliance with data protection legislation, coordination with other entities, transit and quality of service. In addition, bpost may incur additional costs in complying with such requirements and non-compliance may result in fines and the loss of customers. Any of the foregoing could have a material adverse effect on bpost's business, financial condition, results of operations and prospects.

bpost may face higher costs as a consequence of measures promoting energy efficiency and reducing greenhouse gas emissions.

The European Union has adopted both legally binding and policy instruments aimed at, among other things, reducing greenhouse gas emissions, ensuring that an increasing portion of energy consumption comes from renewable energy and reducing primary energy usage by improving energy efficiency. These instruments as well as legislation or regulation adopted pursuant to such instruments might impact the activities of bpost in the future, in particular with regard to its transport activities and the management of its buildings. Within the transport sector, the European Union is considering several initiatives to reduce greenhouse gas emissions and foster energy efficiency. Further to a proposal of the European Commission, the Energy Taxation Directive might be amended in order to introduce CO_2-related taxation and, as a consequence, taxes on motor fuels and heating fuels may be increased in the future. Transport charges could also be introduced for the use of road infrastructure. The Fifth Management Contract also sets forth certain obligations on bpost in relation to energy efficiency and CO_2 emissions.

As regards buildings, new buildings and major transformations need to meet energy performance standards, and will need to be nearly zero-energy buildings as of 2021, with an exemplary role for buildings of public bodies in the renovation of their building stock potentially commencing in 2014. Once these provisions have been implemented, bpost may be required to incur additional costs to meet the targets set forth in the European Directives and in implementing legislation.

If bpost's costs increase as a result of measures promoting energy efficiency and reductions in greenhouse gas emissions, whether at the EU or national level, its business, financial condition, results of operations and prospects may be materially adversely affected.

bpost is subject to transport regulations at the international, EU, national and regional levels and failure to comply with such regulations could result in fines or the suspension or revocation of licenses.

bpost is subject to transport regulations at the international, EU, national and regional levels and is required to maintain certain licenses in relation to its transport activities. In particular, when acting as a carrier of goods by road at the national or international level, bpost must comply with several conditions to qualify as a road transport operator and obtain access to the road market. A license is required for the national and European carriage of goods by road. At the international level, the Convention of May 19, 1956 on the

contract for the international carriage of goods by road (the "CMR Convention") applies in the case of a contract for the carriage of goods by road in which the place of receipt of the goods and the place of delivery are located in different countries, of which at least one is a contracting party to the CMR Convention. When acting as a transport intermediary, the Company and its subsidiaries that are active in such areas also require a special license. bpost must also comply with various national and international transport legislation related to overloading of vehicles, truck drivers' driving and resting times, and cargo security. Finally, certain special goods require compliance with specific regulations, such as the transport of waste, dangerous goods, valuables, food and blood. See "*Part IX: Regulation — 3. Transport Regulations*."

As bpost expands its business into new areas (including as a result of its Shop & Deliver ("bpost by appointment") service and its B2B parcels strategy, which includes the addition of advanced capabilities to transport of a broader range of goods), it may encounter difficulties in ensuring compliance with all applicable transport regulations. For instance, while the CMR Convention and the Law of May 3, 1999 relating to the carriage of goods by road and its implementing Royal Decree of May 7, 2002 do not apply to services provided under the USO, they do apply to the carriage of non-USO products and mixed transport (*i.e.*, USO and non-USO products). Particularly in the area of mixed transport, the applicability of the CMR Convention may not be clear and bpost may not be in full compliance in all instances in which it transports goods.

If bpost does not comply with the various transport regulations applicable to it, it may be subjected to fines and/or its transport licenses may be suspended or revoked, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

3 Risks Relating to the Offering

The Belgian state's interests may not necessarily be aligned with the interests of other shareholders and it may exert influence on bpost's operations through the political process.

The Belgian state (directly and indirectly through SFPI/FPIM) holds, and will continue to hold following the Offering, a majority of the Shares and voting rights (50% plus 488 Shares). Accordingly, the Belgian state will continue to have the power to decide on matters submitted to a vote of shareholders, including the ability to control the outcome of certain corporate actions, such as dividend policy, mergers and other extraordinary transactions, although the consent of the Selling Shareholder will be required to adopt resolutions on certain matters for so long as it (alone or together with its affiliates) owns, directly or indirectly, at least 20% of the voting Shares. These matters include (i) any amendment to the Articles of Association; (ii) any exclusion or limitation of preferential subscription rights of existing shareholders in respect of new shares, bonds convertible into shares or warrants to be issued by the Company; (iii) the approval of the annual accounts; (iv) any distribution of earnings and profits that departs from the dividend pay-out policy; and (v) the appointment of the statutory auditors to be elected by the Shareholders' Meeting. If the Selling Shareholder (alone or together with its affiliates) ceases to own 20% of the voting Shares, a separate and more limited set of rules relating to the requirement of a special majority comes into effect. See "*Part XIV: Description of Share Capital — 4. Right to Attend and Vote at Shareholders' Meetings — 4.7 Quorum and majorities*." These requirements are in addition to the relevant requirements under the Belgian Companies Code.

In addition, the Belgian state has the power to appoint a number of directors proportionate to the number of voting rights attached to its shareholding and may therefore also exercise control or significant influence at the level of the Board of Directors, although certain decisions of the Board listed in the Articles of Association require a majority of 75% of the votes cast (and such matters can only validly be adopted if, subject to certain exceptions, the directors present or represented include two directors appointed upon the proposal of the Selling Shareholder), provided that the Selling Shareholder (alone or together with its affiliates) continues to own, directly or indirectly, at least 20% of the voting Shares. If the Selling Shareholder (alone or together with its affiliates) ceases to own 20% of the voting Shares, a more limited set of matters requires a two-thirds majority of votes cast at a meeting of the Board of Directors. See "*Part XII: Management and Corporate Governance — 2. Board of Directors — 2.3 Functioning of the Board of Directors*." The interests of the Belgian state and the factors that it considers in exercising its vote could differ from those of the Company's other shareholders. Given the Company's state ownership and its status as a public entity and provider of universal services, bpost may also face political pressure regarding its operations, particularly in relation to its ongoing modernization and cost reduction plans.

For so long as the Selling Shareholder retains an interest in the Company of at least 20%, it will continue to have the ability to exercise influence over certain matters and its interests may not necessarily be aligned with the interests of other shareholders.

Following completion of the Offering, the Selling Shareholder will own 20.22% of the Shares, assuming placement of the maximum number of Offer Shares and assuming that the Increase Option is not exercised but that the Over-allotment Option is exercised in full and that all Shares offered to employees under the SPP are sold. Accordingly, the Selling Shareholder may continue to have the ability to exercise influence over certain matters and its interests may not necessarily be aligned with the interests of other shareholders. On January 17, 2006, the Belgian state, SFPI/FPIM and the Selling Shareholder entered into a shareholders agreement (as amended from time to time, the "Shareholders' Agreement"). Pursuant to the Shareholders' Agreement, following the completion of the Offering, for so long as the Selling Shareholder (alone or together with its affiliates) holds at least 20% of the voting Shares, the Selling Shareholder's consent will continue to be required for the adoption of certain shareholders' resolutions, including those relating to (i) any amendment to the Articles of Association; (ii) any exclusion or limitation of preferential subscription rights of existing shareholders in respect of new shares, bonds convertible into shares or warrants to be issued by the Company; (iii) the approval of the annual accounts; (iv) any distribution of earnings and profits that departs from the dividend pay-out policy; and (v) the appointment of the statutory auditors to be elected by the Shareholders' Meeting. See "*Part XIV:* "*Description of Share Capital, Articles of Association and Group Structure — 4. Right to Attend and Vote at Shareholders' Meetings — 4.7 Quorum and majorities.*"

Following the completion of the Offering, for so long as the Selling Shareholder (alone or together with its affiliates) holds at least 15% of the voting Shares, two out of twelve directors on the Board of Directors shall be appointed upon proposal of the Selling Shareholder. In addition, for so long as the Selling Shareholder (alone or together with its affiliates) holds at least 20% of the voting Shares, certain decisions of the Board of Directors listed in the Articles of Association will require a majority of 75% of the votes cast (and such matters can only validly be adopted if, subject to certain exceptions, the directors present or represented include at least two directors appointed upon the proposal of the Selling Shareholder). See "*Part XII: Management and Corporate Governance*" and "*Part XIV: Description of Share Capital, Articles of Association and Group Structure*." Accordingly, although members of the Board of Directors appointed upon proposal of the Selling Shareholder will no longer have the power to block decisions of the Board of Directors requiring a majority of 75%, they will continue to have the ability to exercise influence over certain matters.

The Company may not be able to pay dividends in accordance with its stated dividend policy.

Subject to the availability of distributable results, the Company currently intends to declare and distribute annual dividends (*i.e.*, the aggregate of the interim dividend and the final dividend) of a minimum of 85% of its Belgian GAAP annual net profit on an unconsolidated basis. See "*Part V: Dividends and Dividend Policy*." Under Belgian law and the Articles of Association, the Company must allocate an amount of 5% of its Belgian GAAP annual net profit to a legal reserve in its unconsolidated statutory accounts until the reserve equals 10% of the Company's share capital. The Company's legal reserve currently meets this requirement and will continue to meet this requirement after the distribution resulting from the €144.5 million capital reduction approved by the Extraordinary Shareholders' Meeting on March 25, 2013 and the €53.5 million exceptional dividend expected to be declared on or about June 7, 2013. Prior to such allocation to the legal reserve (if any), 5% of the Company's unconsolidated Belgian GAAP profit after tax is distributed among all employees of the Company pursuant to the 1971 Law. No assurance can be given, however, that the Company will make dividend payments in the future. Such payments will depend upon a number of factors, including bpost's business prospects, cash requirements and financial performance, the condition of the market and the general economic climate and other factors, including tax and other regulatory considerations, and the amount of available distributable results. For the period from 2013 to 2015, management anticipates that bpost's gross capital expenditure will not exceed, on average, €122 million per year (exclusive of any mergers and acquisitions related activity), which includes approximately €40 million of maintenance capital expenditures per year. Over the same period, management expects that bpost will sell real estate assets in the average amount of €44 million per year. The majority of capital expenditure will be funded by cash flow from operating activities. Dividend payments in respect of 2013 will be based on the Company's Belgian GAAP annual net profit on an unconsolidated basis for 2013, which will be impacted by, among other things, the costs associated with the SPP and the tax expense associated with the exceptional dividend to be paid on or around June 7, 2013. Pursuant to Belgian law, the calculation of amounts available for distribution to shareholders, as dividends or otherwise, must be

determined on the basis of the Company's unconsolidated Belgian GAAP financial statements. In addition, so long as the Selling Shareholder (alone or together with its affiliates) owns 7.5% or more of the voting Shares of the Company, the payment of dividends by the Company shall be subject to certain financial constraints set forth in the Shareholders' Agreement. Following the payment of a dividend, the ratio of net financial debt to equity must remain below 1:1 and the ratio of net financial debt to EBITDA must remain below 3:2. Both ratios are measured based on the Company's consolidated financial statements under Belgian GAAP. For the purpose of these ratios, financial debt shall consist only of interest-bearing debt, excluding provisions. See "*Part V: Dividends and Dividend Policy*." As a consequence of these factors, there can be no assurance as to whether dividends or similar payments will be paid out in the future or, if they are paid, their amount.

The Shares may experience price and volume fluctuations.

No assurance can be given that an active trading market for the Shares will develop or, if developed, can be sustained following the closing of the Offering. Furthermore, the Offer Price is not necessarily indicative of the prices at which the Shares will subsequently trade on the stock exchange. If an active trading market is not developed or maintained, the liquidity and trading price of the Shares could be adversely affected.

Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. In addition, the market price of the Shares may prove to be highly volatile and may fluctuate significantly in response to a number of factors, many of which are beyond bpost's control, including new government regulation, variations in operating results in the Company's reporting periods, changes in financial estimates by securities analysts, changes in market valuation of similar companies, announcements by bpost or its competitors of significant contracts, acquisitions, strategic alliances, joint ventures, capital commitments or new products or services, loss of major customers, additions or departures of key personnel, any shortfall in revenue or net income or any increase in losses from levels expected by securities analysts, future issues or sales of ordinary shares and stock market price and volume fluctuations. Any of these events could result in a material decline in the price of the Shares.

Any future sale of a substantial number of the Shares could have a negative impact on the price of the Shares.

In connection with the Offering, the Selling Shareholder, the Belgian state, SFPI/FPIM and the Company are expected to agree to certain restrictions on the sale or other disposition of the Shares for a period of up to 180 days from the date of commencement of trading of the Shares (the "Lock-Up Period").

Following the expiry of the Lock-Up Period, the Selling Shareholder will be able to sell the remaining Shares it holds. Any future sales of larger blocks of shares by the Selling Shareholder, or any rumors relating to such sales, could cause the price of the Shares to fall.

Furthermore, the Belgian state (directly and indirectly through SFPI/FPIM) currently owns 50% plus 488 Shares. Because of the requirements of the 1991 Law, the Belgian state will continue to own a stake of at least 50% plus one share following the Offering (and it could even potentially increase this stake in the future). On the other hand, if, following the Offering and the expiry of the Lock-Up Period, the Belgian state were to modify the legal restrictions on its minimum shareholding in the Company, it could, in principle, sell all or part of its shareholding it directly or indirectly owns at any time, which could cause the price of the Shares to fall.

Certain creditors of the Company may benefit from a creditors' protection procedure triggered by the capital reduction and legal reserve reduction recently approved by the Extraordinary Shareholders' Meeting of the Company, which may require the Company to provide collateral or repay receivables.

On March 25, 2013, an Extraordinary Shareholders' Meeting of the Company approved (i) a capital reduction of €144.5 million through the return of capital to the Company's existing shareholders prior to the Closing Date and (ii) a reduction in the legal reserve in the amount of €21.3 million through the transfer to available reserves to facilitate the payment of an exceptional dividend of €53.5 million from available reserves to such shareholders. This triggered a creditors' protection procedure under the Belgian Companies Code. Creditors of the Company whose receivables originated prior to April 5, 2013 (being the date of publication of the shareholders' resolution in respect of the aforementioned transactions in the Belgian State Gazette (*Moniteur belge*/*Belgisch Staatsblad*)) but had not become due and payable as of that date may request that the Company provide collateral in respect of such receivables. Such creditors are entitled to request collateral for a period of two months following the publication of the resolution in the Belgian State Gazette (*Moniteur belge*/*Belgisch Staatsblad*). The Company may also discharge any such creditor's request

by paying the receivable at its value less any discount for early payment. If a creditor exercises its rights under the creditors' protection procedure, the Company may not make the distribution resulting from the capital reduction or pay the exceptional dividend (to the extent sourced from the legal reserve reduction) to its shareholders until such creditor has obtained collateral or payment from the Company, unless a court, ruling in the form of summary proceedings, has denied the creditor's request for collateral on the grounds that the creditor benefits from sufficient existing collateral or that the solvency profile of the Company does not justify a request for collateral. If the Company were required to provide collateral or repay any receivables, this could have a material adverse effect on its business, financial condition, results of operations and prospects. As of the date of this Prospectus, no request for collateral has been filed with the Company.

If the Belgian state fails to adopt certain approvals, the effect of certain contractual arrangements entered into by the Company or changes to the Articles of Association approved by the Shareholders' Meeting may be delayed or such contractual arrangements or changes to the Articles of Association may never enter into force.

Due to the Company's status as an autonomous public sector enterprise, certain contractual arrangements entered into by the Company and any changes to the Articles of Association approved by the Shareholders' Meeting must be approved by the Belgian state pursuant to the 1991 Law. Such approval is granted through a Royal Decree deliberated in the Council of Ministers.

The Company is expected to enter into the Fifth Management Contract on or around June 7, 2013. The Fifth Management Contract was approved by Royal Decree on May 29, 2013. Once this Royal Decree has entered into force, the Fifth Management Contract will have retroactive effect from January 1, 2013. However, the Royal Decree will only enter into force upon its publication in the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*). So long as the Fifth Management Contract has not entered into force, the Fourth Management Contract will continue to apply by operation of law. It is expected that the publication of the Royal Decree in the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*) will occur prior to the Pricing Date. There can, however, be no assurance as to the timing of such publication.

Amended Articles of Association were adopted at the Shareholders' Meeting held on May 27, 2013. The amended Articles of Association, which include, among others, changes relating to the post-Offering corporate governance of the Company and the stock split (see "*Part XIV: Description of Share Capital, Articles of Association and Group Structure — 3. Share Capital and Shares — 3.1 Share capital history*"), will only enter into force upon approval by Royal Decree. It is expected that the Belgian state will adopt the Royal Decree approving the new Articles of Association prior to the Pricing Date. There can, however, be no assurance as to the timing of the adoption of such Royal Decree and the entry into force of the amended Articles of Association. Any failure by the Belgian state in this respect may result in a delay to the Pricing Date or lead to uncertainty with respect to the governance of the Company following the Offering.

Any future capital increases by the Company could have a negative impact on the share price.

The Company may in the future increase its share capital against cash or contributions in kind to finance any future acquisition or other investment or to strengthen its balance sheet and may, subject to certain conditions, limit or withdraw the preferential subscription rights of the existing shareholders for any such capital increase. Any increase in the share capital entailing the issuance of new shares by virtue of a resolution of the Shareholders' Meeting or of the Board of Directors under the authorized capital requires the prior approval of the Belgian state. Such a capital increase could dilute the stakes in the Company's share capital held by the shareholders at that time and could have a negative impact on the share price, earnings per share and net asset value per share.

Investors resident in countries other than Belgium may suffer dilution if they are unable to participate in future preferential subscription rights offerings.

Under Belgian law, shareholders have a waivable and cancellable preferential subscription right to subscribe pro rata to their existing shareholdings to the issuance, against a contribution in cash, of new shares or other securities entitling the holder thereof to new shares. The exercise of preferential subscription rights by certain shareholders not residing in Belgium may be restricted by applicable law, practice or other considerations, and such shareholders may not be entitled to exercise such rights. In particular, there can be no assurance that bpost will be able to establish an exemption from registration under the U.S. Securities Act, and it is under no obligation to file a registration statement with respect to any such preferential subscription rights or underlying securities or to endeavor to have a registration statement declared effective under the U.S. Securities Act. Shareholders in jurisdictions outside Belgium who are not able or not permitted to exercise their preferential subscription rights in the event of a future preferential subscription rights offering may suffer dilution of their shareholdings.

Investors with a reference currency other than the euro will become subject to foreign exchange rate risk when investing in the Shares.

The Shares are, and any dividends to be announced in respect of the Shares will be, denominated in euro. An investment in the Shares by an investor whose principal currency is not the euro exposes the investor to currency exchange rate risk which may impact the value of the investment in the ordinary shares or any dividends.

The Shares will be listed and traded on Euronext Brussels on an "if-and-when-delivered" basis from the Listing Date until the envisaged Closing Date. Euronext Brussels may annul all transactions effected in the Shares if they are not delivered on the Closing Date.

From the Listing Date until the envisaged Closing Date, the Shares will be listed and traded on Euronext Brussels on an "if-and-when-delivered" basis, meaning that trading of the Shares will begin prior to the closing of the Offering. The Closing Date is expected to occur on the third Euronext Brussels trading day following the Allocation Date (as defined herein). Investors that wish to enter into transactions in the Shares prior to the Closing Date, whether such transactions are effected on Euronext Brussels or otherwise, should be aware that the closing may not take place on the expected date, or at all, if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or do not occur on or prior to such date. Such conditions include the receipt of certificates from the Company and the Selling Shareholder and the receipt of legal opinions; such events include the suspension of trading on Euronext Brussels, a material adverse change in our financial position or business affairs and certain changes in financial, political or economic conditions. Euronext Brussels has indicated that it will annul all transactions effected in the Shares if they are not delivered on the envisaged Closing Date and that it cannot be held liable for any damage arising from the listing and trading on an "if-and-when-delivered" basis as of the Listing Date until the envisaged Closing Date.

The Company believes it is likely to be considered a passive foreign investment company ("PFIC") for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to the Company's U.S. investors.

The Company believes it is likely to be considered a PFIC for U.S. federal income tax purposes. As a result, U.S. investors could be subject to material adverse U.S. federal income tax consequences, such as being subject to greater or accelerated U.S. federal income tax liability. See "*Part XV: Taxation — 2. Certain U.S. Federal Income Tax Considerations.*"

Any sale, purchase or exchange of Shares may become subject to the Financial Transaction Tax.

On February 14, 2013, the EU Commission adopted a proposal for a Council Directive (the "Draft Directive") on a common financial transaction tax ("FTT"). According to the Draft Directive, the FTT must be implemented and enter into effect in 11 EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia, together, the "Participating Member States") on January 1, 2014.

Pursuant to the Draft Directive, the FTT will be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (*inter alia*) primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is either a party to the financial transaction, or acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Investors should therefore note, in particular, that any sale, purchase or exchange of Shares will be subject to the FTT at a minimum rate of 0.1% provided the abovementioned prerequisites are met. The investor may be liable to pay this charge or reimburse a financial institution for the charge, and/or the charge may affect the value of the bpost shares. The issuance of new bpost shares should not be subject to the FTT.

The Draft Directive is still subject to negotiation among the Participating Member States and therefore may be changed at any time. A committee of the EU Parliament published a draft report on March 19, 2013, suggesting amendments to the Draft Directive. If the amendments were included in the eventual Directive, the FTT would have an even broader reach. Moreover, once the Draft Directive has been adopted (the "Directive"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. Investors should consult their own tax advisors in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of bpost shares.

The requirement that the Belgian state maintain a stake of 50% plus one share in the Company could prevent potential takeover attempts.

Under Belgian law, the Belgian state is required, directly or indirectly, to maintain a stake of 50% plus one share in the Company. There are also several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose significant shareholdings and merger control, that may apply to the Company and which may make an unsolicited tender offer more difficult. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the Shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their shares at a premium.

PART III: EXCHANGE RATES

The following table sets forth, for the periods and dates indicated, certain information regarding the European Central Bank (the "ECB") daily reference exchange rate published by the ECB (the "ECB Daily Reference Rate") for USD, expressed in USD per EUR, rounded to the nearest four decimal places. No representation is made that USD amounts have been, could have been or could be converted into EUR, or vice versa, at such exchange rates or at any other exchange rate.

	USD per one EUR			
	Period End[(1)]	**Average**[(2)]	**High**	**Low**
Year				
2008	1.3917	1.4708	1.5990	1.2460
2009	1.4406	1.3948	1.5120	1.2555
2010	1.3362	1.3257	1.4563	1.1942
2011	1.2939	1.3920	1.4882	1.2889
2012	1.3194	1.2848	1.3454	1.2089
2013 (through June 4)	1.3092	1.3122	1.3644	1.2768
Month				
January 2013	1.3550	1.3288	1.3550	1.3012
February 2013	1.3129	1.3359	1.3644	1.3077
March 2013	1.2805	1.2964	1.3090	1.2768
April 2013	1.3072	1.3026	1.3129	1.2818
May 2013	1.3006	1.2982	1.3191	1.2853
June 2013 (through June 4)	1.3092	1.3050	1.3092	1.3008

Notes:

(1) Represents the exchange rate on the last business day of the applicable period.

(2) Represents the average of the ECB Daily Reference Rates on each business day of each month during the relevant one-year period and, with respect to monthly information, the average of the ECB Daily Reference Rates on each business day for the relevant period.

PART IV: USE OF PROCEEDS

The Selling Shareholder will receive all of the net proceeds of the Offering, after deduction of underwriting fees and other expenses payable by the Selling Shareholder.

Assuming a placement of the maximum number of Offer Shares and that the Offer Price is at the mid-point of the Price Range and assuming that the Increase Option is not exercised but that the Over-allotment Option is exercised in full, the gross proceeds of the Offering will be €743.2 million and the underwriting fees will be €14.3 million. This does not include any incentive fees which may be paid at the discretion of the Company and the Selling Shareholder. The underwriting fees, including any incentive fees, will be paid by the Selling Shareholder. The Selling Shareholder shall pay all expenses of the Offering (including the printing costs of offering documents, the costs of investor presentations and roadshows, marketing and advertising expenses, a portion of the fees of the Company's transaction counsel and the fees of the FSMA), except that the Company shall bear the initial and recurring fees payable to Euronext Brussels in connection with the listing of the Shares and a portion of the fees of its transaction counsel. The costs to be incurred by the Selling Shareholder are estimated at €12.9 million and the costs to be incurred by the Company are estimated at €1.3 million. Based on the aforementioned assumptions, the net proceeds of the Offering to the Selling Shareholder will be €715.9 million.

The net proceeds received by the Selling Shareholder as a result of the Offering will be entirely at the disposition of the Selling Shareholder. The Selling Shareholder is owned by CVC Funds. As with other private equity funds, CVC Funds enter into and exit investments from time to time as part of their ongoing business, and the Selling Shareholder invested in the Company in 2006 with a view to eventually exit.

The Selling Shareholder has agreed to bear the cost of the 16.67% discount at which Shares will be sold to bpost's employees under the SPP in respect of a maximum of 0.5% of the Shares. The Company shall bear the cost of such discount in respect of all other Shares sold to bpost employees under the SPP. Assuming that the Offer Price is at the mid-point of the Price Range and that all Shares offered to employees under the SPP are sold, the cost of the SPP is estimated at €13.6 million, of which €2.3 million will be borne by the Selling Shareholder and €11.3 million will be borne by the Company.

PART V: DIVIDENDS AND DIVIDEND POLICY

1 Dividends

The Shares offered in the Offering carry the right to participate in dividends declared after the Closing Date, in respect of the financial year ending December 31, 2013 and future years. All Shares participate equally in the Company's profits, if any. In general, the Company may only pay dividends with the approval of the Shareholders' Meeting, although the Board of Directors may declare interim dividends without shareholder approval. The maximum amount of the dividend that can be paid is determined by reference to the Company's unconsolidated statutory accounts prepared in accordance with Belgian GAAP. See "*Appendix A: Extracts from Belgian GAAP Unconsolidated Financial Statements of the Company*."

Under Belgian law and the Articles of Association, the Company must allocate an amount of 5% of its Belgian GAAP annual net profit to a legal reserve in its unconsolidated statutory accounts until the reserve equals 10% of the Company's share capital. See "*— 3. Reconciliation of IFRS Net Profit to Belgian GAAP Net Profit*" below for a reconciliation of net profit in accordance with IFRS to net profit in accordance with Belgian GAAP for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010. The Company's legal reserve currently meets this requirement and will continue to meet this requirement after the distribution resulting from the capital reduction approved by the Extraordinary Shareholders' Meeting on March 25, 2013. Prior to such allocation to the legal reserve (if any), 5% of the Company's unconsolidated Belgian GAAP profit after tax is distributed among all employees of the Company pursuant to the 1971 Law. The Company paid to its employees €15.5 million, €11.3 million and €9.0 million in profit share for 2012, 2011 and 2010, respectively. This withholding is not considered a distribution for the purposes of determining the availability of distributable results.

In 2012, the Company paid to its shareholders dividends of €170.0 million (corresponding to €0.85 on a per Share basis) and an exceptional dividend out of the excess of legal reserve of €28.0 million (corresponding to €0.14 on a per Share basis). In 2011, 2010, 2009, 2008 and 2007 it paid to its shareholders dividends of €215.9 million, €170.8 million, €171.7 million, €121.6 million and €42.4 million (corresponding to €1.08, €0.85, €0.86, €0.61 and €0.21 on a per Share basis), respectively. All dividends on a per Share basis are based upon the number of outstanding Shares following the stock split approved by the Extraordinary Shareholders' Meeting on May 27, 2013, which is subject to approval by Royal Decree (which is expected prior to the Pricing Date). In 2005 and 2006, no dividends were paid.

The Company expects to declare and pay, on or around June 7, 2013, an exceptional dividend of €53.5 million to the Company's existing shareholders prior to the Closing Date. Investors in the Offering shall not be entitled to (i) the distribution resulting from the €144.5 million capital reduction approved by the extraordinary Shareholders' Meeting on March 25, 2013 or (ii) the €53.5 million exceptional dividend. When adopting these corporate actions, the Board of Directors and the Shareholders' Meeting duly took into consideration bpost's future requirements, including its capital expenditure requirements. They also had the benefit of expert advice and opinions in making these decisions. See "*Part VI: Capitalization and Indebtedness*" for further details on the exceptional dividend and the distribution resulting from the capital reduction. Dividend payments in respect of 2013 will be based on the Company's Belgian GAAP annual net profit on an unconsolidated basis for 2013, which will be impacted by, among other things, the costs associated with the SPP and the tax expense associated with the exceptional dividend to be paid on or around June 7, 2013.

Prior to the Offering, the dividends paid by the Company were the result of discussions between the Belgian state and the Selling Shareholder. Accordingly, historical dividends and any implicit payout ratios are not indicative of future dividends or payout ratios.

2 Dividend Policy

The Company expects to pay final dividends in May of each year based on its Belgian GAAP annual net profit on an unconsolidated basis for the previous financial year. In addition, the Company expects to pay interim dividends in the fourth quarter of each financial year based on the Company's 10-month results.

Subject to the availability of distributable results, the Company currently intends to declare and distribute annual dividends (*i.e.*, the aggregate of the interim dividend and the final dividend) of a minimum of 85% of its Belgian GAAP annual net profit on an unconsolidated basis. The amount of any interim or final dividends and the determination of whether to pay dividends in any year may be affected by a number of

factors, including bpost's business prospects, cash requirements and financial performance, the condition of the market and the general economic climate and other factors, including tax and other regulatory considerations. For additional information on the Company's financial position and results of operations under Belgian GAAP, including the Company's historical distributable results, see "*Appendix A: Extracts from Belgian GAAP Unconsolidated Financial Statements of the Company.*" The level of the Company's historical distributable results is not an indication of its future distributable results.

So long as the Selling Shareholder (alone or together with its affiliates) owns 7.5% or more of the voting Shares of the Company, the payment of dividends by the Company shall be subject to certain financial constraints set forth in the Shareholders' Agreement. Following the payment of a dividend, the ratio of net financial debt to equity must remain below 1:1 and the ratio of net financial debt to EBITDA must remain below 3:2. Both ratios are measured based on the Company's consolidated financial statements under Belgian GAAP. For the purpose of these ratios, financial debt shall consist only of interest-bearing debt, excluding provisions.

Prior to the Offering, the dividends paid by the Company were the result of discussions between the Belgian state and the Selling Shareholder. Accordingly, historical dividends and any implicit payout ratios are not indicative of future dividends or payout ratios.

3 Reconciliation of IFRS Consolidated Net Profit to Belgian GAAP Unconsolidated Net Profit

The following table presents a reconciliation of consolidated net profit in accordance with IFRS to unconsolidated net profit in accordance with Belgian GAAP for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010:

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
	(*€ millions*)				
IFRS Consolidated Net Profit	99.4	89.6	174.2	(57.4)	209.6
Results of subsidiaries	(18.9)	(4.2)	(9.3)	(4.3)	(21.7)
Movements on investments(1)	(0.4)	—	19.8	6.1	7.7
Differences in depreciation and impairments	(2.2)	(1.7)	(15.8)	(7.1)	19.1
Differences in recognition of provisions	(2.7)	3.8	0.9	(5.5)	(2.4)
Effects of IAS19	(12.3)	(0.8)	(2.1)	(8.1)	12.7
Effects of ESOP	—	—	(4.6)	(2.5)	1.0
5% profit appropriation	—	—	—	—	11.4
Deferred taxes	6.1	(0.9)	11.4	10.1	(11.9)
Other	1.1	(3.8)	(2.6)	1.2	1.7
Belgian GAAP unconsolidated net profit	70.1	82.0	171.9	(67.4)	227.2
Pending litigation provision	—	—	(15.0)	(6.3)	(6.1)
Provisions relating to the decision of the European Commission	—	—	82.5	290.8	—
Tax expense from use of legal reserves	7.3	—	—	—	—
Belgian GAAP unconsolidated net profit (normalized)	77.4	82.0	239.4	217.1	221.1

Note:

(1) In the three months ended March 31, 2013, the negative €0.4 million of movements on investments reflected an impairment. In 2012, the €19.8 million of movements on investments included net reversals of impairments in the amount of €11.6 million (including the a reversal of impairment in relation to Certipost in the amount of €14.3 million, partially offset by the an impairment in relation to Deltamedia in the amount of €2.7 million), the elimination of intra-group dividends in the amount of €7.4 million and the elimination of intra-group goodwill in the amount of €0.8 million. In 2011, the €6.1 million of movements on investments included the elimination of intra-group dividends in the amount of €5.0 million and the elimination of intra-group goodwill in the amount of €1.1 million. In 2010, the €7.7 million of movements on investments included the elimination of intra-group dividends in the amount of €0.1 million and the elimination of intra-group goodwill in the amount of €7.6 million.

The Company's unconsolidated profit after taxes prepared in accordance with Belgian GAAP can be derived from the consolidated IFRS profit after taxes in two stages.

The first stage consists of deriving the unconsolidated profit after taxes under IFRS, which is achieved by starting from the consolidated IFRS profit after taxes and:

- subtracting the results of the subsidiaries, which involves removing the profit after tax of the subsidiaries; and
- eliminating any other income statement impact the subsidiaries had on the Company (such as impairments) and adding the dividends received from these subsidiaries.

The table below sets forth a breakdown of the results of the subsidiaries under local GAAP for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010:

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
	(€ millions)				
Profit of the Belgian fully consolidated subsidiaries	16.1	0.2	3.3	1.3	6.6
Profit of the international subsidiaries	0.3	0.4	2.0	0.6	0.9
Share of profit of bpost bank	2.4	3.6	4.0	2.4	14.2
Total	18.9	4.2	9.3	4.3	21.7

The second stage consists of deriving the Belgian GAAP figures from the IFRS figures and is achieved by reversing all IFRS adjustments made to local GAAP figures. These adjustments include, but are not limited to, the following:

- Differences in the treatment of depreciation and impairments: Belgian GAAP allows different useful lives (and hence depreciation rates) for fixed assets from IFRS. Goodwill is amortized under Belgian GAAP while IFRS requires impairment testing for goodwill. IFRS also allows intangible assets to be recorded on the balance sheet under different conditions from Belgian GAAP;
- Recognition of provisions is subject to different criteria under Belgian GAAP and IFRS;
- IFRS requires that all future obligations to personnel be recorded as a liability under IAS 19, whereas Belgian GAAP has no such obligation. The movements in the IFRS liability are reflected on the Company's income statement under personnel costs (€68.0 million in 2012) or provisions (negative €12.8 million in 2012), except for the impact of changes in the discount rates for the future obligations, which is recorded as a financial result (negative €53.1 million in 2012);
- For the year ended December 31, 2010, the 5% profit appropriation for employees of the Company was treated as a profit distribution under Belgian GAAP, but was recorded as a personnel cost under IFRS. For the years ended December 31, 2012 and 2011, the employee profit appropriation was considered as a non-recurring bonus and hence was accounted for directly as payroll costs in both Belgian GAAP and IFRS; and
- Stock options plans and deferred taxes require no accounting entries under Belgian GAAP, but are recorded under IFRS. As of the date of the Offering, there are no outstanding stock option plans.

PART VI: CAPITALIZATION AND INDEBTEDNESS

The following table sets forth bpost's capitalization as of March 31, 2013 (i) on an actual basis and (ii) as adjusted to give effect to an exceptional dividend of €53.5 million to the Company's existing shareholders prior to the Closing Date, which is expected to be approved by an Extraordinary Shareholders' Meeting to be held on or around June 7, 2013, and the distribution resulting from the capital reduction of €144.5 million approved by the Extraordinary Shareholders' Meeting on March 25, 2013. These transactions are expected to occur on or around June 7, 2013. When adopting these corporate actions, the Board of Directors and the Shareholders' Meeting duly took into consideration bpost's future requirements, including its capital expenditure requirements. They also had the benefit of expert advice and opinions in making these decisions. The tax expense to the Company associated with the exceptional dividend is €17.6 million, including €7.3 million which was already recorded in the first quarter of 2013 and €10.3 million which will be recorded upon payment of the exceptional dividend.

This table should be read in conjunction with bpost's unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2013 and its audited consolidated financial statements as of and for the years ended December 31, 2012, 2011 and 2010, as well as "*Part XI: Operating and Financial Review and Prospects.*"

	As of March 31, 2013	
	Actual	As Adjusted[1]
	(€ millions, unaudited)	
Current Debt		
Debt towards the shareholders[2]	144.5	—
Trade and other payables excluding debt towards shareholders	838.6	838.6
Unguaranteed/unsecured	11.5	11.5
Total current debt	994.6	850.1
Non-current Debt		
Unguaranteed/unsecured	82.7	82.7
Total non-current debt	82.7	82.7
Total Indebtedness	1,077.3	932.8
Shareholders' equity		
Share capital[2]	364.0	364.0
Reserves[2]	220.4	166.9
Retained earnings	99.4	99.4
Total shareholders' equity[2]	683.8	630.3
Capitalization[3]	1,761.1	1,563.1
Net Debt + (Net Cash)		
Interest-bearing loans and borrowings	94.2	94.2
Non-interest bearing loans and borrowings	0.4	0.4
Debt towards the shareholders[2]	144.5	—
Total loans and borrowings (Net Debt)[2]	239.1	94.6
Investment securities	(333.0)	(333.0)
Cash and cash equivalents (Net Cash)[2][4]	(550.9)	(352.9)
Total cash and cash equivalents and investment securities[2]	(883.9)	(685.9)
Net Debt + (Net Cash)[2][4]	(644.8)	(591.3)
Net Debt + (Net Cash) including trade and other payables excluding debt towards shareholders	193.8	247.3

Notes:

(1) Capitalization and net financial debt as of March 31, 2013 as adjusted for the impact of the capital reduction of €144.5 million and the payment of the €53.5 million exceptional dividend.

(2) Prior to the Closing Date, the Company expects to have paid an exceptional dividend of €53.5 million and a distribution resulting from the capital reduction in the amount of €144.5 million. The payment of the €53.5 million exceptional dividend will lead to a decrease in cash and cash equivalents and a decrease in shareholders' equity in that amount. It will therefore lead to a decrease in capitalization and a decrease in net debt. The payment of the €144.5 million distribution resulting from the capital reduction will lead to a decrease in debt towards the shareholders and a decrease in cash and cash equivalents in that amount. It will

have no effect on shareholders' equity or on net debt as the amount of the capital reduction was already recognized as debt towards the shareholders as of March 31, 2013. The payment of the exceptional dividend and the distribution resulting from the capital reduction result in adjusted shareholders' equity in the amount of €630.3 million, compared to unadjusted shareholders' equity of €683.8 million and will lead to an adjusted net debt + (net cash) position of €591.3 million, compared to an unadjusted net debt + (net cash) position of €644.8 million as of March 31, 2013.

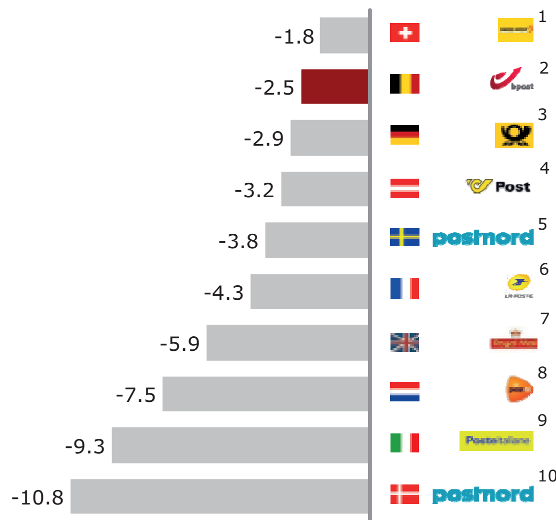
(3) Represents total indebtedness (including debt towards the shareholders, trade and other payables excluding debt towards shareholders and unguaranteed/unsecured debt) plus shareholders' equity. Other than the exceptional dividend to shareholders and the distribution resulting from the capital reduction, which are expected to occur on or around June 7, 2013, there have been no material changes to bpost's capitalization since March 31, 2013.

(4) Cash and cash equivalents (Net Cash) does not reflect the cost of the SPP to the Company. See "*Part XVIII: Information on the Employee Offering*" for details of such costs.

PART VII: INDUSTRY

1 Belgian Mail Market

The Belgian mail market is relatively resilient when compared with other European mail markets. Although volumes of domestic mail in Belgium have declined in recent years, the rate of decline has been lower and more stable than that experienced in other countries, such as Denmark and the Netherlands. In Denmark, the steep declines in mail volumes have largely been due to the Danish government's decision to communicate with its citizens *via* e-mail. The following chart shows the negative compound annual growth rate for mail volumes reported by major incumbent European postal operators for the period from 2008 to 2012.

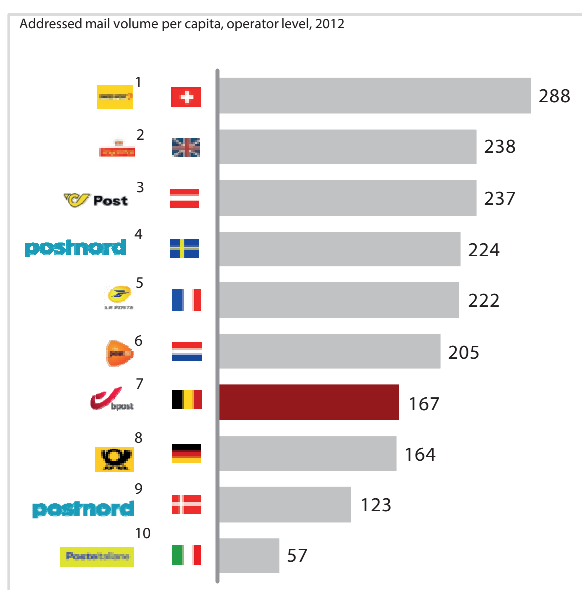


Source: Company information; postal operator annual reports; La Poste investor presentation; Eurostat

Notes:

(1) Includes addressed business and private letters.
(2) Includes all domestic mail.
(3) Includes business and private customer letters and addressed advertising mail.
(4) Includes letter mail and addressed direct mail / media post.
(5) Includes priority and non-priority mail.
(6) Includes addressed mail.
(7) Includes inbound addressed mail.
(8) Includes mail in the Netherlands (*i.e.*, single items and bulk mail).
(9) Includes unrecorded and recorded mail, integrated services, digital and multi-channel services, direct marketing, excludes unaddressed mail.
(10) Includes priority, non-priority and C mail.

Belgium may be less exposed to the trend in declining mail volumes due to its relatively low level of addressed mail items per capita compared to certain other European countries. The following chart shows addressed mail items per capita for the major European incumbent postal operators for the year 2012.



Source: Company information; postal operator annual reports; La Poste investor presentation; Eurostat

Notes:

(1) Includes addressed business and private letters.
(2) Includes inbound addressed mail.
(3) Includes letter mail and addressed direct mail / media post.
(4) Includes priority and non-priority mail.
(5) Includes addressed mail.
(6) Includes mail in the Netherlands (*i.e.*, single items and bulk mail).
(7) Includes transactional mail and direct mail. Excludes unaddressed mail and press.
(8) Includes business and private customer letters and addressed advertising mail.
(9) Includes priority, non-priority and C mail.
(10) Includes unrecorded and recorded mail, integrated services, digital and multi-channel services, direct marketing, excludes unaddressed mail.

Most European incumbent postal operators have engaged in initiatives designed to control fixed costs and modernize operations in an effort to offset the impact of declining mail volumes on profit. Transformation programs have included elements such as increasing automation and concentration of sorting into large centers, the optimization of delivery processes and the evolution of post office networks to incorporate more lower cost postal service points. There has also been a shift towards the increased use of part-time and other categories of flexible employees, with lower salaries, which has been facilitated by the natural attrition of civil servants. bpost embarked on its modernization program, which included some of the elements described above, in 2003. In 2011, bpost launched its Vision 2020 strategic plan, which builds upon its ongoing program of modernization and is aimed at further improving the efficiency of its MSO service unit. See "*Part VIII: Business — 2. History*" and "*Part VIII: Business — 7. Service Units — 7.1 Mail Service Operations*" for additional detail.

1.1 Transactional mail

The value of transactional mail in Belgium, which encompasses daily mail, registered mail, outbound social mail and administrative mail, is estimated to be approximately €1 billion, based on total revenues in 2012. This amount broadly corresponds to bpost's operating income for this product. bpost's share of the sector is approximately 99%, with the remaining 1% being comprised of small local operators (including "closed loop" operators) and documents delivered using high end express services.

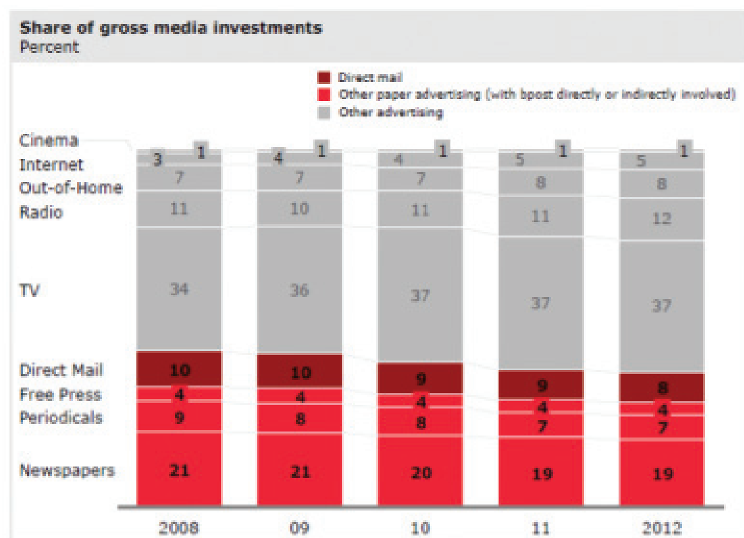
Management believes that paper continues to be an attractive communication channel for senders of administrative mail in Belgium, with 76% of people preferring to receive administrative mail in paper form, based on a survey commissioned by bpost in December 2010.

The Belgian mail market has been fully open to competition since January 1, 2011. Currently, seven operators have a license to provide letter mail services within the USO. However, no major direct competitor has effectively entered the market. This may be due to the declining nature of the mail market, the lack of successful new entrants in other countries' postal markets and/or the licensing conditions imposed on new entrants in the Belgian Full Market Opening Law implementing the Third Postal Directive. See "*Part IX: Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.2 Universal Service Obligation under the 1991 Law — Licensing*."

1.2 Advertising mail

Advertising mail includes addressed direct mail and unaddressed mail, the latter being mail that is delivered to all mailboxes within a particular area (unless there is a DoNotMailMe sticker on the addressee's post box). The value of the direct mail and unaddressed mail segments in Belgium is estimated to be approximately €220 million and €170 million, respectively, based on total revenues in 2012. In the area of direct mail, bpost's share is approximately 99%. In the area of unaddressed mail, management estimates that bpost's share is approximately 39% based on revenue (or 18% based on volume).

One of the key factors affecting the Belgian advertising mail segment is the evolution of investments in advertising. The overall trend during the past few years has reflected an increase in the share of Internet related advertising and a decrease in the share of paper based advertising (including direct mail, dailies, free press and magazines). The following chart shows the evolution of gross investments in advertising in Belgium for the period from 2008 to 2012.



Source: DM Pige Mediaxim; CIM-MDB Mediaxim

Management nonetheless believes that paper based advertising remains attractive for advertisers due to its wide reach. For instance, 90% of people check their mailboxes every working day and on average they spend 4.8 minutes per day reviewing paper mail, based on a survey commissioned by bpost in January 2011. Mail also remains a relatively unsaturated channel in comparison with other media such as e-mail, radio, television, Internet, newspapers and magazines.

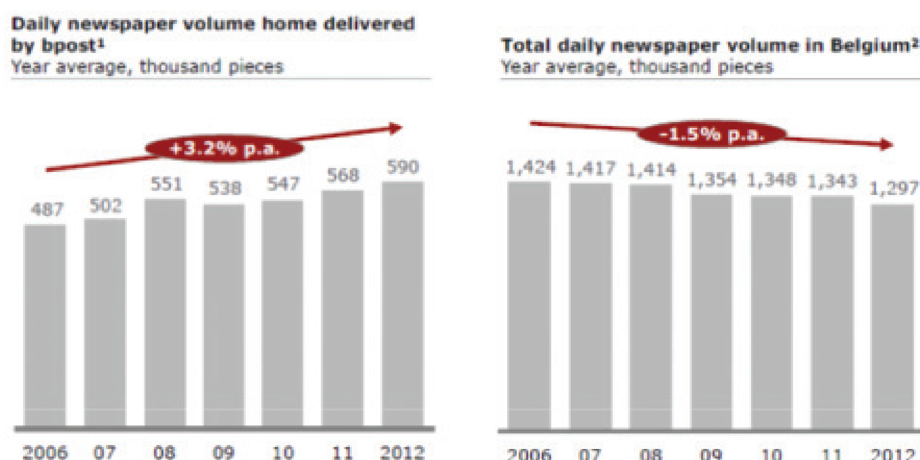
bpost's main competitor in unaddressed mail is Belgische Distributiedienst NV, although it also competes with smaller local operators. Belgische Distributiedienst NV is a Belgium based company primarily engaged in the provision of distribution and delivery services in Belgium and Italy whose share of the unaddressed mail market in Belgium is approximately 58% by revenue in 2012 (or 77% by volume). Its market share based on volume is higher than its market share based on revenue because bposts's prices are typically higher, reflecting its different business model. bpost delivers a limited number of unaddressed mail items in regular mail rounds while Belgische Distributiedienst NV distributes bundles of free press and a large number of unaddressed mail folders.

1.3 Press

Press includes the distribution of newspapers and periodicals. bpost distributes newspapers and periodicals across Belgium except that it does not deliver newspapers *via* early rounds in Brussels or Antwerp. The Company's subsidiary, Deltamedia, delivers daily newspapers to households each morning in East and West

Flanders. bpost faces competition from Belgische Distributiedienst NV, which distributes newspapers in Brussels and Antwerp. It also faces competition from publishers and other independent sellers, such as news agents, that distribute newspapers *via* their own rounds.

While the volume of newspapers distributed in Belgium has decreased during recent years, newspaper volumes delivered by bpost have increased, which is due in part to the Belgian state's payment of compensation to bpost for delivery of newspapers in early rounds (*i.e.*, before 7:30 am on weekdays and before 10 am on Saturday), which commenced in 2006. Prior to 2006, although compensation from the Belgian state was based on a similar mechanism, the newspapers were not distributed in dedicated early rounds. In 2012, bpost home delivered approximately 45% of the total daily newspaper volume in Belgium. The following charts show the evolution of newspaper volumes:



Source: Company information; Centrum voor Informatie over de Media (CIM)

Notes:

(1) Includes subscriptions only, excluding Deltamedia subsidiary.
(2) Includes both subscriptions and street sales.

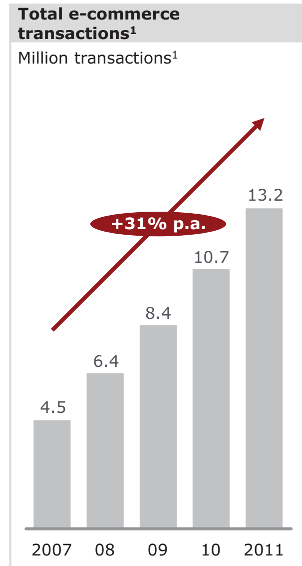
The competitive landscape of the press distribution sector may change as a result of regulatory developments. The Belgian state has committed to the European Commission that it will organize a competitive, transparent and non-discriminatory tendering procedure, with a view to awarding by the end of 2014 a service concession at national level in respect of the distribution of newspapers and periodicals in Belgium. The successful candidate in this selection process will be entitled to begin providing such services as of January 1, 2016. bpost is entrusted with this public service until December 31, 2015.

2 Belgian Parcels Market

Management estimates that the value of the Belgian parcels market is approximately €900 million to €1 billion, based on total revenues in 2012. Major global operators such as DHL, TNT Express and UPS account for slightly more than half of the Belgian parcels market. Other operators active in the market include DPD, GLS and Trans-o-Flex (which is a wholly owned subsidiary of PostNL). The parcels market can be segmented into C2X (parcels sent by consumers) and B2C (parcels sent by businesses to consumers, primarily comprising e-commerce and mail order catalogues) on the one hand, and B2B (parcels sent by businesses to other businesses) on the other hand.

2.1 C2X and B2C parcels

Management estimates that the C2X and B2C segments account for approximately €150 million to €200 million (approximately 20% of the total market) of the Belgian parcels market, based on total revenues in 2012. Management estimates that the C2X and B2C segments collectively grew at a rate of approximately 5% per annum from 2010 to 2012, primarily driven by e-commerce. e-commerce transactions in Belgium grew from 4.5 million in 2007 to 13.2 million in 2011, reflecting a compound annual growth rate of approximately 31%. The following chart shows the increase in e-commerce transactions from 2007 to 2011:

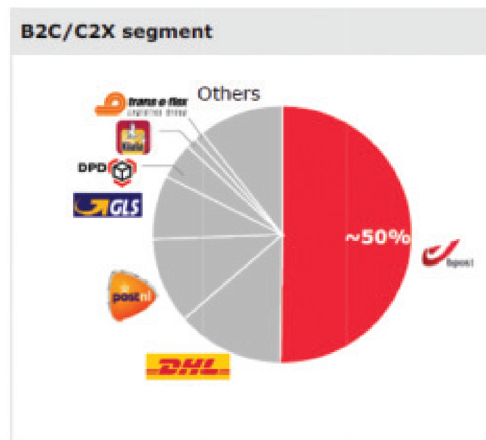


Source: Ogone Payment Services, "Chiffres clés 2011 paiement en ligne en Belgique"

Note:

(1) Includes all digital transactions.

Management believes that bpost's share of the B2C and C2X parcels segments is approximately 50%. The chart below presents bpost and its primary competitors in the B2C and C2X parcels segment:



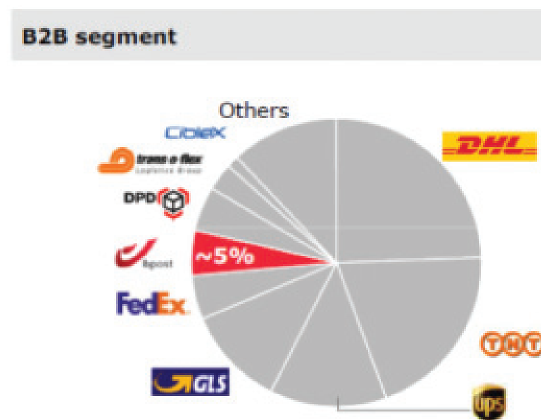
Source: Company information; adapted from Datamonitor, "European Express Benchmarking 2011"

Management believes that the e-commerce market in Belgium, and therefore the B2C and C2X parcels segments in Belgium, have potential for further growth, in particular because on-line sales as a percentage of total retail sales remains relatively low, as demonstrated by the following chart:

Source: Centre for Retail Research

2.2 B2B parcels

The B2B parcels segment is the largest segment of the parcels market in Belgium and management estimates that it accounts for €750 million to €800 million (approximately 80% of the total market) of the Belgian parcels market, based on total revenues in 2012. Management estimates that the B2B segment grew at a rate of approximately 3% per annum from 2010 to 2012. Management believes that bpost's share of the B2B segment is approximately 5%. The chart below presents bpost and its primary competitors in the B2B parcels segment:



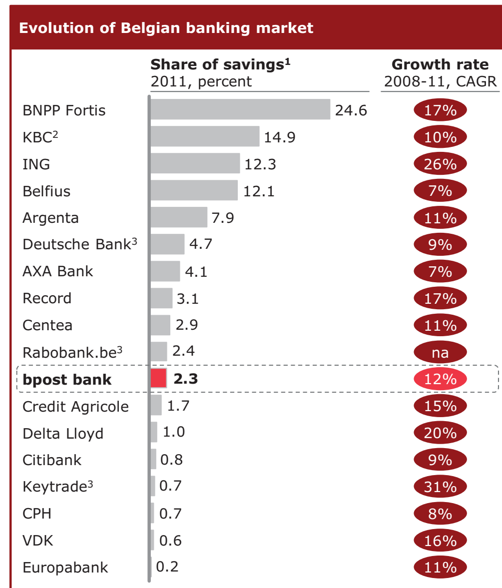
Source: Company information; adapted from Datamonitor, "European Express Benchmarking 2011"

3 Cross-border Mail Market

The value of the cross-border mail market was estimated by management to be approximately €10 billion in 2011. Management estimates that bpost's share of the market is approximately 2%. After growth of 2.2% in 2010, the market was relatively stable in 2011, growing by approximately 0.5%. Overall, the market is relatively mature and may be declining, although certain segments, such as the segment for small goods, may offer growth opportunities to postal operators. The main growth driver in the distance selling segment (*i.e.*, mail order catalogues) for small goods is e-commerce. In particular, management believes that bpost can capitalize on opportunities from cross-border Internet purchases in Belgium. The four main operators that are active outside their domestic markets are DHL Global Mail, Asendia (which is a joint venture between La Poste International and Swiss Post International), Spring Global Mail (which is a wholly owned subsidiary of PostNL) and bpost International.

4 Belgian Banking and Financial Services Market

The Belgian banking industry has four large banks: BNP Paribas Fortis, KBC, Belfius (formerly Dexia) and ING. In 2011, these four banks accounted for 63.9% of savings in Belgium, according to filings with the National Bank of Belgium. bpost bank accounted for 2.3% of savings, making it the eleventh largest bank in Belgium by that measure, and 1.5% of current accounts. Savings in Belgium have grown at a compound annual growth rate of approximately 13% from 2008 to 2011. The chart below shows the major players in the Belgian savings market based on 2011 data:

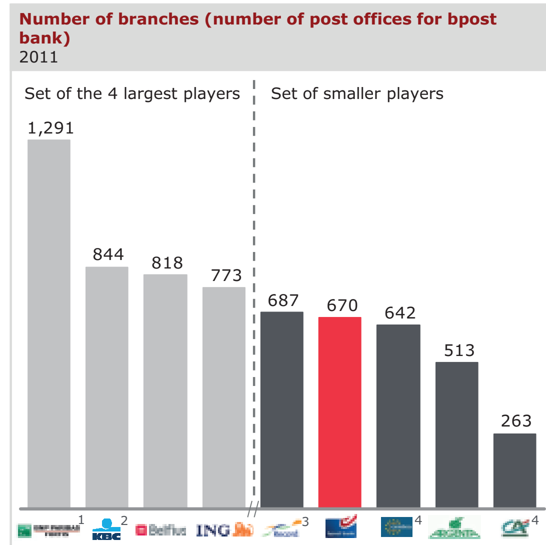


Source: Company information; National Bank of Belgium filings

Notes:

(1) Total savings deposits (excluding current accounts and term deposits) on regulated savings accounts of credit institutions in Belgium on a non-consolidated basis.
(2) Including KBC and CBC networks.
(3) Mainly direct banks with no branches or a limited footprint.

The Belgian banking market is characterized by a high level of penetration of retail points of service. The chart below shows the number of branches of certain banks in Belgium as of December 31, 2011:



Source: Companies' websites and annual reports; National Bank of Belgium filings.

Notes:

(1) Includes BNP Paribas Fortis and Fintro network.
(2) Includes KBC and CBC networks.
(3) Mainly direct bank.
(4) Centea and Credit Agricole are currently merging.

PART VIII: BUSINESS

1 Overview

bpost is the leading postal operator in Belgium. Its core business is collecting, sorting, transporting and delivering letters and parcels. bpost also positions itself as a supplier of integrated solutions and its product portfolio encompasses products and services in the areas of document management and value-added services. bpost also offers banking and insurance products on behalf of bpost bank, an associate of the Company whose other shareholder is BNP Paribas Fortis, and also offers its own public and commercial payment services. As of December 31, 2012, bpost served its customers through 1,340 points of sale, including 670 post offices and 670 PostPoints. During 2012, it handled an average of 10.5 million mail items per day and an average of 100,000 parcels per day. bpost also has international mail and parcels subsidiaries in North America, the United Kingdom, China, Hong Kong and Singapore. In 2012, 93.5% of bpost's total operating income was derived from Belgium or from Belgian customers.

Effective January 1, 2013, bpost operates its business through the following two business units:

- the Mail and Retail Solutions unit (MRS), which focuses on the sale of mail products and manages relationships with business and residential customers. Large business customers are served through dedicated account managers serving different portfolios of customers. Residential and small business customers are served through bpost's "mass channels," including post offices, PostPoints, bpost's eShop, stamp distributors and the Contact Center. The MRS business unit also offers banking and insurance products on behalf of bpost bank and offers certain other financial services; and
- the Parcels & International unit (P&I), which specializes in parcels (domestic and international) and international mail and e-commerce logistics solutions (including fulfillment, handling, delivery and return management).

The MRS business unit and the P&I business unit accounted for 82.2% and 15.5% of bpost's consolidated total operating income for the three months ended March 31, 2013 and 84.9% and 14.2% of its consolidated total operating income for the year ended December 31, 2012, respectively. The remaining portion of consolidated total operating income was attributable to the Corporate reconciliation category.

bpost also has service units that support the business units. The service units include the MSO unit, IOPS unit, the ICT and Service Operations units and most of the Human Resources & Organization (HR&O) unit. The MSO service unit is in charge of collecting, sorting and distributing mail and parcels in Belgium. See "— *7. Service Units — 7.1 Mail Service Operations*." The International Operations and Parcels Services ("IOPS") service unit comprises the operations of the European Mail Center, which is located at Brussels Airport and serves as a hub for international mail and parcels. See "— *7. Service Units — 7.2 International Operations and Parcels Services."* bpost's corporate units include Finance, Legal/Regulatory and Internal Audit and some departments of Human Resources & Organization.

bpost also operates its business through several subsidiaries, which are described below under "— *11. Subsidiaries and Associates*." The results of operations of these subsidiaries are recorded within the relevant business unit depending upon the scope of their activities.

2 History

bpost's business was originally operated as a public service of the Belgian state and has been in existence since 1830, following Belgium's independence. In 1971, following the enactment of the Law of July 6, 1971 relating to the creation of bpost and to certain postal services (the "1971 Law"), the organization became an independent entity and its name was changed from *l'Administration de la Poste — Administratie van de Post* to *La Régie des Postes — Regie der Posterijen*. In 1992, following the enactment of the 1991 Law, it became an autonomous public company and its name was changed to *La Poste — De Post*. The organization was converted into a limited liability company under public law organized under Belgian law in March 2000. On January 17, 2011, *La Poste — De Post* changed its name to *bpost*.

bpost bank (formerly Banque de La Poste/Bank van De Post) was incorporated in 1995. It is an associate of the Company and its other shareholder is BNP Paribas Fortis (formerly Générale de Banque/Generale Bank). The Company owns 50% of bpost bank, with BNP Paribas Fortis owning the remaining 50%.

In 2003, in anticipation of the full liberalization of the Belgian postal market which occurred on January 1, 2011, bpost embarked on a modernization program. The program was focused on improving efficiency; significantly reducing costs; growing alternative revenue streams to compensate for declining mail volumes;

and improving quality of service, including improved reliability of delivery times and improved service in postal outlets. Specifically, bpost's modernization program has included the following initiatives:

- extensively reorganizing the logistics network and constructing new industrial sorting centers;
- overhauling the retail network, including through the introduction of PostPoints to partially replace post offices;
- restructuring bpost to become a more customer focused organization, with an emphasis on customer loyalty and the development of new products and services that are tailored to customers' needs;
- developing bpost into a leading cross-border postal operator; and
- streamlining operations in order to reduce the fixed cost base.

The transformation of bpost's activities has continued beyond the full liberalization of the Belgian postal market in order to respond to the challenges of the impact of electronic substitution and competition on bpost's business. Since 2003, bpost has experienced improvements in its operating performance, which have been due in part to the modernization program. The table below sets forth bpost's total operating income, normalized EBIT, employees and total operating income per employee as of and for the years 2003 to 2012:

	Year ended December 31,									
	2003[1]	**2004[1]**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
	(€ millions, except where otherwise indicated)									
Total operating income	2,101.0	2,147.9	2,123.7	2,230.5	2,276.4	2,262.4	2,250.1	2,317.8	2,364.6	2,415.7
Profit from operating activities (EBIT)	(63.4)	23.9	(18.6)	135.9	96.4	269.4	373.6	322.4	69.2	323.0
EBIT margin(%)[2]	(3.0)	1.1	(0.9)	6.1	4.2	11.9	16.6	13.9	2.9	13.4
Normalized EBIT[3]	(69.0)	36.8	82.0	160.0	182.7	221.9	240.1	319.2	358.6	404.1
Normalized EBIT margin (%)[3]	(3.3)	1.7	3.9	7.2	8.0	9.8	10.7	13.8	15.2	16.7
Number of FTEs (as of December 31)	40,024	36,879	36,026	34,742	32,571	30,660	29,618	28,618	27,258	25,705
Total operating income per employee (€ thousands)	52,494	58,242	58,949	64,202	69,890	73,790	75,971	80,991	86,749	93,978

Notes:

(1) The financial data provided for 2003 and 2004 is prepared under Belgian GAAP rather than IFRS and therefore is not comparable to the financial data provided for the years 2005 to 2012.

(2) EBIT margin represents EBIT divided by total operating income.

(3) Normalized EBIT and normalized EBIT margin are presented before 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. See "*Presentation of Financial and Other Information*" for details regarding the methodology for normalized financial measures. Normalized EBIT and normalized EBIT margin are not audited.

The capital expenditure required for the modernization program has stabilized in recent years. The table below sets forth bpost's net capital expenditure for the period from 2006 to 2012:

	As of December 31,						
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
	(€ millions)						
Gross capital expenditure[1]	150.5	97.9	87.8	65.9	68.3	78.2	84.2
Proceeds from the sale of property, plant and equipment	(19.3)	(32.7)	(14.0)	(9.8)	(26.5)	(12.0)	(10.9)
Net capital expenditure	131.2	65.2	73.8	56.1	41.8	66.2	73.3

Note:

(1) Defined as acquisition of property, plant and equipment and intangible assets.

In October 2005, it was announced that a consortium of Post Danmark A/S and a company owned indirectly by CVC Funds would acquire a stake in the Company of 50% less one share. The subscription by the Selling Shareholder of 204,916 Shares at an issue price of €1,464.0 per share effectively occurred on January 17, 2006. Following this transaction, bpost was able to draw on the expertise of Post Danmark A/S in the context of the Company's modernization program. In April 2008, Post Danmark A/S and Posten A/B, the Swedish postal operator, announced their intention to merge. In connection with this transaction, bpost has been informed by the Selling Shareholder that Post Danmark A/S sold its shareholding in MIE Group SA (the holding company of the Selling Shareholder) for €373 million, which represented, indirectly, approximately 25% of the Company's share capital, to another company owned indirectly by CVC Funds. As a result of this transaction, companies owned indirectly by CVC Funds now indirectly own a stake of 49.99% of the Company. The Belgian state (directly and indirectly through SFPI/FPIM) owns 50% plus 488 Shares.

In 2009, bpost completed the acquisition of three companies operating in the areas of specialized distribution of parcels and point-to-point sprinter services in Belgium: Express Road and Courier Network System (both of which operated under the commercial name of Corpco) and MG Road Express. These acquisitions were subsequently integrated with bpost's Euro-Sprinters business, extending bpost's geographic footprint and its client portfolio.

More recently, bpost has also been focused on international expansion. In 2009, the Company acquired a 60% stake in Mail Services Inc., a U.S.-based cross-border mail consolidator and in 2011 it acquired Citipost (Holdings) Limited, which mainly operates in Singapore and Hong Kong. In December 2012, the Company acquired a majority stake in Landmark Global Inc., a U.S.-based cross-border parcels consolidator. For further detail of bpost's subsidiaries, see "— *11. Subsidiaries and Associates*."

3 Products and Solutions

3.1 Overview

bpost provides products and services based on the following product lines: (i) transactional mail, (ii) advertising mail, (iii) press, (iv) parcels, (v) value-added services, (vi) international mail, (vii) banking and financial products and (viii) other. Turnover from transactional mail, advertising mail, press, value-added services and banking and financial products are included within the MRS business unit. Turnover from international mail is mainly included within the P&I business unit. Turnover from parcels sold through the retail network, mainly C2X parcels, is included within the MRS business unit, with the remainder of turnover from parcels included within the P&I business unit. Other turnover is allocated across the MRS and P&I business units. See "— *5. Business Units*" for a further description of the products and services provided within the MRS and P&I business units.

A breakdown of operating income by business units and products line for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010 is set forth below:

	Three months ended March 31,				**Year ended December 31,**					
	2013		**2012**		**2012**		**2011**		**2010**	
	(€ millions)	*(%)*	*(€ millions)*	*(%)*	*(€ millions)*	*(%)*	*(€ millions)*	*(%)*	*(€ millions)*	*(%)*
MRS										
Transactional mail	244.3	47.0	249.7	48.1	982.7	47.9	967.2	47.6	954.4	47.4
Advertising mail	71.5	13.7	77.7	15.0	287.3	14.0	309.1	15.2	318.9	15.8
Press	79.4	15.3	101.5	19.5	406.4	19.8	399.7	19.7	389.5	19.3
Parcels[(1)]	8.5	1.6	8.4	1.6	33.8	1.6	32.9	1.6	32.0	1.6
Value-added services	22.4	4.3	24.7	4.8	95.8	4.7	94.4	4.6	85.0	4.2
International mail	—	—	—	—	1.7	0.1	1.8	0.1	1.9	0.1
Banking and financial products	52.0	10.0	51.9	10.0	217.3	10.6	200.6	9.9	200.9	10.0
Other[(2)]	42.0	8.1	5.4	1.0	27.0	1.3	27.6	1.4	32.8	1.6
Total	520.0	100.0	519.5	100.0	2,052.0	100.0	2,033.2	100.0	2,015.4	100.0

Notes:

(1) Includes parcels turnover from parcels sold through the retail network, mainly C2X parcels.

(2) Includes intercompany eliminations.

	Three months ended March 31,				Year ended December 31,					
	2013		2012		2012		2011		2010	
	(€ millions)	(%)	(€ millions)	(%)	(€ millions)	(%)	(€ millions)	(%)	(€ millions)	(%)
P&I										
Parcels[(1)]	47.4	48.2	32.5	39.5	131.3	38.3	121.2	38.1	96.0	33.8
International mail	52.1	53.0	51.6	62.7	219.4	64.0	202.1	63.5	190.3	67.0
Other[(2)]	(1.1)	(1.2)	(1.8)	(2.1)	(8.1)	(2.4)	(5.0)	(1.6)	(2.5)	(0.9)
Total	98.3	100.0	82.3	100.0	342.6	100.0	318.3	100.0	283.8	100.0

Notes:

(1) Includes all parcels turnover except turnover from parcels sold through the retail network, mainly C2X parcels, which are included under MRS.

(2) Includes intercompany eliminations.

3.2 General postal regulatory framework relating to products

The products offered by bpost are subject to different postal regulatory regimes depending upon whether the relevant products are part of the USO, an SGEI or a commercial service (that is, a service that neither falls within the USO nor is an SGEI). These regimes contain various commercial and operational constraints and requirements that affect these products. For additional detail on the regulations applicable to bpost's products, see "*Part IX: Regulation*." For the year ended December 31, 2012:

- products falling within the USO accounted for 59.5% of total operating income (with products subject to the price cap formula (which is described below) accounting for 28.6% and other USO products accounting for 30.9% of total operating income);
- SGEIs accounted for 20.8% of total operating income (with compensation from the Belgian state pursuant to the management contract accounting for 13.4% and tariffs charged to customers and operating income from SGEIs outside the scope of the management contract accounting for 7.4% of total operating income); and
- commercial services accounted for 18.6% of total operating income.

The remaining 1.1% of operating income was attributable to non-commercial products, such as the sale of buildings.

All SGEIs are provided by the MRS operating segment. See "*— 5. Business Units — 5.1 Mail and Retail Solutions Business Unit*" below. The MRS and P&I operating segments include both USO products and commercial products. See "*— 5. Business Units — 5.1 Mail and Retail Solutions Business Unit*" and "*— 5.2 Parcels & International Business Unit*" below.

Universal service obligation (USO)

The 1991 Law designates the Company as USO provider until December 31, 2018 and provides that, following that date, one or more USO provider(s) shall be appointed for a period of ten years and that the universal service may then be divided into various segments. The 1991 Law provides that the procedure for designating the USO provider should, at the latest, be finalized three years prior to the end of the term of the current USO provider. This implies that the identity of the future USO provider(s) should be known by the end of 2015. The new USO provider(s) will become providers as from January 1, 2019, with the Company continuing to be the USO provider until that date.

In 2012, 2011 and 2010, the USO was profitable and hence did not represent an unfair burden on the Company. In the past the Company has not made any request to receive compensation for providing the USO.

The designation as USO provider does not imply the granting of any exclusive rights to provide services. All services falling within the USO can be provided by other operators who obtain the license to do so. See "*Part IX: Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.2 Universal Service Obligation under the 1991 Law — Licensing.*"

The universal service obligation (the "USO") under Article 142 of the 1991 Law consists of the following (including both national and cross-border) services:

- the collection, sorting, transport and distribution of postal items weighing up to 2kg;

- the collection, sorting, transport and distribution of postal packages weighing up to 10kg;
- the distribution in Belgium of postal packages from Member States weighing up to 20kg; and
- the provision of services for registered items and insured items.

The USO requires compliance with the principle of non-discrimination and the offering of an identical service to all users under comparable conditions; compliance with essential requirements (*i.e.,* confidentiality, security of the network, data protection, etc.); continued service except in the case of "force majeure" events; the evolution of the service offering to take into account technical, social or economic trends and the needs of the customer; the provision of correct and complete information to the public (*e.g.,* the publication of general terms and conditions and tariffs); and compliance with pricing rules and compliance with quality targets.

The Company is further required to:

- operate at least one access point for the deposit of postal items falling within the scope of the USO in each municipality in Belgium;
- organize at least one collection and distribution of specified postal items at least five days per week, excluding Sundays and official holidays; and
- distribute postal items (including packages up to 10kg) throughout Belgium.

The Company is also required to comply with certain quality of service requirements. See "*— 8. Quality of Service*."

The Company faces a number of pricing constraints in relation to certain products belonging to the USO:

- *General USO pricing principles*: the tariffs of the products concerned are subject to ex post verification by the IBPT/BIPT regarding compliance with the following pricing principles: (i) affordability; (ii) cost orientation; (iii) transparency; (iv) non-discrimination; and (v) uniformity of tariffs throughout the country.
- *Price cap formula*: in addition to the general USO pricing principles described above, the products belonging to the "small user basket" (mainly single piece mail items and certain parcels) are subject to a price cap formula. Tariff increases are subject to ex ante approval by the IBPT/BIPT which verifies whether the tariff increases are permitted under a price cap formula. This formula is set by Royal Decree and allows bpost to modify its tariffs for these services each year (on January 1) based on changes in the Belgian health index (which is the Belgian consumer price index excluding certain goods such as tobacco products, alcohol, petrol and diesel). The price cap formula also includes a quality bonus applicable upon compliance with specified delivery times for single piece mail falling within the "small user basket." See "*— 8. Quality of Service*" and "*Part IX: Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.2 Universal Service Obligation under the 1991 Law — Compensation*."

The Company does not receive any compensation under the Fifth Management Contract for the provision of services falling within the USO. However, the 1991 Law provides that if, in any given year, the performance of the USO has created an unfair burden on the Company, it is entitled to compensation by the Belgian state in respect of this unfair burden. See "*Part IX: Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.2 Universal Service Obligation under the 1991 Law — Compensation*."

Services of General Economic Interest (SGEIs)

The main SGEIs offered by the Company are set out in the Fifth Management Contract, which the Company and the Belgian state are expected to enter into on or around June 7, 2013. The Fifth Management Contract will be effective from January 1, 2013 and will replace the Fourth Management Contract dated December 2, 2005. The Fifth Management Contract sets forth the terms and conditions pursuant to which the Company must fulfill certain SGEIs for the period from January 1, 2013 to December 31, 2015. The SGEIs entrusted to the Company under the Fifth Management Contract include:

- the maintenance of the retail network
- the provision of day-to-day SGEIs (*i.e.*, early delivery of newspapers, distribution of periodicals, "cash at counter" services and home delivery of pensions and social allowances); and
- the provision of certain ad hoc SGEIs, which are SGEIs that by their nature are provided without any recurrence.

Under the Fifth Management Contract, the Belgian state compensates the Company for the provision of the SGEIs in accordance with a NAC methodology, which provides that compensation shall be based upon the difference between the net cost to the provider of operating with the SGEI and the net cost or profit of the same provider of operating without the SGEI, increased by the share of efficiency gains or decreased by the share of efficiency losses. The share of efficiency gains or losses attributed to the Company can be further adjusted on the basis of its performance against the quality targets set forth in the Fifth Management Contract. See "— *5. Business Units — 5.1 Mail and Retail Solutions Business Unit — Press*," "— *Banking and financial products*," and "— *Other products*" for details of the quality targets for the SGEIs. The Company receives compensation from the Belgian state for most of the SGEIs provided by the Company under the Fifth Management Contract. Under the Fifth Management Contract, the Company will receive compensation for providing the SGEIs in the maximum amount of €303.7 million in 2013, €304.4 million in 2014 and €294.3 million in 2015. The decrease in compensation for SGEIs over the period of the Fifth Management Contract is based on forecasts of the net avoided cost.

In addition to compensation received from the Belgian state, bpost's customers pay the tariffs agreed between the Company and the Belgian state in the management contract or its implementing agreements or, in the absence of such a contractual tariff, the tariff approved by the Belgian state. The NAC methodology takes into account the amount paid by the customers for the provision of these services.

Commercial services

No postal regulatory restrictions apply to the Company's pricing policies or operations for products falling under the commercial services category. The Company receives no compensation from the Belgian state for the products falling under the commercial services category.

The postal regulatory status, the applicable state compensation regime and the related postal regulatory pricing constraints for the Company's main products are summarized below.

Operating segment	Product line	Main products[1]	Postal regulatory product status and state compensation regime	Main postal regulatory pricing constraints
Mail and Retail Solutions	Transactional mail	Daily mail, registered mail and outbound social mail	USO[2]	USO price cap formula
		Administrative mail	USO	General USO pricing principles
		Letter post items within the freepostage system	SGEI	Management Contract
	Advertising mail	Direct mail addressed	USO	General USO pricing principles
		Unaddressed advertising mail	Commercial	None
		Election mail	SGEI	Management Contract
	Press	Newspapers	SGEI[3]	Management Contract
		Periodicals	SGEI[4]	Management Contract
	Parcels	National and international parcels (sold through the retail network)	USO[5]	USO price cap formula applies to the majority of pre-paid bpack operating income
	Value-added services	Data	USO/ Commercial	General USO pricing principles apply to the majority of data operating income (*i.e.*, with respect to the mail forwarding service)[6]

Operating segment	Product line	Main products[1]	Postal regulatory product status and state compensation regime	Main postal regulatory pricing constraints
		Document management	Commercial	None
		Collect and handling services	Commercial	None
		Processing of fines	SGEI	Management Contract
	International mail	Business mail international	USO	General USO pricing principles
	Banking and financial products	Commisions from bpost bank (basic retail, investment and insurance products)	Commercial	None
		Payment services	Commercial	None
		State treasury operations	SGEI	Convention with the Belgian state
		Cash at the counter	SGEI	Management Contract
		Pensions (payments)	SGEI	Management Contract
	Other	Retail network SGEI	SGEI[7]	Management Contract[7]
		Retailer products	Commercial	None[8]
		Philately	Commercial	None
Parcels & International	Parcels	bpack contractual	Commercial	None
		bpack MAF[9]	USO	USO price cap formula
		European license plate project	USO	USO price cap formula
		Special logistics	Commercial	None
		Inbound and outbound international parcels	USO/ Commercial	General USO pricing principles apply to inbound international parcels weighing less than 20 kg and outbound international parcels weighing less than 10kg; no constraints apply to inbound and outbound international parcels that do not fall within the scope of the USO
	International mail	Inbound mail	USO	General USO pricing principles

Operating segment	Product line	Main products[1]	Postal regulatory product status and state compensation regime	Main postal regulatory pricing constraints
		International business mail	USO/ Commercial	General USO pricing principles apply tor the majority of international business mail operating income; no constraints apply to a smaller share of international business mail that does not fall within the scope of the USO
		International subsidiaries	Commercial	None

Notes:

(1) Certain services (which are referred to in the Fifth Management Contract as "ad hoc SGEIs") with no associated operating income or compensation *via* the invoice to the state in 2012 are not included (*i.e.*, the social role of the postman, the "Please Postman" service, the distribution of information to the public, cooperation with regard to the delivery of voting paper packages and the payment of attending fees during elections).

(2) Includes an immaterial amount of operating income that does not fall within the USO and for which no postal regulatory pricing constraints apply.

(3) Excludes a limited volume of newspapers distributed in normal mail rounds and newspapers distributed by Deltamedia on a commercial basis.

(4) Includes an immaterial amount of operating income subject to general USO pricing principles.

(5) No postal regulatory pricing constraints apply to the limited portion of operating income relating to these parcels that do not fall within the USO.

(6) No postal regulatory pricing constraints apply to the small share of data operating income that does not fall within the USO.

(7) Compensation for the maintenance of a retail network is applicable from January 1, 2013, the effective date of the Fifth Management Contract.

(8) Excluding fishing permits, which are subject to the pricing principles laid out in the Management Contract.

(9) MAF refers to franking machines.

3.3 General competition and state aid constraints

In addition to the postal regulatory pricing constraints summarized above, the Company is also subject to general competition and state aid constraints, which implies that:

- where bpost is deemed to have a dominant position, its pricing must not constitute an abuse of such dominant position. In certain circumstances, bpost could be deemed to have abused its dominant position if its pricing is discriminatory, predatory (below cost) or exclusionary or involves loyalty-inducing practices, where these practices cannot be objectively justified; and
- with respect to commercial products, tariffs and conditions of the services must comply with the principle of no cross-subsidization between commercial and public services.

For a more detailed description of the regulatory framework affecting the Company and its business, see "*Part IX: Regulation.*"

4 Key Strengths and Strategies

Management believes it has a number of key strengths and strategies that position it favorably in its markets. These include:

Focused mail and parcels business with a proven strategy for profitable growth

bpost's management has developed a clear strategy for its core mail and parcels business which involves the introduction of new products and services that leverage its core capabilities and competitive strengths as well as initiatives to address declines in mail volumes. bpost's new products and services include both offerings that "package" bpost's existing capabilities into solutions for its customers and new concepts within its core capabilities.

bpost has focused on products and services that leverage its strong distribution network, which covers all mailboxes in Belgium five days a week, its extensive retail network (including post offices, PostPoints and other mass channels) and its strong brand recognition. In particular, management believes that these strengths will help bpost to pursue its parcels strategy. Management believes that the B2C and C2X parcels segments have potential for growth due to the relatively low level of penetration of e-commerce in Belgium compared to other Western European countries. Due to its leading position in these segments, management further believes that bpost is well positioned to benefit from this growth. bpost is also focusing on leveraging its existing capabilities to expand its B2B parcels offering and its current estimated market share of approximately 5%. bpost has pursued its parcels strategy in part through targeted acquisitions, including the Corpco and MG Road Express acquisitions in 2009, and the Mail Services Inc., Citipost (Holdings) Limited (subsequently renamed bpost International (UK) Limited) and Landmark Global acquisitions in 2011 and 2012. These acquisitions added capabilities in the express segment, which have strengthened bpost's B2B offering and have contributed to its ability to capture inbound international e-commerce parcel flows.

bpost has also leveraged its core capabilities to develop end-to-end solutions for its customers. An example of this is the EU license plates project, which it launched in 2010. This project combines bpost's strengths in payment processing, customer contact through the retail network and call centers and document management with its distribution capabilities. bpost intends to continue to develop products and services that leverage its "last mile" distribution capabilities, such as its Shop & Deliver project, which utilizes its existing facilities and delivery network. bpost also intends to continue to develop innovative products and services within financial services, such as its bpaid card, which it launched during 2012.

At the same time that bpost is developing new products and services, it is developing programs in its core mail business to promote mail as an effective communication medium, including the RelatioMail and DM Boost programs.

Leading market position in a relatively resilient Belgian mail market with a balanced regulatory framework

bpost operates primarily in the Belgian mail market, which is relatively resilient when compared with certain other European mail markets. Although volumes of domestic mail in Belgium have declined in recent years, the rate of decline has been lower and more stable than that experienced in other countries, such as Denmark and the Netherlands. bpost's management has been proactive in developing programs aimed at encouraging its clients to continue to use mail as a means of communication. These programs have focused on emphasizing the advantages of paper-based communication over other media.

bpost has also been able to offset the effects of declines in mail volumes through annual regulated tariff increases. Tariffs for single piece mail included in the "small user basket" of postal services within the USO are modified each year from January 1 in accordance with a price cap formula set by Royal Decree, which allows bpost to modify these tariffs based on changes in the Belgian health index (which is the Belgian consumer price index excluding certain goods such as tobacco products, alcohol, petrol and diesel). The price cap formula also includes a quality bonus applicable upon compliance with specified delivery times for single piece mail falling within the "small user basket."

bpost was designated as a USO provider for an eight-year term commencing in 2011. While other operators may offer services that fall within the USO, new entrants that offer letter mail services within the USO must fulfill certain licensing conditions. These conditions include the employment of contractual workers for collection, sorting and distribution; coverage of 80% of each of Belgium's three regions within five years of commencing operations, delivering mail at least two times per week within two years of commencing operations and offering uniform pricing across Belgium.

In addition, under the Fifth Management Contract bpost will continue to be the provider of SGEIs through December 31, 2015 and may continue to be the provider beyond that date. These services include, among others, the operation of the retail network, the distribution of newspapers and periodicals, the distribution of electoral materials, the acceptance of cash payments at post offices and the delivery of state pension payments and certain social allowances to residents at their homes.

Experienced and dedicated management team with a strong performance track record

bpost's management team has delivered strong financial results in an environment of decreasing mail volumes by fostering a culture of continuous improvement and introducing a series of restructuring initiatives. In 2003, in anticipation of the full liberalization of the Belgian postal market, bpost's new management team embarked on a modernization program which included a number of cost reduction measures, such as the streamlining of operations and increasing automation, particularly within the MSO service unit, and the replacement of post offices with PostPoints. The transformation of bpost's activities has continued on an ongoing basis since that time, in alignment with its shareholders and key stakeholders, repositioning bpost as a leading European postal operator. This has contributed to bpost's strong financial performance, which has included increases in operating income and significant margin improvement from 2003. bpost's total operating income increased from €2,101.0 million in 2003 (prepared under Belgian GAAP) to €2,415.7 million in 2012, which reflected a compound annual growth rate of 1.6%. As a result of the reduction in its work force from 40,024 full-time equivalent employees as of December 31, 2003 to 25,705 full-time equivalent employees as of December 31, 2012, its total operating income per employee increased from €52,494 to €93,978 over the same period. bpost's normalized EBIT margin was 16.7% in 2012, compared to a normalized EBIT margin that was negative in 2003.

Scope for continued cost improvements

bpost has developed a systematic approach to identifying and realizing cost savings across the organization. Its approach involves continuous improvement, including the achievement of cost savings through iterative cycles, such as the Georoute program. bpost is currently rolling out several productivity enhancement initiatives. In particular, in 2011, it launched its Vision 2020 strategic plan, which builds upon its ongoing program of modernization and is aimed at further improving the efficiency of its MSO service unit. This plan involves, among other things, increasing automation in sorting; the centralization of parcels sorting activities in one sorting center; a reduction in the number of distribution offices from over 400 to approximately 60 mail centers; a reduction in the preparation time required by postmen through further automation; and increasing automation of administrative tasks. bpost has also launched the EOS project, which is aimed at improving productivity in ICT, as well an initiative in the area of human resources relating to the automation of payroll management and salary payments and several initiatives across the retail network. bpost's Nimble program is aimed at achieving continuous improvement across its support and central functions.

The age structure of bpost's workforce is also expected to contribute to further improvements in productivity without incurring restructuring costs. As of December 31, 2012, slightly more than one-third of bpost's work force was over the age of 50. This is expected to result in further reductions in the number of employees over the next few years through natural attrition (which includes retirement due to age or physical inability to work, voluntary departures and death) rather than through redundancies or retirement *via* early retirement plans. Retiring employees also tend to have higher salaries than new joiners, both because new joiners are hired as contractual employees with lower salary packages and because employees' salaries generally increase based on seniority.

Management intends to continue to roll out cost savings programs in a measured way with flexibility in the timing of deployment. Management also believes that its continued focus on bpost's relationship and dialogue with unions and its engagement with employees has supported and will continue to support the implementation of its modernization programs.

Strong financial performance supporting a high level of cash generation

bpost's strong financial performance over the past years has been accompanied by improved cash conversion, with normalized operating free cash flow having increased significantly. bpost also has a strong balance sheet, with relatively low levels of gross debt and volatile liabilities such as pension obligations. Due to ongoing productivity improvements with moderate additional capital expenditure requirements, management expects bpost to maintain a strong and stable cash flow profile. Based on these and other

factors, the Company aims to maintain a dividend pay-out ratio of a minimum of 85% of its Belgian GAAP annual net profit on an unconsolidated basis. See "*Part V: Dividends and Dividend Policy*."

5 Business Units

5.1 Mail and Retail Solutions Business Unit

Through its MRS business unit, bpost provides services to business and residential customers, including transactional mail, advertising mail, press, value-added services and banking and financial products. In addition, turnover from parcels sold through the retail network is included in the MRS business unit. For a description of bpost's parcels services, see "*— 5.2 Parcels & International Business Unit — Parcels.*"

Transactional mail

Products

Transactional mail encompasses the following products:

- daily mail;
- registered mail;
- outbound social mail;
- administrative mail; and
- the delivery of letter post items falling within the freepost system.

bpost provides its transactional mail products through its retail network and its MSO service unit. See "*— 6. Channels — 6.1 Mass Channels*" and "*— 7. Service Units — 7.1 Mail Service Operations.*"

Daily mail. Daily mail includes social mail and day-to-day business mail items weighing less than 2kg. bpost's daily mail services for business customers include mail franked *via* stamps, labels and franking machines, as well as post-payment methods, such as "Postage Paid" (PP) for large volume customers.

Registered mail. bpost's registered mail products include regular registered mail as well as a registered mail product that is available to government entities. bpost's registered mail services also include the insurance of the contents of registered letters with declared value.

Outbound social mail. Outbound social mail includes international outbound mail weighing less than 2kg.

Administrative mail. Administrative mail includes bank statements, payroll statements, invoices and other types of administrative documents. bpost's administrative mail customers primarily include telecommunications companies, utilities and financial institutions as well as the Belgian state, which is its largest customer, and other public authorities.

In 2011, in response to the growing threat of electronic communication to administrative mail, bpost piloted RelatioMail with customers in several different industries. The initial result of these pilots has demonstrated that paper is a strong means of communication with commercial advantages in terms of customer experience, brand image, revenue and customer care. The aim of RelatioMail is to help bpost's customers to turn their administrative and financial mail into a high value communication and marketing channel. bpost assists its clients in redesigning their administrative mail to enhance customer relationships. In connection with a recent RelatioMail project, bpost conducted a survey of 300 randomly selected customers who received the redesigned invoice and 95% of these customers who noticed the change in design wanted to retain the new design. 50% of customers indicated that they would like to receive more promotional offers with their invoices. Spontaneous recollection of the promotional message increased by 80% as a result of the new invoice.

Delivery of letter items through the freepost system. The delivery of letter items through the freepost system is an SGEI under the Fifth Management Contract. See "*— 3. Products and Solutions — 3.2 General regulatory framework relating to products — Services of General Economic Interest (SGEIs).*"

Tariffs and compensation

Daily mail, registered mail and outbound social mail are subject to the price cap formula set by Royal Decree.

In January 2010, bpost introduced a separate price for purchases of "large volumes" of stamps (10 pieces or more). Prior to January 2010, only one stamp price was available. The table below shows the evolution of stamp price per unit for "small volumes" and "large volumes."

	Year ended December 31,				
	2012	**2011**	**2010**	**2009**	**2008**
			(€)		
Small volumes (< 10 pieces)	0.75	0.71	0.69	0.59	0.54
Large volumes (> 10 pieces)	0.65	0.61	0.59	0.59	0.54

Administrative mail tariffs are subject to general USO pricing principles. Administrative mail tariffs are available on a contractual basis and are applied between January 1 and March 1 of each year, depending on the contract renewal date. Administrative mail customers receive a discount from daily mail tariffs, which is related to the volume of mail sent and the size and format of the mail, as well as certain operational discounts, which are based on factors such as whether the mail has been sorted or not. bpost also offers a preferential tariff that it refers to as its "clean mail" tariff, which provides a discount from domestic single piece letter mail tariffs.

bpost is compensated by the Belgian state for the delivery of letter items through the freepost system.

Advertising mail

Products

Advertising mail includes:

- direct mail;
- unaddressed mail (called Distripost); and
- election mail.

bpost provides its advertising mail products through its MSO service unit. See "— *7. Service Units — 7.1 Mail Service Operations.*"

Direct mail. Direct mail includes addressed communications that are sent to a significant number of customers or prospective customers with to the aim of persuading them to purchase a particular product or service. Direct mail can be directed at pre-determined customer groups, allowing mail to be adapted to a segmented target audience and the impact of campaigns to be analyzed, thereby permitting the customer to determine whether the campaign is cost effective. bpost advises its customers on the various physical and visual forms that direct mail can take as well as on the potential for segmentation of the product. bpost draws on the results of market research that it has performed on the impact of direct mail in a number of industry sectors in order to assist customers in designing mailing campaigns. It also provides mailing lists for use in advertising mail campaigns. In 2004, bpost introduced DM Boost, which is a systematic sales approach for direct mail aimed at demonstrating the value of direct mail to clients. DM Boost also helps clients measure the return on investment for direct mailing campaigns.

Unaddressed mail. Unaddressed mail is mail that is delivered to all post boxes within a particular area (unless there is a DoNotMailMe sticker on the addressee's post box). For unaddressed mail, bpost's Distripost service provides advice on geographic areas to be covered, and on targeting campaigns by reference to socio-demographic criteria. During 2011, bpost developed an online planning tool for Distripost bookings, which has been received positively by customers and now accounts for approximately 80% of its transactions.

Election mail. bpost provides certain election mail services, including the delivery of addressed and unaddressed election printed items pursuant to the Fifth Management Contract.

Tariffs and compensation

Direct mail pricing is subject to general USO pricing principles. For unaddressed mail, no postal regulatory pricing constraints apply. bpost offers two types of tariffs for direct mail and unaddressed mail: preferential tariffs and contractual tariffs. Preferential tariffs are tariffs that are available to any customer and are preferential *vis à vis* the tariffs for domestic single piece letter mail. Contractual tariffs are available only to customers that spend a specified amount with bpost. The majority of bpost's direct mail and unaddressed mail clients are charged contractual tariffs rather than preferential tariffs. Contractual tariffs are lower than

preferential tariffs and generally vary based on volume and cost-sharing discounts. In addition to contractual and preferential tariffs, separate electoral tariffs apply to electoral materials.

bpost also receives compensation from the Belgian state for the delivery of addressed and unaddressed election printed items.

Press

Products

Press includes:

- the distribution of newspapers; and
- the distribution of periodicals.

Newspapers. bpost has a dedicated logistics network for the distribution of newspapers through dedicated early mail rounds. It distributes newspapers across Belgium except that it does not deliver newspapers in early rounds in Brussels or Antwerp. See "*— 7. Service Units — 7.1 Mail Service Operations — Distribution network*."

Pursuant to the Fifth Management Contract, the Company must offer the early delivery of newspapers six days per week. Service requirements are included in a special agreement dated September 15, 2005 and renewed on May 2, 2007 among the Belgian state, newspaper publishers and the Company. Distribution services are offered at a specific price to support the written press and the freedom of the press. The Company must meet basic quality principles, which involve ensuring that all the newspapers are distributed by a certain time. It must also meet quality enhancement targets, which consist of ensuring that the net number of complaints relating to newspaper distribution remain below 11 for every 10,000 deliveries.

The Company's subsidiary, Deltamedia, delivers newspapers to households in East and West Flanders. Deltamedia distributes newspapers using contractors who are self-employed.

Periodicals. bpost distributes periodicals across Belgium through its regular rounds.

The Company must distribute periodicals five times per week to all households, including non-profit periodicals edited by bona fide organizations and by non-profit organizations. Distribution services are offered at a specific price to support the written press and the freedom of the press. It must meet quality targets, which include the requirement to distribute at least 95% of periodicals within the delivery times specified in a special agreement between the Belgian state and the Company and at least 97% of periodicals within the delivery times specified in the special agreement, plus one day.

Tariffs and compensation

bpost charges tariffs to publishers for providing newspaper delivery services in early rounds and periodical distribution services. Tariffs paid by publishers are determined in implementing agreements among the Company, the Belgian state and the publishers.

bpost also receives compensation from the Belgian state for providing newspaper delivery services in early rounds and periodical distribution services. For the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010, €47.2 million, €69.5 million, €281.4 million, €279.7 million and €272.7 million of compensation for SGEIs was recorded within press, respectively. The decrease in compensation for SGEIs in the first quarter of 2013 was due to the reallocation of compensation pursuant to the Fifth Management Contract to take account of the retail network SGEI. See "*Part XI: Operating and Financial Review and Prospects — 3. Key Factors Affecting Results of Operations — Compensation for SGEIs.*"

Value-added services

Products

Value-added services include:

- data services;
- document management solutions;
- collect and handling services; and
- other value-added services.

Data services. bpost offers its customers the DoMyMove and Mutapost products, which are its mail forwarding services.

It also offers database services, which include the maintenance of databases containing specific information about individual recipients of mail. It uses these databases to supplement its direct mail offering and also sells databases to third parties.

Document management solutions. Document management solutions includes the development and marketing of paper- and digital-based solutions for customers, such as printing of transactional documents. bpost provides document management solutions primarily through its subsidiaries, eXbo and Speos. In January 2013, Certipost sold its electronic document exchange services to Basware. bpost retains ownership of Certipost's document security, digital certification and Belgian e-ID activities. See "*— 11. Subsidiaries and Associates*" for a description of these entities.

Collect and handling services. Collect and handling services include logistics related to the collection, transport and handling of mail items from the customer to sorting centers. These items can be either franked mail, through products such as SimpleCollect, or unfranked mail.

Other value-added services. bpost markets solutions that enable it to manage an entire process for a customer, from order to delivery, by way of document printing or contacts with suppliers. One example of such a solution is the production and delivery of books containing health care certificates for the Belgian National Institute for Health and Disability Insurance (*INAMI/RIZIV*). Another example is bpost's involvement in the production and delivery of traffic fine statements for the Belgian federal police. bpost also provides services to banks to help them manage payments under the Single Euro Payments Area Act.

bpost has also been involved in the management of the production and distribution of the new EU license plates. The project was launched in 2010 and to date bpost has delivered approximately 3.5 million license plates on behalf of Belgian federal authorities. The portion of operating income relating to production and printing activities is recorded within the MRS operating segment, with the operating income relating to the parcel distribution being recorded within the P&I operating segment.

bpost also offers the financial and administrative processing of fines pursuant to the Fifth Management Contract.

Tariffs and compensation

General USO pricing principles apply to the majority of data services. There are no postal regulatory pricing constraints for document management and collect and handling services or for all other value-added services, with the exception of the EU license plate project, for which pricing is set by the agreement entered into with the Belgian state.

Banking and financial products

Products

bpost offers (i) banking and insurance products on behalf of bpost bank and (ii) certain other financial services directly.

bpost bank. bpost offers banking and insurance products on behalf of bpost bank. For details of bpost's arrangements regarding bpost bank, see "*— 11. Subsidiaries and Associates — bpost bank.*"

Other financial services offered directly. bpost offers the following financial services directly:

- payment services;
- state treasury operations;
- "cash at counter" services; and
- home delivery of old age and surviving dependents' pensions and benefits for people with limited mobility.

bpost offers international money transfers and cross-border transfers as a partner of Western Union. Management estimates that almost half of all Western Union transactions in Belgium are carried out at a post office. During 2011, bpost decided to pilot the provision of Western Union transactions at twelve high potential PostPoints and plans to introduce this service in at least 200 PostPoints by 2017, with the aim of strengthening its partnership with Western Union.

Through its ATMs, bpost offers cash withdrawals, which generate fees from other banks. These ATMs were acquired by the Company from bpost bank in 2008. The Company must install a minimum of 350 additional automatic teller machines ATMs in post offices by the end of the period covered by the Fifth Management Contract and ensure the presence of this equipment in all municipalities where it is currently not offered by another financial institution.

In 2012, bpost also began offering bpaid, which is a bpost branded MasterCard pre-paid payment card. bpaid cards are available in amounts ranging from €10 to €8,000 and can be used worldwide for point of sale payments, to withdraw money from ATMs and for online shopping. As of March 31, 2013, bpost had sold approximately 120,000 bpaid cards.

The Company also offers payment services to the Belgian state and certain other public entities through the operation of postal accounts (the so-called "679 accounts").

As part of the "cash at counter" SGEI, the Company is responsible for the provision of the following financial postal services: accepting cash deposits for postal current accounts and making payments to or from these accounts; accepting cash deposits crediting a postal current account or an account with another financial institution; and the issuance and payment of domestic postal money orders (mandates). The Company has committed to ensuring that 95% of all transactions are executed on time. Transactions relating to bpost bank accounts must be executed on the first working day following the transaction. For all other accounts, transactions must be executed on the second working day following the transaction.

The Company is also responsible for the home delivery of old age and surviving dependents' pensions and benefits for people with limited mobility. It has committed to ensure that the net number of complaints in relation to this SGEI must remain below 50 for every 10,000 deliveries.

bpost bank's products are offered through open counters and express tills as well as financial advice areas, 24/7 areas and phone and internet banking. The Company also performs certain back office activities and other ancillary services for the bank, for which it also receives fees. In addition, bpost's Contact Center provides customer care in relation to products and services offered by bpost bank. bpost bank currently has approximately 1.1 million customers, of which approximately 700,000 were active customers. As of December 31, 2012, it had 185 full-time equivalent employees.

Tariffs and compensation

bpost receives commissions and fees from bpost bank for offering products and services on its behalf. There are no postal regulatory pricing constraints for these products. For the year ended December 31, 2012, commissions and fees from bpost bank accounted for €108.8 million of the banking and financial products product line's operating income.

No postal regulatory pricing constraints exist for payment services products and state treasury operations. In cases in which it acts as a distributor (for example, it acts as an agent for Western Union products), bpost receives commissions.

bpost receives compensation from the Belgian state for providing "cash at counter" services and delivery of old age and surviving dependents' pensions and benefits for people with limited mobility. For the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010, €6.4 million, €7.1 million, €29.0 million, €28.8 million and €40.9 million of compensation for SGEIs was recorded within banking and financial products, respectively.

Other products

Products

Other products include:

- the retail network SGEI;
- philately; and
- retailer products.

Retail network SGEI. The Fifth Management Contract provides for a retail network SGEI. In order to ensure territorial and social cohesion, the Company must maintain a retail network of postal service points, including post offices and third-party-run postal shops. The retail network SGEI goes beyond and is distinct from the requirements of territorial presence arising from the USO and the network which the Company

would maintain absent any public service obligation. The Fifth Management Contract provides that the Company shall further improve quality across its retail network by modernizing its postal service points and working to achieve a high and comparable level of quality across all types of postal service points, and thereby increase customer satisfaction. It has also committed to invest in infrastructure and in training of its staff at post offices. The Fifth Management Contract sets forth specific quality targets in relation to waiting time and customer interaction. See "*— 8. Quality of Service.*"

The retail network maintained by the Company must consist of at least 1,300 postal service points, each of which offers at least the minimum range of services. The Company must also guarantee the presence of postal service points that offer a complete range of services, as well as the presence of at least 650 post offices, with at least one post office in each of the 589 municipalities and, in municipalities which are more densely populated, the Company may choose to have more than one post office. A postal service point with a minimum service range must be accessible by at least 95% of the population within five kilometers and by at least 98% of the population within 10 kilometers. The Company must also improve accessibility to post offices for people with reduced mobility in order to reduce the proportion of post offices that are considered difficult to access to 10% by 2015. It must also establish a new approach to accessibility for post offices undergoing major works.

Philately. Through its retail network, bpost sells philately products, including coins for special occasions, although demand for philately products has been declining steeply in recent years. The stamps are produced at the Company's printing factory in Mechelen.

Retailer products. The Company also provides certain retailer products, including the printing and sale of fishing permits, which is an SGEI under the Fifth Management Contract.

Tariffs and Compensation

bpost receives compensation from the Belgian state for the retail network SGEI. The European Commission found that the retail network was not sufficiently described as a separate SGEI in the Fourth Management Contract, which contributed to the Company being required to repay certain amounts that were considered to be unlawful state aid, as further described under "*— 16. Legal Proceedings — 16.1 State aid*." To address this, the Fifth Management Contract specifically provides for a retail network SGEI and details the methodology for calculating its net costs. As a result of the reallocation of compensation for SGEIs in the Fifth Management Contract to take account of the retail network SGEI, compensation recorded within the "other" product line has increased. See "*Part XI: Operating and Financial Review and Prospects — 3. Key Factors Affecting Results of Operations — Compensation for SGEIs.*"

No postal regulatory pricing constraints exist for philately and retailer products, with the exception of fishing permits, for which bpost is compensated by the Belgian state.

5.2 Parcels & International Business Unit

Through its P&I business unit, bpost provides domestic parcels services as well as international mail and parcels services to businesses in Belgium and abroad. Turnover from domestic parcels (bpack branded parcels other than bpack World), outbound parcels (bpack World branded parcels), outbound business parcels (World Maxi and World Mini branded parcels) and inbound parcels is recorded within the parcels product line. Turnover from inbound mail and international business mail is recorded within the international mail product line.

Turnover from parcels sold through the retail network, mainly C2X parcels, is included in the MRS business unit.

Parcels

Products

bpost's main domestic parcels offerings are branded under "bpack" and include domestic D+1 (bpack 24h), international outbound (bpack World Light, bpack World and bpack World Express), domestic and outbound D+0 (bpackSprint) and domestic and surrounding countries D+1 products. With the exception of bpost's D+0 delivery offering and certain B2B products, all parcel services are provided through bpost's regular mail network and its network of partnerships with other postal operators. See "*— 7. Service Units — 7.1 Mail Service Operations*." bpost targets two segments with its parcels offering: B2B parcels and B2C parcels, which are linked to the development of e-commerce (bpost's parcels offering also includes C2X parcels, the turnover for which is generally recorded within the MRS business unit).

Most parcels are delivered via bpost@Home, which is delivery to the addressee's home. If the addressee is not home, he/she can ask for a second delivery of his/her parcel or can pick up his/her parcel at one of bpost's post offices or PostPoints. Some parcels are delivered via bpack@bpost, which permits the sender to send the parcel directly to a post office or PostPoint so that the addressee can pick up his/her parcel (parcels can be picked up at 1,100 of bpost's 1,340 postal service points). In 2011, bpost introduced bpack 24/7, which is an automated parcel machine equipped with 70 boxes, at which parcels can be picked up or dropped off. 33 machines were installed during 2012 at secure locations in areas with high footfall, such as airports and train stations, and more machines are being installed during 2013. As the name suggests, customers can use bpack 24/7 machines around the clock. bpack 24/7 is expected to be commercially launched in 2013 and further expanded in 2014.

Domestic D+1 products. bpack24h, bpost's D+1 delivery product for residential customers, and bpack24h pro, bpost's D+1 delivery product for business customers, account for the substantial majority of bpost's parcels turnover. bpost also offers its business customers the bpack24h Business product, which includes additional features such as signature on delivery, insurance of up to €500 and up to three delivery attempts.

International outbound products. bpack World Light, bpack World and bpack World Express are available to residential customers, whereas business customers have access to bpack World Business & bpack World Express. bpost delivers parcels weighing up to 30kg from Belgium to over 220 countries. Delivery is guaranteed between four and ten days for bpack World Light, bpack World & bpack World Business. For express international deliveries, bpost offers bpack World Express, for which delivery is guaranteed between one and four days for Europe and between two and eight days for all other countries.

Domestic and outbound D+0 products. bpack Sprint, which is bpost's same day delivery product, is available to customers 24 hours a day seven days a week. The pricing for the bpack Sprint product varies depending upon the kilometers travelled and/or the volume of the shipment. To supplement its bpack Sprint product, bpost offers a range of products that are tailored to the needs of its business customers.

bpack Sprint is available through bpost's special logistics network, which is operated through the Company's subsidiary, Euro-Sprinters SA/NV. bpost's special logistics network uses as many as 30 different virtual starting points across Belgium, with 150 vehicles available for deliveries. These vehicles are equipped with a GPS system allowing real-time digital tracking.

Domestic and surrounding countries D+1 products. bpost's special logistics capabilities also include specialized capabilities such as reversed logistics, which allows businesses to arrange for defective products to be picked up from their customers and replacement products to be sent to the customers, and technical couriers, through which bpost provides technical assistance to the end customer, for instance by installing a computer or other technical equipment.

In the B2C segment, bpost's product offering primarily includes its domestic D+1 product, bpack24h. Management believes that the B2C segment has strong potential for growth as a result of expected growth in e-commerce. To capitalize on this growth, management intends to continue to adapt its products and services to market trends to ensure that bpost continues to offer a competitive product. The bpack Easy Retour product is a convenient solution through which customers can return parcels when they do not meet expectations. Management also intends to continue to adapt its commercial approach, including by developing expertise across the various e-commerce sectors, deploying a "specialist" sales force and continuing to pursue a targeted approach to customers. Within B2C parcels, bpost will focus on industries that have both scale and growth potential.

bpost's focus on the B2B segment has been limited in the past. It previously had relatively limited knowledge of the market, a limited product offering and no dedicated sales force. Despite its limited focus, management believes that its reputation within the B2B segment among consumers is relatively strong. To improve bpost's position in the B2B segment, management has identified several areas for improvement. In particular, management intends to continue to develop value-added services for this segment as well as improve customer service. Its strategy in the B2B segment involves identifying key industries with the greatest potential for growth, expanding its customer base to include larger customers and cooperating with shippers that distribute parcels in areas with high drop density.

Management intends to implement its B2B parcels strategy in three phases. During the first phase, it has focused on improving its Track and Trace, providing signature on delivery and introducing preferential prices for parcels sent in batches, referred to as multicolli sendings. In the second phase, which includes the remainder of 2013, bpost will focus on adding capabilities currently enjoyed by its immediate competitors. It plans to enhance its outbound product with additional services for neighboring countries and focus on multicolli tracking (tracking on the level of shipments rather than individual parcels). It also plans to engage

in the transport of pallets via a partner. In the third phase, which includes the period after 2013, bpost plans to add advanced capabilities in order to compete with a broader range of competitors. Management expects these advanced capabilities to include real-time proof of delivery, additional trackpoint services and the transport of a broader range of goods.

bpost's approach to the parcels market also encompasses international inbound parcels, where it positions itself as the "last mile of choice." Within inbound parcels, management intends to leverage BPI's international sales force to improve its position. See "— *International mail and parcels*" below.

bpost's quality of service for its parcels offerings improved significantly in recent years. In 2012, it met delivery times 97.5% of the time for its domestic D+1 product, compared to approximately 80% of the time for its domestic D+4 product in 2005 (these quality measures differ from the quality of service information presented below under "— *8. Quality of Service*" in that the information presented in that section for parcels relates only to parcels falling within the "small user basket," mainly C2X parcels).

Tariffs and compensation

The price cap formula applies for the majority of pre-paid bpack parcels. For bpack parcels under contract there are no postal regulatory pricing constraints. General USO pricing principles apply to inbound international parcels weighing less than 20 kg and outbound international parcels weighing less than 10kg. There are no postal regulatory pricing constraints for inbound and outbound international parcels that do not fall within the USO or for parcels offered through bpost's special logistics network.

International mail and parcels

Products

bpost's international mail and parcels services are managed by the P&I business unit under the brand "bpost international," which includes BPI SA/NV as well as bpost's international subsidiaries. See "— *11. Subsidiaries and Associates*." bpost acts as a broker of international mail and parcels services, sub-contracting the pick-up, collection and delivery of mail and parcels. Its strategy for international mail and parcels involves capturing flows of cross-border mail and parcels through direct contracts with end customers by using its existing capabilities. International mail primarily includes outbound, inbound and transit mail flows, as well as mail that does not transit through Belgium.

bpost has been gradually increasing its international presence since 2002, when it began expanding its international activities in order to defend its market share in outbound mail. Since that time, it has expanded its operations in a series of steps. In the initial stages, bpost focused on improving the fundamentals of its international mail operations, including through improving quality of service. It subsequently shifted its focus towards capturing cross-border flows of mail. More recently, bpost has been focusing on replicating the success of its international mail efforts in international parcels.

bpost tailors its international parcels products to the needs of international customers. Within international parcels, it has two product lines, World Maxi, which is for parcels weighing between 2kg and 30kg, and World Mini, which is for parcels up to 2kg. World Maxi includes a Track & Trace feature, whereas World Mini does not. Rates for these products are based on volume, destination and weight. Customers can drop their World Mini and World Maxi parcels directly at the European Mail Center or for an additional fee can have the parcels picked up. bpost's Easy Retour product is a convenient solution through which customers can return parcels when they do not meet expectations. bpost tailors its return solutions to the needs of e-entrepreneurs based on the weight, dimensions and country of origin of the parcel being delivered. bpost also offers an e-shipper tool to its international customers, which allows them to register and track international shipments.

bpost also provides certain advertising and document management solutions to Belgian companies who want to do business internationally, as well as international companies who want to do business in Belgium. For instance, bpost international provides international direct mail services for customers who want to send mail to foreign destinations.

Tariffs and compensation

Turnover from inbound mail is subject to USO pricing principles. General USO pricing principles apply to the majority of international mail operating income. There are no postal regulatory pricing constraints for a smaller share of business mail international that does not fall within the scope of the USO, for international parcels and for the activities of the Company's international subsidiaries.

Shop & Deliver

In 2012, bpost also launched pilots for its Shop & Deliver ("bpost by appointment") project, which is a service allowing customers to send or receive various products, including fresh food, frozen food, empty containers, dry cleaning and other products and services. The customer has various delivery options (*i.e.*, daily, bi-weekly, or weekly) and bpost will consolidate parcels and other items that have been ordered by the customer into a single delivery. The service utilizes bpost's existing facilities and delivery network, which enables bpost to provide this additional service with a relatively low investment. bpost's aim is to determine by the end of 2013 whether to roll out this service throughout Belgium beginning in 2014.

6 Channels

The Company sells its products or services through a variety of channels. The following paragraphs provide a brief description of those channels. The mass channels are operated by the MRS business unit whereas both the MRS and P&I business units are using the business channels.

6.1 Mass channels

Pursuant to the Fifth Management Contract, the retail network maintained by the Company must consist of at least 1,300 postal service points, each of which offers at least the minimum range of services. The Company must also guarantee the presence of postal service points that offer a complete range of services, as well as a presence of at least 650 post offices, with at least one post office in each of the 589 municipalities and, in municipalities which are more densely populated, the Company may choose to have more than one post office. bpost has taken significant steps towards modernizing its retail network. For example, since 2003, it has focused on closing post offices and opening PostPoints. The replacement of post offices with PostPoints is part of the evolution of the retail network which is aimed at maintaining a postal presence throughout the country while improving bpost's cost structure in order to ensure the financial and commercial viability of its retail network. The conversion program has been substantially completed, with the number of post office closures during 2011 and 2012 having decreased significantly from previous years. As of December 31, 2012, bpost had 670 post offices and 670 PostPoints, compared to 1,263 post offices and 98 PostPoints as of December 31, 2006. The table below shows the evolution of post offices and PostPoints from 2006 to 2012:

	As of December 31,						
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Post offices	1,263	1,013	796	716	690	676	670
PostPoints	98	343	555	686	704	697	670
Total points of service	1,361	1,356	1,351	1,402	1,394	1,373	1,340

As part of the transformation of its retail network, bpost has also introduced a multi-channel strategy. Whereas just a few years ago customers were tied to a single channel, the post office, they now can access bpost's products and services through an array of channels, including post offices, PostPoints, stamp distributors, bpost's eShop and the Contact Center. Post offices are structured around 5 regions and 52 clusters throughout Belgium whereas PostPoints are organized around nine geographical areas.

bpost has also introduced systematic measures to improve productivity across its retail network, including measures aimed at the normalization of working time (*i.e*., the establishment of standardized times for completing certain tasks). These improvements have been supported by technological changes such as the introduction of PostStation and Best Teller, which are quality programs aimed at optimizing results. These programs contributed to a reduction in average transaction times from 190 seconds to 118 seconds from 2007 to 2012.

Post offices

Post offices carry the full range of postal, banking and insurance products and services offered by bpost. Post offices also sell certain retail products and stationery, including envelopes, packaging for parcels and cards, and convenience products.

As part of its modernization program, bpost has taken a number of steps to make its post offices more responsive to customers and more efficient in meeting their needs. bpost has also sought to improve security at its post offices. For instance, beginning in 2009, it has offered open counters, along with a secure management system based on a low cash branch concept. During 2011, bpost also introduced Bank in Post

spaces, where advisors can meet customers in a friendly environment to confidentially discuss banking and insurance products. bpost has also equipped new post offices with “moon zones,” which are areas where customers can withdraw cash or print account statements outside of business hours. Most low cash branch post offices now have their own “moon zones.” In its continued efforts to meet the needs of customers, bpost also piloted during 2011 Selfpost machines in four post offices. These machines allow customers to frank their letters and parcels themselves.

PostPoints

PostPoints are points of sale located on the premises of private or public entities with whom the Company enters into commercial agency relationships. They carry postal products and offer over approximately 90% of mail services available at post offices. The commercial agent operates in the name of, and for the account of, bpost and provides space in its outlet, as well as personnel, maintenance and insurance of the infrastructure. The commercial agent’s personnel are trained by bpost, the infrastructure is installed by bpost on the premises of the commercial agent and bpost’s standard marketing materials are used. Commercial agents are remunerated based on a scheme with a fixed and variable component. The variable component depends upon the volume of sales, as well as the volume of transactions and quality of service at each PostPoint.

PostPoints have significantly improved the accessibility of basic postal products, with the opening hours across bpost’s retail network (including post offices and PostPoints) having extended significantly since 2006.

Stamp distributors

bpost stamps are sold by distributors, including supermarkets and hypermarkets and other points of sale. While the range of postal products available from stamp distributors (essentially domestic stamps) is limited, stamp distributors contribute to the success of the multi-channel strategy developed by bpost. In 2010, bpost began to integrate stamp distributors into its network and established clear criteria that a point of sale must fulfill before it is allowed to sell stamps. As of December 31, 2012, approximately 4,100 stamp distributors had been officially licensed.

eShop

bpost launched its eShop, which is its online retail outlet, in May 2005. The eShop sells core products, including stamps and labels for mail and parcels, envelopes, “Postpacs” (packaging for parcels) and third party products such as greeting cards. The products are delivered as part of the daily postal rounds. Traffic on the eShop has risen steadily since its launch and the average spend per order has also continued to rise.

Contact Center

The Contact Center is bpost’s call center, which is staffed by approximately 500 agents. The Contact Center is involved in selling and servicing mail, parcel and financial solutions, as well as handling customer complaints. In 2012, the Contact Center fielded approximately 2.2 million calls. In June 2011, bpost signed the Customer Charter, an initiative of the consumer organization Test-Achats and the Minister for Enterprise and Simplification. In signing on to the Customer Charter, bpost undertook to do everything within reason to improve its handling of customer questions and complaints.

6.2 Business channels

bpost divides its business customers into the following three customer segments: (i) key accounts, which includes accounts generating more than €9 million in revenue per year derived from products spanning the entire range of bpost’s products and solutions; (ii) medium customers, which include customers generating between €20,000 and €9 million in revenue; and (iii) small customers, which include customers generating less than €20,000 of revenue. bpost applies this segmentation across its MRS business unit and P&I business unit. Customers in the key accounts and medium segments are served by account managers that serve particular portfolios of customers.

Account managers are assigned to cover clients based on an industry segmentation approach. The industries bpost has identified for these purposes include public and healthcare; banking and insurance; telecommunications and utilities; media and communities; consumer goods and retail; and investment goods

and services. Each industry has an industry “captain,” who is responsible for the operating income and profitability of his/her industry. Depending on the industry, the industry “captain” may be supported by an industry analyst, solutions expert, customer development manager and account managers. Industry analysts gather insights about the sector and propose actions to defend the core business.

7 Service Units

Services units support bpost’s main business units, MRS and P&I. The two main service units are Mail Service Operations and International Operations and Parcel Services, which are described below.

7.1 Mail Service Operations

The Mail Service Operations unit is the unit in charge of the collection, sorting and distribution of all mail and parcels products in Belgium. For purposes of financial reporting, the costs of the Mail Service Operations unit are recharged to bpost’s two business units, MRS and P&I, on the basis of an internal costing system.

The reorganization of bpost’s collection, sorting and distribution capabilities has been a core piece of its modernization program. As part of the modernization program, bpost constructed four new sorting centers during 2006 and 2007 and overhauled its existing sorting center in Brussels during 2007. The cost of these investments amounted to over €200 million over a four-year period. bpost has also constantly engaged in the systematic measuring and normalization of working time (*e.g.*, the necessary time to complete a particular task) in order to improve efficiency across the MSO service unit.

In January 2011, the management of the MSO service unit introduced the Vision 2020 strategic plan. The Vision 2020 plan builds upon bpost’s ongoing program of modernization and is aimed at further improving the efficiency of the MSO service unit. The key elements of the Vision 2020 strategic plan include:

- transformation of bpost’s five sorting centers into five specialized industrial mail centers, which will sort mail by address and prepare all distributors’ mail bags;
- centralization of all parcels sorting activities in one of the industrial mail centers, which is located in Brussels;
- a reduction in the number of distribution offices from over 400 to approximately 60 mail centers; and
- a reduction in the preparation time required by postmen through further automation.

As part of the Vision 2020 strategic plan, bpost also launched pilots of byou in 2012, which entails bundling mail with information likely to interest the customer. The Mail Service Operations unit is continuing to introduce technological and operational changes in order to adapt to changing market conditions.

Collection network

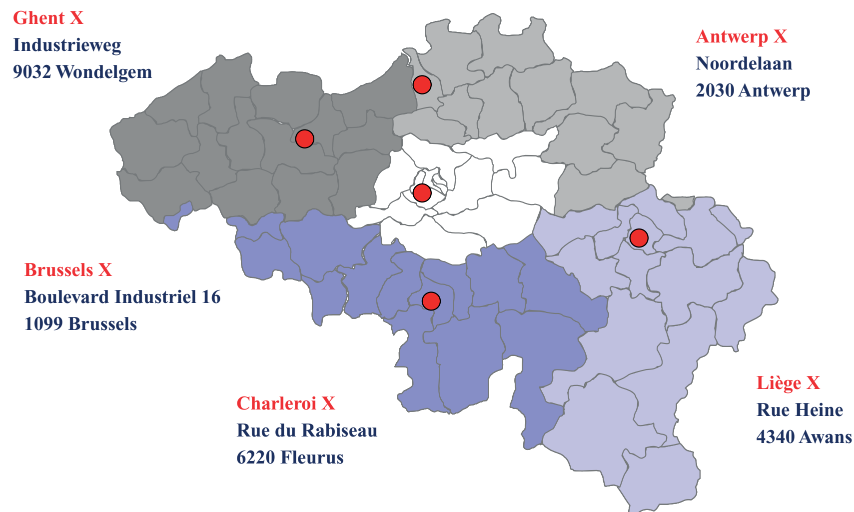
As of December 31, 2012, bpost had approximately 13,400 mailboxes throughout Belgium. bpost collects mail from mailboxes five days a week and also collects mail from a limited number of mailboxes on Saturdays. bpost also has a collect service, whereby mail is picked up on customers’ premises. In addition, customers can drop off mail at Post Offices, PostPoints and MassPost centers (which are usually co-located with sorting centers or distribution offices). bpost had 25 MassPost centers as of December 31, 2012.

Sorting centers

bpost has five sorting centers, including four sorting centers which were newly built in Ghent, Charleroi and Antwerp during 2006 and in Liège in 2007 as part of bpost’s modernization program. During 2007, bpost’s sorting center in Brussels was also overhauled. All parcels sorting activities take place in the Charleroi and Antwerp sorting centers, although as part of the Vision 2020 plan they will be centralized in a single industrial mail center in Brussels. Currently, approximately 94% of parcels are sorted *via* a parcels sorting machine, with the remaining portion representing parcels that are too large or too small to pass through the parcels sorting machine. The Brussels industrial mail center will be an integrated letter and parcels industrial mail center with a modernized machine park. Further automation and simplification of the sorting process will be introduced at the Brussels industrial mail center in order to reduce costs. As part of the Vision 2020 plan, national sorting will also be centralized in three upgraded industrial mail centers, with small and large format treatment being centralized in the Charleroi and Ghent industrial mail centers.

bpost's sorting centers are equipped with the latest technology in optical character recognition and sorting. Each sorting center has a transport center, which is responsible for mail exchanges between the sorting centers and between sorting centers and distribution offices.

The following chart shows the regions for each of bpost's sorting centers.



The majority of sorting activities takes place at the five sorting centers, whereas previously, partial sorting also took place at distribution offices, which are described below under "— *Distribution Network*." Because of the high-tech capabilities of bpost's sorting machines, it has been able to gradually introduce mechanized sorting at the distribution round level. Mechanized sorting at the round level has been fully deployed since 2009 and currently 100% of the "automatable" volume (which represents approximately 70% of total mail volumes) is sorted *via* round sorting machines. The next logical step is sequencing, which is sorting in the order of the distribution round. bpost ran a sequencing pilot scheme during 2010 and 2011 and has completed the implementation of sequencing for small letters. bpost plans to implement sequencing for large format items as part of the Vision 2020 strategic plan. As part of the Vision 2020 plan, round preparation will also be centralized in the five industrial mail centers and transit points such that postmen will start their rounds from mail centers and transit points rather than distribution offices. While approximately 35% of each postman's time is currently spent on indoor activities, including sorting and sequencing, the implementation of the Vision 2020 plan is expected to result in a decrease in time spent on indoor activities as these activities increasingly become automated. The Vision 2020 plan may also introduce automatic stacking and merging of unaddressed mail with addressed mail and the preparation of mail bundles for individual mailboxes.

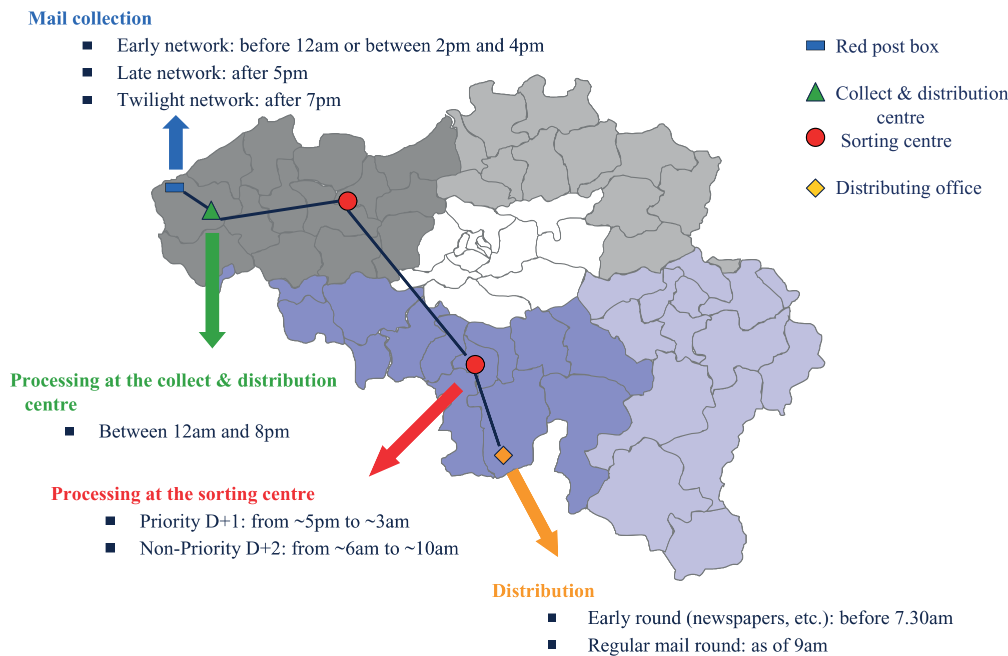
Distribution network

bpost's distribution network is split into five regions: Brussels/Brabant, Antwerp/Limburg, West and East Flanders, Hainault/Namur, and Liège/Luxembourg. Each of the five regions is sub-divided into zones. bpost operates approximately 297 distribution offices, which are the in process of being merged into 128 operational platforms. As part of the Vision 2020 plan, the number of operational platforms will be further reduced to 60 mail centers that will serve as hubs for the dispatch of mailbags, preparation platforms for value-added services and consolidation platforms for collections at clients' premises.

There are four types of rounds from the distribution offices:

- early delivery of newspapers before 7:30 am on weekdays and before 10:00 am on Saturdays;
- early mail delivery by vehicle to approximately 24,000 business customers before 9:00 am;
- distribution of regular mail, registered mail, parcels and pensions and social allowances by postmen (on foot, by bicycle, motorbike or car) to approximately 5.5 million addresses from 9:00 am; and
- vehicle delivery of heavy parcels from 9:00 am.

The following chart depicts a typical example of collection, sorting and distribution:



In 2003, bpost introduced the Georoute program, which enables it to determine the daily workload of all delivery members of staff based on measured mail volumes and standard times for all mail activities that have been identified. This information enables bpost to constantly optimize the delivery rounds. Georoute is an ongoing program which has been deployed in several phases and is reiterated every 12 to 18 months. During the past few years, bpost has continued to restructure mail rounds using Georoute. In 2005, bpost reorganized 12,000 distribution routes and introduced new uniform standard times for each activity based on accurate volume counts, new working methods and principles (including only one distribution per day) and new tools (vertical sorting cases, postal bikes and motorcycles). Since then, bpost has focused on reviewing and constantly adapting its distribution activities. Most recently, bpost has focused on the sequencing of rounds and the automation of work force planning in sorting centers. It has fully implementing sequencing for letters and will implement sequencing for large format items as part of the Vision 2020 strategic plan. The Georoute program has a ten-year track record of successful implementation and has delivered costs savings each year it has been in operation.

As part of its Vision 2020 strategic plan, bpost is also continuing to optimize its distribution network through a reduction in the number of distribution offices and the transformation of its sorting centers into industrial mail centers.

7.2 International Operations and Parcels Services

bpost operates the European Mail Center at Brussels Airport, which serves as a hub for international mail and parcels, mainly for other postal operators. It also has an extensive distribution capacity through access to the networks of foreign operators. While all international outbound mail and parcels pass through the European Mail Center, inbound mail and parcels from neighboring countries are handled by the nearest sorting center (Antwerp for the Netherlands, Charleroi for France, Ghent for the United Kingdom and Liège for Germany and Luxembourg). However, some business mail and parcels from these countries are handled by the European Mail Center. International inbound mail and parcels from all other countries pass through the European Mail Center before being passed on to the Brussels sorting center for distribution within Belgium. The transport of mail and parcels between the European Mail Center and countries outside Europe generally uses commercial and freight airlines. bpost has arrangements with over 60 airlines. Road transport is used for transport to and from neighboring countries as well as certain other European countries.

For international outbound mail and parcels, bpost pays terminal dues to the relevant national postal service provider that delivers the mail or parcels. It receives terminal dues from the relevant national postal service provider in respect of international inbound mail and parcels. These terminal dues are governed by the Universal Post Union Treaty or by the REIMS agreements, which are applicable for countries in the EEA. See "*Part IX: Regulation — 2. International Postal Regulations*" for details of the Universal Post Union

Treaty and the REIMS agreements. Alternatively, postal operators can conclude bilateral or multilateral agreements amongst themselves with regard to terminal dues, such as the E-Parcel Group ("EPG") agreement to which bpost is party.

8 Quality of Service

8.1 USO

A Royal Decree implementing the 1991 Law provides that the Company is entitled to a quality bonus, which is included in the price cap formula, to the extent the Company meets specified delivery times (*i.e.*, more than 90% of the items that are part of the "small user basket" on average are delivered on time). Since bpost has historically met these delivery times, it has been entitled to the quality bonus. In addition, non-compliance with specified delivery times (*i.e.*, less than 90% of single piece domestic D+1 mail items are delivered on time) may give rise to corrective measures, including investment in projects aimed at improving quality of the service. Between 2006 and 2012, bpost has never been subject to such corrective measures. See "*Part IX: Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.3 Other public services entrusted to the Company — Compensation.*"

Delivery times for domestic mail are monitored by an independent consultancy using the Belex system (which uses 400 independent persons to continuously send and receive letters throughout Belgium). These letters are equipped with transponders.

Under the terms of the Fifth Management Contract, the Company undertakes to deliver 95% of single piece items within the scope of the USO within the specified delivery times, with 97% being delivered no more than one day after the specified delivery times. For instance, priority deliveries must be delivered on the first working day (excluding Saturdays) following posting of the letter ("D+1"). Non-priority letters must be delivered by the second working day (excluding Saturdays) following posting of the letter ("D+2"). International inbound priority letters must also be delivered within one day of being delivered to bpost. The Company is required by the Fifth Management Contract to produce quality of service statistics for the postal services comprising the "small user basket." bpost's quality of service has improved significantly since 2003. In 2012, it delivered 94.2% of domestic single piece items up to 2 kg that were franked at the "prior tariff" within the specified delivery time, compared to 85.1% in 2003. The quality of service statistics for the year to December 31, 2012 and the year to December 31, 2011 are set out in the tables below. The weighting of the various classes of product groups for purposes of determining the total quality index is specified in the Fifth Management Contract and can be reviewed annually in agreement with the IBPT/BIPT.

Quality of deliveries — Year to December 31, 2012[(1)]

	Weighting	Target	Score
Domestic single piece items up to 2kg, franked at "Prior tariff"	50.1%		94.2%
Domestic single piece registered mail up to 2kg	6.3%		95.7%
Incoming priority cross-border single piece items up to 2kg	10.9%		94.3%
Domestic single piece postal parcels (D+1)	1.1%		95.3%
Domestic single piece items up to 2kg, franked at "Non-prior" tariff	31.5%		97.9%
Domestic single piece postal parcels (D+2)	0.1%		98.0%
Total quality index	100.0%	95.0%	95.5%

Quality of deliveries — Year to December 31, 2011

	Weighting	Target	Score
Domestic single piece items up to 2kg, franked at "Prior tariff"	50.1%		92.0%
Domestic single piece registered mail up to 2kg	6.3%		93.5%
Incoming priority cross-border single piece items up to 2kg	10.9%		92.7%
Domestic single piece postal parcels (D+1)	1.1%		93.5%
Domestic single piece items up to 2kg, franked at "Non-prior" tariff	31.5%		96.7%
Domestic single piece postal parcels (D+2)	0.1%		98.7%
Total quality index	100.0%	95.0%	93.7%

Note:

(1) The quality scores for 2012 are subject to approval by the IBPT/BIPT.

8.2 SGEIs

bpost's compensation for day-to-day SGEIs under the Fifth Management Contract (*i.e.*, early delivery of newspapers, distribution of periodicals, "cash at counter" services and home delivery of pensions and social allowances) depends to a certain extent on quality of service targets. See "*Part IX: Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.3 Other public services entrusted to the Company — Compensation*." For instance, bpost must meet basic quality principles for the delivery of newspapers, which involve ensuring that all the newspapers are distributed by a certain time. It must also meet quality enhancement targets, which consist of ensuring that the net number of complaints relating to newspaper distribution must remain below 11 for every 10,000 deliveries. For periodicals, bpost must meet quality enhancement targets, which include the requirement to distribute at least 95% of periodicals within the delivery times specified in a special agreement between the Belgian state and bpost and at least 97% of periodicals within the delivery times specified in the special agreement, plus one day.

The compensation bpost receives to cover the costs it incurs from the maintenance of its retail network depends on certain quality of service targets in relation to waiting time and customer interaction. Customer interaction is measured based on the GOOLDA/BRASMA welcome model (greet, make eye contact, help/offer solutions, smile, thank, say goodbye). Compliance with the waiting time and customer interaction targets are measured by mystery shoppers, who are professionals working for an independent provider who act as ordinary customers (except that post offices that have installed waiting queue systems, which distribute tickets with numbers to customers, are measured by those systems rather than mystery shoppers). From 2007 to 2012, waiting times of less than 5 minutes increased from 76% to 83%.

9 Customer Satisfaction

bpost constantly evaluates customer satisfaction on the basis of perception and experience through its Customer First program and surveys. The Customer First program is premised on three action points:

- ensuring the fundamentals are right: delivering mail to the right location on time, drawing up accurate invoices and offering products that are easy to use;
- valuing customers, chiefly within the framework of their contacts with bpost, in particular with regard to front-line employees; and
- ensuring that all employees adopt a customer oriented approach and understand their impact.

As part of its efforts to improve customer satisfaction, bpost has introduced a series of initiatives, including mystery shopping, "bpost listens" and employee training, which are described below.

Based on customer surveys conducted by bpost, the percentage of customers who were satisfied with the level of service they received from bpost increased from 75% in 2004 to 83% in 2012.

9.1 Mystery shopping

Mystery shopping enables bpost to experience first-hand the services provided at its points of sale. All post offices and PostPoints in Belgium are regularly visited by a mystery shopper. The goal is to evaluate the quality of bpost's services, focusing on customer welcome, professionalism, sales approach (knowledge of products and procedures), waiting times and compliance with the communication plan. In 2012, post offices and PostPoints were visited on average 3.5 times by mystery shoppers and in 94% of cases the contact was rated as satisfactory.

9.2 "bpost listens"

In 2011, bpost conducted a survey at 15 post offices and 12 PostPoints, which were selected based on criteria such as visitor numbers, to find out what customers think about the quality of service at these channels. bpost asked customers to share their opinions immediately after being served. "bpost listens to you" is another tool employed to evaluate customer priorities. In 2011, bpost also invited customers to a roundtable to give them an opportunity to express their needs and expectations. Various topics were addressed, including customer experience at post offices and PostPoints, the customer relationship with bpost and communication.

Together with other companies, bpost also took part in a study into perceptions regarding waiting times. Politeness and helpfulness were the two factors that were identified as mitigating the negative perception of long waiting times.

The aim of all of these initiatives is the constant improvement of bpost's performance to ensure that customers' needs and expectations are met at its points of sale.

9.3 Employee training

bpost has designed a training course for sales employees and office managers at post offices to raise awareness of the role they play in enhancing customer satisfaction. The GOOLDA/BRASMA welcome model, which is described above under "— *8. Quality of Service*," is the key focus of the training.

10 Employees

As part of the modernization program it initiated in 2003, bpost has reduced its workforce in order to reduce costs, which has been facilitated by natural attrition. As of December 31, 2012, bpost employed 25,705 full-time equivalent employees (29,922 employees), compared to 40,024 full-time equivalent employees as of December 31, 2003.

A breakdown of average full-time equivalent employees and interim workers for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010 and full-time equivalent employees and interim workers as of March 31, 2013 and 2012 and December 31, 2012, 2011 and 2010 based on business unit, service unit and corporate unit is set forth below.

	Three months ended March 31,		Year ended December 31,			As of March 31,		As of December 31,		
	2013	2012	2012	2011	2010	2013	2012	2012	2011	2010
MRS business unit	3,944	4,275	4,206	4,489	4,772	3,917	4,251	4,076	4,351	4,619
P&I business unit	401	316	325	287	278	471	309	363	333	276
MSO	18,986	19,856	19,758	20,690	21,500	18,939	19,754	19,081	20,113	21,027
IOPS	178	196	197	194	216	179	208	182	183	205
HR&O(1)	411	442	427	477	574	414	442	416	453	514
ICT	340	377	368	375	385	347	377	356	376	373
Service Operations	737	950	842	1,006	1,137	732	950	739	983	1,137
Finance	160	168	163	187	198	159	165	159	170	194
Other corporate units(2)	183	183	180	170	180	182	183	178	171	173
Other(3)	160	150	159	99	72	157	149	155	125	99
Total FTEs	25,499	26,915	26,625	27,973	29,311	25,497	26,788	25,705	27,258	28,616
Interim workers	682	561	786	813	712	698	604	1,287	1,054	1,263
Total employees	26,181	27,476	27,411	28,786	30,023	26,196	27,392	26,992	28,313	29,880

Notes:

(1) As of January 1, 2013, union representatives (95 full-time equivalent employees as of December 31, 2012) were reclassified from HR&O to other corporate units. This reclassification has also been applied to prior periods.
(2) Includes union representatives, as well as Legal/Regulatory and Internal Audit.
(3) Includes full-time equivalent employees who are awaiting reassignment to another business unit.

The structure of bpost's workforce presents an opportunity for further productivity improvements. As of December 31, 2012, slightly more than one-third of its workforce was over the age of 50 and the average age was 44.72 years. This is expected to permit further reductions in the number of employees over the next several years through natural attrition (which includes retirement due to age or physical inability to work, voluntary departures and death) rather than through redundancies or retirement *via* early retirement plans.

The table below presents a breakdown of bpost's total headcount by age as of December 31, 2012:

	As of December 31, 2012			
	Statutory	**Baremic Contractual and Auxiliary Postmen**	**Non-Baremic Contractual**	**Total[1]**
0-30	2	3,452	199	3,653
31-35	305	2,065	242	2,612
36-40	1,282	1,743	294	3,319
41-45	2,926	1,388	240	4,554
46-50	3,590	1,167	161	4,918
51-55	3,940	850	85	4,875
56+	4,942	454	55	5,451
Total Company employees	16,987	11,119	1,276	29,382
Employees of bpost subsidiaries[1]	—	—	—	540
Total bpost employees				29,922

Note:

(1) The Company's subsidiaries Deltamedia SA/NV and Euro-Sprinters SA/NV mainly employ independent contractors, which are not included in this number.

10.1 Statutory employees

At the time of the conversion of the Company into a limited liability company in March 2000, most of the Company's personnel had an administrative law status similar to that of civil servants, known as statutory employees (*statutaires/statutairen*). The employment of statutory employees is governed by a set of rules and regulations based on the 1991 Law that are specific to bpost, as well as collective bargaining between management and unions representing the statutory employees. Certain statutory employees are assigned a temporary mandate to perform management functions. A mandate to perform management functions in principle has a duration of three years, subject to renewal. From 2015, mandate contracts will be renewable on an annual basis. The employment of statutory employees cannot be terminated except by reason of gross breach of their duties or professional incompetence. Notwithstanding the restrictions contained in the 1991 Law to hire contractual employees only in limited circumstances, the Company no longer hires statutory employees since 1998. Due to the fact that their employment can be terminated only in limited circumstances, the number of statutory employees only declines to the extent that such employees retire or leave. As of December 31, 2012, the Company employed 16,987 statutory employees, representing approximately 58% of its work force. There are no statutory employees on the payroll of any of the Company's subsidiaries.

10.2 Contractual employees

As of December 31, 2012, the Company employed 6,783 baremic contractual employees, representing approximately 23% of its work force, 4,336 auxiliary postmen, representing approximately 15% of its work force, and 1,276 non-baremic contractual employees, representing approximately 4% of its work force.

Baremic contractual employees (*i.e.*, employees who are paid according to a pay scale) are employees whose terms and conditions of employment are determined by the Joint Committee and set forth in collective labor agreements and related labor regulations and perform activities similar to statutory employees (other than statutory employees who are assigned a temporary mandate). Baremic contractual employees are in practice to a large extent subject to the same collective labor agreements and regulations applicable to statutory employees in respect of salaries, working hours, overtime pay and holidays. The Company continues to hire baremic contractual employees, primarily to fill positions such as front office roles in post offices.

Non-baremic contractual employees are employees whose terms and conditions of employment derive from their employment contracts without the intervention of the Joint Committee. The salaries and benefits of non-baremic contractual employees are determined based on policies approved by the Board of Directors acting on proposals of the Remuneration and Nomination Committee. Non-baremic contractual employees are mainly employees in management positions.

Auxiliary postmen are a third type of contractual employee that includes all postmen recruited from January 1, 2010, usually pursuant to an employment contract of unlimited duration, to perform certain core functions such as collection, sorting, transport and distribution of mail. The Joint Committee determines the terms and conditions of employment of auxiliary postmen. The cost to the Company of an auxiliary postman in his first year of employment is approximately €31,000. Auxiliary postmen benefit from one seniority increase of 1% after 2 years.

Employment legislation and regulations, such as the Law of July 3, 1978 on employment contracts, apply to all contractual employees (baremic contractual employees, non-baremic contractual employees and auxiliary postmen).

10.3 Collective labor agreements

A collective labor agreement covering the period from 2012 to 2013 was signed between the Company and the representatives of its workforce in March 2012. This collective labor agreement, which is effective until December 31, 2013, applies to statutory employees (other than statutory employees who are assigned a temporary mandate) and baremic contractual employees. Certain provisions of the collective labor agreement also apply to auxiliary postmen. Auxiliary postmen have not benefited from job security under applicable collective labor agreements since their introduction in 2010. In addition, a framework agreement was approved by the Joint Committee in December 2012, which essentially implements certain provisions of the collective labor agreement entered into in March 2012. At present, no discussion for a new CLA covering the period after December 31, 2013 has been initiated.

The employees of subsidiaries are subject to the collective labor agreements concluded by their respective industry sector joint committees.

10.4 Salaries

The salary levels of statutory employees and baremic contractual employees are fixed by reference to salary scales linked to seniority and class, while the salary levels of non-baremic contractual employees are based on the level of the function performed and are adjusted for merit increases, as appropriate. Auxiliary postmen are not paid according to a salary scale linked to seniority or class and their salaries are generally lower than the salary levels of statutory employees and baremic contractual employees. All salaries are subject to indexation. For statutory employees, baremic contractual employees and auxiliary postmen, indexation is negotiated with the unions, whereas for non-baremic contractual employees, indexation is a matter of customary practice, which could be unilaterally terminated by the Company subject to appropriate notice.

All employees are legally entitled to a share of the pool of profits totalling 5% of the Company's Belgian GAAP unconsolidated profit after tax (in the form of a fixed amount per employee). For non-baremic contractual employees and statutory employees who are assigned a temporary mandate, this profit-sharing is included in their variable remuneration schemes.

10.5 Pensions

Statutory employees benefit from pension arrangements similar to those of civil servants. The Company pays a pension contribution equal to 8.86% of the employees' salaries (with employees contributing an additional 7.5%) to the Belgian state, which is responsible for the payment of the pensions. Contractual employees benefit from the standard state pension arrangements, with the contributions being covered by the standard social security contributions.

The Company and the employees also contribute to extra-legal pension arrangements for certain contractual employees. These extra-legal schemes take the form of defined contribution arrangements managed by external insurance companies. Belgian legislation provides for a minimum return of 1.75% on employer contributions and 3.75% on employee contributions for these schemes. For employees recruited prior to January 1, 2013, the guaranteed minimum return on employer contributions was 3.25%. Until now, the insurance company has guaranteed rates of return at least equal to the legal foreseen rates of return.

10.6 Additional benefits

The collective labor agreements and other regulations adopted in the Joint Committee also provide for certain additional benefits for statutory employees. Contractual employees are also entitled to certain benefits pursuant to their employment contracts.

Sick days

Statutory employees are entitled to 21 sick days per year, during which they receive 100% of their salary, provided that they have first received an appropriate certificate from a doctor confirming their inability to work. If in any given year, a statutory employee is absent fewer than 21 days, the balance of the unused sickness days is carried over to the following years. Once an employee's maximum sick days are utilized, if the employee is still unable to work, his salary will be limited to 75% of his previous salary (other than in cases of serious illness or injury). The Company may then request that the state pension medical service examine the employee. If the employee is found to be permanently unable to work, he will be granted early retirement and a pension by the Belgian state.

From April 2012, the Company's collective labor agreements have included a measure limiting the accumulation of sick days to 63 days in exchange for a one-time payment.

Pension saving days

Statutory employees have the possibility to convert unused sick days (deriving from their annual 21-day grant) above 63 days in their "notional" account into pension saving days (seven sick days per one pension saving day) and to convert each year a maximum of three days of extra-legal holidays. Contractual employees with a permanent contract are entitled to a maximum of two pension saving days per year and have the possibility to convert each year a maximum of three days of extra-legal holidays. The pension saving days are accumulated year over year and can be used as from the age of 50. See "*Part II: Risk Factors — 2. Risks Relating to the Regulatory and Legislative Environment — Amendments to, or the introduction of new, legislation and regulations, including legislation and regulations relating to state pensions or the legal retirement age and/or part-time career interruption, could result in additional burdens for bpost*" for additional detail on the impact of changes to legislation and regulation on the Company's ability to implement this program and the costs related to it.

Part-time schemes

Under the collective labor agreements covering the years 2007 to 2008, 2009 to 2010 and 2011, statutory employees aged between 50 and 59 were entitled to enter into an improved system of partial (50%) career interruption: in addition to remuneration for their part-time work, bpost pays a supplement to their career interruption allowances and makes contributions to the public sector pensions service (*service des pensions du secteur public/pensioendienst voor de overheidssector*) ("PDOS") equal to 7.5% of the salary paid for a period of a maximum of 48 months, which is necessary to ensure that the career interruption period is taken into account for the purpose of their pensions.

A framework agreement of December 20, 2012 approved a new plan of specific partial (50%) career interruption accessible to distributors aged 54 years and older and to the other employees aged 55 years and older. bpost makes contributions to PDOS equal to 7.5% of the salary paid for a period of a maximum of 72 months for postmen and 48 months for the other beneficiaries of the plan.

As of December 31, 2012, 2,470 employees (1,235 full-time equivalent employees) of bpost were benefiting from part-time schemes.

Termination benefits

Early retirement

In the early retirement schemes set forth in successive collective labor agreements, bpost continues to pay to the statutory employees beneficiaries a portion (75%) of their salary at departure and until they reach retirement age. Since 2009, this possibility is only available at the discretion of the Company under applicable collective labor agreements. In practice, the Company can elect to offer early retirement for employees belonging to a specific category, working in a specific entity with a structural excess of employees and who have lost their jobs.

A framework agreement of July 1, 2012 approved a new early retirement plan available to statutory employees meeting certain age, seniority and service organization conditions as of December 31, 2013 at the latest. The decision to offer early retirement to specific categories of employees working in specific entities remains with the Company. This plan is in line with plans included in earlier collective labor agreements. bpost continues to pay to the beneficiaries a portion (between 60% and 75% depending on the duration of the early retirement) of their salary at departure and until they reach retirement age.

10.7 Workers Compensation Accident Plan

Until October 1, 2000, bpost was self-insured for injuries in the workplace and on the way to the workplace. As a result, all compensation to workers for accidents that occurred before October 1, 2000 is incurred and financed by bpost itself. A small number of workers are still being compensated directly by bpost as they were injured prior to October 1, 2000. Since October 1, 2000, bpost has contracted reinsurance policies to cover the risk.

10.8 Employee relations

Since 2003, the Company has focused on natural and voluntary attrition in order to reduce headcount. In the most recent collective labor agreement, management confirmed its commitment to achieving all restructurings without compulsory redundancies, with the exception of auxiliary postmen and non-baremic contractual employees. This is, however, subject to a provision in the collective labor agreement that states that if the volume of work were to be reduced significantly, the parties agree to renegotiate the agreement. Furthermore, if the legal regime applicable to postal employees were to change, the validity of the job security clause in the collective labor agreement could be affected. The Company's consultation structure provides for consultation with local (zonal consultation committees), regional (regional consultation committee) and national bodies (mail, retail, Facility Management-Cleaning, Stamps and Philately, and Restaurant joint sub-committees, central services consultation committee) prior to any restructuring. In addition, before any restructuring projects are implemented, they are discussed in the Joint Committee, which is the central body for negotiation and dialogue with employees.

bpost experienced a company wide strike on February 11, 2012, which was called in protest of the Company's strategic plan for 2011 to 2015, which is aimed at reorganizing the Company from a logistical point of view and which the unions believed would result in job losses. Minor local strikes also occur from time to time but generally have limited impact. Overall, the impact of strikes has been relatively limited.

Employee motivation has increased in the years following the introduction of bpost's modernization plan, with the percentage of employees rating their motivation as high increasing from approximately 66% in 2007 to approximately 81% in 2010, based on a bpost internal survey.

10.9 Training

bpost has its own training center for employees, the bpost Academy. In 2012, the bpost Academy provided 25,000 days of training. bpost employees may also receive more targeted job-based training based on their specific responsibilities. In addition to job-based training, employees are encouraged to enroll in training programs free of charge in the fields of communication, sales, languages and leadership.

In 2011, the Job Mobility Center launched an initiative for employees without a higher secondary education qualification. In association with the Centra voor Volwassenonderwijs and the Centre de Promotion Sociale, bpost offers these employees the chance to enroll in a two-year course, mainly on a distance learning basis, to acquire skills and knowledge with the possibility of earning a higher secondary education diploma. The pilot program was launched in January 2012 in Antwerp and West Flanders and has subsequently been extended to other parts of the country.

10.10 Code of conduct

The Company published its Code of Conduct in 2007, which applies to all employees of the Company. The Code of Conduct sets out behavior the Company expects of each of its employees in the performance of their jobs. It is focused especially on respect for others, equal opportunities, integrity, conflicts of interest and confidentiality. The Code of Conduct was updated in January 2011 to take account of the new mission and values of bpost, as well as the growing importance of corporate governance.

bpost's focus on diversity and equal opportunities have been firmly established within the Code of Conduct. In 2011, bpost also introduced an action plan to support women in their careers, to promote equal opportunities for employees with disabilities and to better identify the issues of intercultural diversity, which was supplemented by a Diversity & Inclusion action plan introduced in January 2013.

In the beginning of 2013, bpost bank updated certain of its policies to be fully in line with the MiFID Conduct of Business Rules introduced by the FSMA in April 2012. These policies include specific provisions for compliance with MiFID. The policies apply to all employees of bpost bank as well as those employees of the Company that are involved in the provision of banking services on behalf of bpost bank.

11 Subsidiaries and Associates

The Company has several subsidiaries and associates that generate operating income recorded within the business units or support service units.

The following table presents bpost's major subsidiaries and associates as of the date of this Prospectus, as well as a breakdown of bpost's total operating income by company (excluding bpost bank, which is accounted for as an associate using the equity method) for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010:

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions)		
bpost SA/NV	574.4	582.4	2,275.7	2,230.7	2,212.4
MRS — Value added services					
Certipost SA/NV	15.8	3.6	13.4	11.9	11.9
Certipost B.V. (Aditel B.V.)	—	—	—	0.8	0.6
eXbo Services International SA/NV	0.4	1.1	2.7	4.3	5.1
Speos Belgium SA/NV	10.4	9.1	35.1	44.0	27.9
Secumail SA/NV(1)	—	0.1	0.5	0.5	0.4
MRS — Press					
Deltamedia SA/NV	3.0	3.0	11.4	11.1	10.7
P&I — International Mail and Parcels					
BPI SA/NV	2.4	3.3	17.0	10.5	4.7
bpost Hong Kong Ltd. (Citipost (Asia) Limited)	0.9	0.7	3.7	0.9	—
bpost International Logistics (Beijing) Co Ltd	—	—	—	—	—
bpost International (UK) Limited (Citipost (Holdings) Limited)	4.3	—	0.1	—	—
bpost International U.S., Inc.(2)	N/A	N/A	N/A	N/A	N/A
bpost Singapore Ltd. (Citipost Pte Limited)	0.2	0.2	0.8	0.2	0.0
bpost U.S. Holdings, Inc.(2)	N/A	N/A	N/A	N/A	N/A
Landmark Global, Inc	9.7	—	—	—	—
Landmark Trade Services, Ltd	0.1	—	—	—	—
Mail Services, Inc	6.9	8.1	36.0	30.2	25.1
P&I — Parcels					
CNS — Corpco Courrier(3)	—	—	—	—	5.7
Corpco — Corpco Holding(4)	—	—	—	—	0.1
Euro-Sprinters SA/NV	3.9	4.8	19.1	19.1	8.5
Express road — Corpco Expr&Lux(4)	—	—	—	—	4.2
MSO — Other					
Alteris SA/NV	0.1	0.1	0.3	0.3	0.3
Total operating income	632.7	616.5	2,415.7	2,364.6	2,317.8

Notes:

(1) Secumail SA/NV was merged into Speos Belgium SA/NV as of 2013.

(2) bpost International U.S., Inc. and bpost U.S. Holdings, Inc. were incorporated in March 2013.

(3) CNS-Corpco Courrier was merged into Euro-Sprinters SA/NV as of January 2011.

(4) Corpco Holding was merged into the Company as of June 2011.

The business activities of the Company's primary subsidiaries and associates are described below.

bpost bank

bpost offers banking and insurance products on behalf of bpost bank. The main banking and insurance products distributed by bpost bank through bpost are current accounts, saving accounts, term accounts, certificate of deposits and funds or structured products provided by BNP Paribas Fortis or AG Insurance. bpost bank had approximately 765,000 current accounts and 834,000 savings accounts as of December 31, 2012. All accounts include basic services such as debit cards, access to payment and money transfer services and cash withdrawals at post office tellers or ATMs. bpost also offers the MasterCard bpost bank credit card.

bpost bank's customer lending activity is limited to granting overdrafts to some customers and some consumer credits. However, these products account for a relatively small portion of bpost bank's assets and profit. As of December 31, 2012, bpost bank had €88 million in loans on its balance sheet. bpost bank also offers annuity and pension products, including Branche 21 and Branche 23 life insurance policies contracts, which provide some level of protection for the assets of the policyholder. It does not perform any asset management activities nor any private banking or commercial lending.

Framework Agreement with BNP Paribas Fortis

The Company owns 50% of bpost bank, with BNP Paribas Fortis owning the remaining 50%. BNP Paribas Fortis has a more significant role in certain management decisions, in particular those related to the allocation of assets under management. During the 1990s, bpost decided to seek a strategic partner to extend its service offering. On February 28, 1995, the Company and Générale de Banque/Generale Bank (now BNP Paribas Fortis) entered into a framework agreement for the purpose of setting up a partnership for the offering of banking products and bpost bank (formerly Banque de La Poste/Bank van De Post) was incorporated in 1995. The provisions of the framework agreement between the Company and BNP Paribas Fortis have been updated several times.

The last amendment to the existing framework agreement is dated June 29, 2011 (the "Framework Agreement"). Under this Framework Agreement: (i) the Company and BNP Paribas Fortis have agreed an arrangement to cooperate through bpost bank; (ii) the Company acts as exclusive offeror of bpost bank's products and services via its network of post offices, which includes accounts, loans and payment services related to bpost bank accounts; and (iii) bpost carries out back office activities and other ancillary services for the benefit of bpost bank. bpost bank may use any additional non-physical distribution channel to distribute its products, provided such non physical channels are complementary to the network of post offices

Most recently, the Framework Agreement was renegotiated in 2013 and, on March 26, 2013, BNP Paribas Fortis and the Company approved a term sheet relating to the extension of their partnership and outlining the key principles of the new Framework Agreement and related ancillary agreements to be entered into (the "Term Sheet"). According to the Term Sheet, the existing Framework Agreement will cease to be in effect on December 31, 2014 and be replaced by a new framework agreement which is to take effect on January 1, 2015 for a term of seven years. According to the Term Sheet: (i) the Company and BNP Paribas Fortis will continue to cooperate through bpost bank, which will continue to be an associate of the Company; (ii) the Company will remain the exclusive offeror of bpost bank's products and services through its network of post offices; and (iii) the Company will continue to provide back office activities and other ancillary services to bpost bank. According to the Term Sheet, the new Framework Agreement will provide, among other things and in line with the terms of the existing Framework Agreement; that the Company will also continue to distribute only bpost bank's products and services, except for (i) those products or services that the Company currently distributes (such as the bpaid cards) and products or services offered as part of the SGEIs entrusted to the Company or which would be imposed by law; (ii) treasury and payment services rendered to the Belgian state; and (iii) products and services which are an integral component of a global business solution offered by the Company. In addition, off-balance sheet banking products offered by bpost bank will be provided by BNP Paribas Fortis. The Term Sheet provides for the renegotiation and renewal of certain ancillary agreements among the Company, BNP Paribas Fortis and bpost bank, namely a distribution agreement, a trademark license agreement and service agreements. The Term Sheet also includes certain corporate governance provisions, aimed at, among other things, reinforcing the role and composition of the executive committee and which are applicable with immediate effect. bpost bank's board of directors must be comprised of the members of the executive committee (which is composed of the CEO and three other officers appointed by the board of directors), an equal number of directors from each of the Company and BNP Paribas Fortis and at least one independent director. The chairman of the board of directors has a term of three years and will rotate from among the directors designated by the Company and BNP Paribas Fortis.

The existing agreement for the distribution of a range of basic insurance products will end on December 31, 2014. The Company entered into negotiations in 2013 with AG Insurance for the renewal of the insurance partnership.

Financial results and capital requirements

bpost bank publishes financial statements prepared under Belgian GAAP. Its equity and income statement are translated in IFRS for inclusion in bpost's consolidated financial statements, but bpost bank does not prepare full financial statements under IFRS. For the year ended December 31, 2012, bpost bank recorded a profit in accordance with Belgian GAAP of €7.9 million (€7.1 million under IFRS) and bpost's share of the IFRS profit for that period was €3.5 million.

As of December 31, 2012, bpost bank had total assets prepared under Belgian GAAP of €8.8 billion (€9.5 billion under IFRS). bpost bank invests the funds that have been deposited by its customers. It has adopted a strict investment policy that determines an overall allocation of the investments across Belgian state bonds, other sovereign bonds and bonds from financial and commercial corporations. In addition, maximum concentration limits per issuer, per sector, per rating and per country have been established and are constantly monitored. bpost bank only invests in euro-denominated instruments. As of December 31, 2012, €8.2 billion of bpost's assets were attributable to its bond portfolio (excluding unrealized gains of €0.5 billion). Belgian sovereign bonds accounted for €5.6 billion, or 68%, of the bond portfolio, with foreign sovereign bonds, foreign non-sovereign bonds and Belgian non-sovereign bonds accounting for €0.5 billion (6% of the bond portfolio), €1.9 billion (23% of the bond portfolio) and €0.3 billion (3% of the bond portfolio), respectively. The foreign sovereign bonds included the following: Ireland (1.4% of the bond portfolio), Germany (1.1% of the bond portfolio), Slovenia (0.9% of the bond portfolio), Slovak Republic (0.7% of the bond portfolio), Poland (0.7% of the bond portfolio), Czech Republic (0.2% of the bond portfolio), France (0.2% of the bond portfolio), Canada (0.2% of the bond portfolio), Lithuania (0.2% of the bond portfolio) and the United States (0.1% of the bond portfolio). All of the bonds from Lithuania and more than 85% of the bonds from Slovenia were sold during 2013. The other holdings remained unchanged. bpost bank's main other assets were other sovereign debt instruments, which amounted to €0.2 billion, deposits with other banks, which amounted to €0.1 billion, and accrued revenues, which amounted to €0.1 billion. Loans to clients accounted for €88 million and related mainly to authorized overdrafts.

bpost bank's liabilities were mainly composed of customer funds in the amount of €8.3 billion, in the form of saving accounts amounting to €5.4 billion, current accounts amounting to €2.5 billion and certificates of deposits amounting to €0.4 billion. Net equity amounted to €0.2 billion (excluding unrealized gains on its bond portfolio), or 2.6% of total liabilities.

In anticipation of the capital requirements that will be introduced in connection with the implementation of Basel III and CRD IV, bpost bank completed a capital increase in the amount of €100 million on March 20, 2013, pursuant to which the Company contributed €37.5 million in cash (following the capital increase, the Company's shareholding in bpost bank continued to be 50%). As of December 31, 2012, bpost bank's Tier I ratio was 13.0% and giving effect to the capital increase, its Tier I ratio would have been 19.4%. In the event of a future capital increase (either to address capital adequacy concerns or for other reasons), under the agreement with BNP Paribas Fortis, bpost would be contractually obligated to participate on a 50-50 basis.

Euro-Sprinters SA/NV

Euro-Sprinters SA/NV operates bpost's special logistics network, through which its bpack Sprint product is offered.

Deltamedia

Deltamedia distributes newspapers in Belgium.

Speos

Speos manages outgoing document flows for its customers, specializing in the outsourcing of financial and administrative documents, such as invoices, bank statements and salary slips. Its customers include blue-chip organizations, multi-nationals and institutions both within and outside of Belgium. The EU license plates project described under "*— 5. Business Units — 5.1 Mail and Retail Solutions Business Unit — Value-added services*" is managed by a temporary commercial undertaking between the Company and Speos.

Certipost

Certipost was created in 2002 as a 50/50 joint venture between the Company and Belgacom specializing in secure electronic communication, e-government applications and other services *via* the internet. bpost currently has 100% ownership of Certipost and its operations include document security, digital certification and Belgian e-ID activities. In January 2013, Certipost sold its electronic document exchange services to Basware. bpost retains ownership of Certipost's document security, digital certification and Belgian e-ID activities.

eXbo

eXbo provides services such as document management and digitizing incoming mail.

MSI

In 2009, the Company acquired a 60% stake in Mail Services Inc. (doing business as MSI Worldwide Mail), a U.S.-based cross-border mail consolidator offering mainly international outbound distribution products. The Company subsequently increased this stake to 80% in November 2012 and intends to increase its stake to 100% in 2013. Mail Services Inc. has processing centers located in Virginia (near Washington DC), Chicago and Toronto. Although Mail Services Inc. was initially a mail company, following its acquisition by the Company, its offering has expanded to include parcels. Its customer base mainly includes large volume mailers and e-commerce companies and businesses that send parcels. Mail Services Inc. also has a small amount of domestic business. It is mainly focused on directly collecting parcels from overseas e-commerce companies and business for delivery in Europe and Belgium. In 2012, Mail Services Inc. had total operating income of €36.0 million.

Landmark Global

In December 2012, the Company acquired a 51% stake in both the U.S.-based cross-border parcels consolidator, Landmark Global Inc. ("Landmark Global") and its Canadian affiliate Landmark Trade Services LTD. Pursuant to the stockholders' agreement with the seller, the Company will purchase up to 100% of Landmark Global and Landmark Trade Services LTD by 2017. The stockholders' agreement with the seller further provides for the commitment by the Company of U.S.$50 million in funding for future add-on acquisitions. The Company will also potentially be required to pay two earn-out amounts (of either €3.9 million or €5.8 million), which are dependent upon the extent to which certain pre-defined EBITDA targets are achieved in 2013 and 2014. Landmark Global is a leading international parcels consolidator, active in the United States and Canada. It is mainly focused on the distribution of e-commerce parcels from U.S.-based e-tailers into Canada and also offers various fulfillment services in locations throughout the United States for its e-commerce customers. The existing U.S.-based parcels business of Mail Services Inc. is being transferred to Landmark Global. Landmark Global will also broaden its product range to add European destinations through cooperation with bpost international. In 2012, Landmark Global had operating income of U.S.$38.0 million (approximately €29.2 million). From 2013, Landmark Global and Landmark Trade Services LTD are consolidated within the P&I operating segment.

bpost U.S. Holdings Inc.

In March 2013, bpost incorporated bpost U.S. Holdings Inc., a holding company, and bpost International U.S. Inc., an operational company. bpost U.S. Holdings Inc. will become the shared services organization offering financial services to bpost's three U.S.-based operations, Mail Services Inc., Landmark Global and bpost International U.S. Inc. bpost International U.S. Inc. provides wholesale services for cross-border parcels and mail to U.S.-based consolidators.

bpost International (UK) Limited

In 2011, the Company acquired Citipost (Holdings) Limited, which operated mainly through its subsidiaries in Singapore and Hong Kong. Citipost (Holdings) Limited was renamed bpost Asia (Holdings) Limited and subsequently renamed bpost International (UK) Limited, which is its current name. Recently, it started providing transport services, e-commerce fulfillment services and wholesale services for cross-border parcels and mail to the wholesale segment in the United Kingdom. bpost International (UK) Limited is based near Heathrow Airport, enabling it to offer customs clearance services *via* a partner and X-ray security screening services. bpost International (UK) also acts as an inbound and outbound gateway for other bpost entities around the world.

BPI SA/NV

BPI SA/NV is a Belgian subsidiary active in the cross-border mail and parcels business.

bpost Singapore Pte. Ltd. and bpost Hong Kong Ltd.

Through the acquisition of bpost International (UK) Limited, bpost became active in Asia, operating in Singapore through bpost Singapore Ltd. (previously named Citipost Pte Limited) and in Hong Kong through bpost Hong Kong Ltd. (previously named Citipost (Asia) Limited). These companies originally focused on delivery of financial documents, but bpost is transforming them to provide a full range of delivery and logistics solutions, including cross-border mail and parcels and e-commerce fulfillment. Their customers are

spread across the banking, insurance, asset management, publishing and printing sectors. Similar to Mail Services Inc., they are mainly focused on directly collecting parcels from overseas e-commerce companies and business for delivery in Europe and Belgium.

bpost International Logistics (Beijing) Co., Ltd

In 2012, bpost also established a Chinese subsidiary, bpost International Logistics (Beijing) Co., Ltd. bpost International Logistics (Beijing) Co., Ltd offers a full range of cross-border parcel distribution services to the Chinese e-tailers and consolidators, with a strong focus on delivery of parcels to European and other global buyers. It is primarily active in Beijing, Shanghai and Shenzhen.

12 Properties

As of December 31, 2012, bpost had approximately 900 properties in use (excluding parking and lands, which account for 66 additional properties) covering approximately 1 million square meters, including 28 properties held for sale covering 61,000 square meters.

bpost's properties consist of distribution offices, retail outlets (post offices), "mixed" properties that combine distribution offices and retail outlets, sorting centers, office space and other smaller locations, which include bpost's stamp printing center and garages. The table below sets forth a breakdown of bpost's properties based upon these categories (excluding properties held for sale) as of December 31, 2012.

	Owned	Joint[(1)]	Leased	Total
		(1000 m^2)		
Distribution offices	66.3	3.9	114.8	185.0
Sorting centers[(2)]	157.9	—	—	157.9
Mixed use[(3)]	234.2	23.9	9.3	267.4
Retail outlets	113.4	23.3	57.7	194.4
Offices	—	44.0	11.1	55.1
Other[(4)]	34.4	2.8	58.6	95.8
Total[(5)]	606.2	97.9	251.5	955.6

Notes:

(1) Buildings owned jointly with other landlords.

(2) Some of the properties owned by bpost were acquired pursuant to the Law of December 30, 1970 on economic expansion. Under this law, a public authority that sold the property to bpost has the right to repurchase the property from bpost should certain conditions specified in the sales deed not be satisfied.

(3) Buildings housing both mail operations and retail activities.

(4) Includes the European Mail Center located at Brussels Airport, which covered approximately 13,102 square meters.

(5) Excludes properties held for sale.

As described above under "*— 7. Service Units — 7.1 Mail Service Operations — Distribution Network*," as part of its Vision 2020 strategic plan, bpost is in the process of reducing the number of distribution offices. bpost has identified approximately 230 mixed use buildings that will be vacated by mail operations in the context of these plans, and is currently evaluating each of these buildings individually to determine whether maintaining retail operations at the existing site or, alternatively, vacating the building and moving the retail operations to a new leased location represents the most cost effective approach for bpost. All vacated properties will either be sold or leased to third parties. When retail operations are moved to new locations, bpost generally leases the new properties.

bpost is also working to identify opportunities to reduce the office space currently occupied by it. All office space owned by bpost that is vacated as a result of this program will be sold.

13 Insurance

bpost has obtained insurance for various aspects of its operations, including public liability insurance and professional liability insurance to cover its extra-contractual and contractual liability towards third parties and professional liability insurance applicable to intermediaries in banking and insurance services to specifically cover banking and insurance activities performed *via* its retail network. bpost also maintains

insurance policies that cover its liability for death or injury to employees or which may occur on its retail premises, as well losses relating to its assets and certain aspects of business interruption. bpost's insurers visit its facilities on a regular basis to audit its installations and prevention procedures. All of bpost's insurance policies are in full effect with all premiums duly paid. bpost self-insures its liability to customers for damage and loss of transported parcels and for material damage to its industrial vehicles if caused by drivers. bpost also maintains a directors' and officers' insurance policy.

14 Intellectual Property

The Company has applied for and/or obtained registration for its main trademarks, including the "bpost" sign. Trademark protection has generally been secured within the Benelux countries and at the pan-European level through the use of national, international and/or community trademarks. bpost also holds a number of trademarks outside of the EU, mainly in Asia and the United States. The Company is in the process of defending certain of its trademark applications in opposition procedures initiated by Deutsche Post before the Office for Harmonization in the Internal Market. By decision of January 31, 2013, the Opposition Division of the Office for Harmonization in the Internal Market upheld the opposition of Deutsche Post AG in one of the three opposition procedures and rejected the Community Trade Mark application for the word "bpost" due to its similarity and likelihood of confusion with Deutsche Post's earlier trademarks. The Company lodged an appeal against this decision on March 21, 2013 before the Board of Appeal of the Office for Harmonization in the Internal Market. The appeal had the effect of suspending the earlier decision of the Office for Harmonization in the Internal Market. Although management believes the Company has strong arguments to defend its case, it may not be successful in defending these applications. If the Company fails in its appeal to overturn the adverse decision with respect to the registration of these trademarks, the registration of the applicable "bpost" trademarks could become subject to certain limitations or qualifications.

bpost does not own any registered patents that are material to its business as a whole.

bpost also owns the intellectual property rights to a number of databases for the operation of its business. Among others, bpost has obtained the rights for the Roma database, which contains important operational data pertaining to the street architecture of Belgium, including the number of streets, street names and the number of buildings. bpost also owns intellectual property rights to various other customer databases.

15 Information Technology

The ICT unit is responsible for the design and delivery of business technology solutions for bpost. bpost utilizes a number of custom-built applications to automate core functions, as well as commercial packages such as Siebel™ and Oracle eBusiness Suite™ for other supporting functions. It is also in the process of installing a Peoplesoft Network™ package and outsourcing the management of bpost's printers to third parties. The servers in bpost's two data centers are highly standardized and virtualized.

The ICT unit seeks the best possible sourcing mix to achieve cost effectiveness and required levels of quality. It regularly evaluates required capacity and competencies in order to balance this with various demands. During 2012, the ICT unit engaged in a detailed strategic review, which resulted in the implementation of an improvement and cost reduction program ("EOS"). EOS involves, among other things, the decommissioning of applications with limited usage, the improvement of procurement practices for external ICT resources, the outsourcing of selected applications services to third parties and improved project pipeline management. Through EOS, bpost has achieved a number of structural improvements and plans to deliver significant cost savings through outsourcing and other targeted initiatives.

16 Legal Proceedings

From time to time bpost has been, and expects to continue to be, subject to legal, regulatory and tax proceedings and claims arising in the ordinary course of its business, including those described below. These include, but are not limited to, proceedings before the IBPT/BIPT and the Belgian Competition Authority and objections against decisions taken by these regulatory authorities, challenges by customers against the legality of certain tariffs and employment law claims.

A provision for litigation is recognized only when (i) bpost has a present (legal or constructive) obligation as a result of past events; (ii) it is probable (more likely than not) that an outflow of resources will be required to settle the obligation; and (iii) a reliable estimate of the amount of the obligation can be made.

Provisions for litigation amounted to €45.6 million as of December 31, 2012. These provisions represent the expected financial outflow relating to 184 different instances of litigation or potential litigation. None of the individual provisions is material in itself.

16.1 State aid

State aid investigation (1992-2010)

On February 10, 2009, the General Court of the European Union annulled, on procedural grounds, the July 23, 2003 decision of the European Commission approving a €297.5 million capital increase and other measures in favor of the Company. On April 22, 2009, the Belgian state brought an appeal against this judgment before the Court of Justice of the European Union, which was dismissed on September 22, 2011. As a consequence of the judgment of the General Court, on July 13, 2009, the European Commission launched a formal state aid investigation into the 2003 capital increase. At that time, the European Commission expanded its investigation to review the compensation received by the Company from the Belgian state for carrying out public services and other ad hoc state measures during the period from 1992 to 2010. On January 25, 2012, the European Commission found that the Company had received €416.5 million of incompatible state aid and ordered the Belgian state to seek recovery of this amount. Of the amount to be recovered, €415.0 million was due to overcompensation for public services over the period from 2006 to 2010. In 2011, the Company recorded a provision in the amount of €299.0 million to cover the financial impact of the European Commission's decision. The provision was based on an estimate of the net amount to be recovered, taking into account bpost's earlier tax payments as well as interest (with the exception of interest from January 1, 2012 to the date of repayment to the Belgian state). In May 2012, the Belgian state confirmed to the Company the exact amount to be reimbursed by the Company (*i.e.*, €300.8 million, including interest but net of taxes). In September 2012, the Company filed an appeal before the General Court of the European Union against the decision of the European Commission dated January 25, 2012. The Selling Shareholder also separately filed an appeal. The Selling Shareholder's appeal was dismissed on May 23, 2013. Subject to certain conditions, the Company will withdraw its appeal on or around June 7, 2013.

Extension of the Fourth Management Contract (2011-2012)

Because the Fourth Management Contract (which according to the European Commission provided for overcompensation, constituting illegal state aid) was extended to cover 2011 and 2012 pending the approval of the Fifth Management Contract, the method to calculate compensation for the provision of SGEIs during those years did not change. Accordingly, in connection with the notification of the Fifth Management Contract, the Belgian state committed to the European Commission to recover €123.0 million from the Company relating to the period from 2011 to 2012 (including interest from and including January 15, 2011 to the date of payment). Management had previously estimated the amount corresponding to the overcompensation that it would be requested to repay in respect of 2011 and 2012 and the Company recorded a provision of €124.9 million in respect of those years (which included interest) during 2012.

In its decision regarding the Fifth Management Contract, the European Commission considered that the Company in all likelihood benefited from overcompensation during the period from 2011 to 2012 and that the commitment of the Belgian state will remove such overcompensation. The Company agreed with the Belgian state to repay such amount under certain conditions. In anticipation of the amount due (*i.e.*, €123.1 million following the final computation of interest), the Belgian state withheld in the first quarter of 2013 an amount equal to €88.9 million from the outstanding balance of state compensation due in respect of 2012 under the Fourth Management Contract. The balance due in the amount of €34.2 million is expected to be paid by the Company on or around June 7, 2013.

Notification of the Fifth Management Contract (2013-2015)

On May 2, 2013, the European Commission approved the state aid granted to the Company under the terms of the Fifth Management Contract. The European Commission reviewed the amounts and calculation methodology of the compensation received by the Company and confirmed that they constituted state aid compatible with the internal market. The European Commission's decision may be appealed at any time up until the date that is two and a half months after its publication in the EU's Official Journal.

16.2 Litigation and investigations on pricing policy towards intermediaries

Decision of the IBPT/BIPT

On July 20, 2011, the IBPT/BIPT concluded that the Company's conventional pricing policy towards intermediaries with respect to direct mail and administrative mail infringed the non-discrimination and transparency obligations imposed by the 1991 Law. In particular, the IBPT/BIPT ruled that intermediaries should have access to revenue rebates on a consolidated basis and not on a per sender basis and imposed a fine of €2.3 million. The pricing policy, which was introduced by bpost in 2010 and is known as the "per sender" model, consisted of calculating volume rebates based on volumes of mail sent by the individual end customers, *i.e.*, on a total revenue per sender basis rather than the aggregate volumes handled by intermediaries.

In light of the IBPT/BIPT's decision, bpost agreed to discontinue the per sender model in August 2011 and adapted its commercial pricing policies which resulted in intermediaries having access to volume rebates on a consolidated basis. However, bpost believes that the "per sender" model is economically and legally justified and best suited to stimulate demand for direct and administrative mail. In addition, this model is used by a number of European postal operators and has been explicitly approved by the highest court in France. On this basis, bpost has decided to appeal the decision in September 2011 and the appeal is pending before the Brussels Court of Appeal. bpost paid the fine pending the outcome of the appeal, which is expected prior to the Closing Date.

Decision of the Belgian Competition Authority

On December 10, 2012, the Belgian Competition Authority imposed a fine of €37.4 million upon bpost for abuse of dominant position in respect of its "per sender" model pricing policy, which is described above under "— *Decision of the IBPT/BIPT*." The Company also appealed this decision in January 2013, and the appeal is currently pending before the Brussels Court of Appeal. bpost paid the fine during the first quarter of 2013 pending the outcome of the appeal.

Cases initiated by intermediaries

On October 27, 2005, Publimail SA/NV, an intermediary, initiated legal proceedings against bpost claiming abuse of dominant position before the Brussels Commercial Court. The damages sought amount to €19.9 million (excluding interest in respect of late payment).

bpost is also involved in an abuse of dominant position claim in the context of legal proceedings initiated by another intermediary, Link2Biz International SA/NV, on August 3, 2010, which is pending before the Brussels Commercial Court. The damages sought amount to €27.8 million (excluding interest in respect of late payment). Certain aspects of the contractual relationship between Link2Biz and bpost are also the subject of a cease and desist order (adopted on June 21, 2010), which bpost has appealed in August 2010 and which is currently pending before the Brussels Court of Appeal.

16.3 Litigation on certain employee matters

Equal pay and treatment claim by auxiliary postmen

As of December 31, 2012, bpost had 4,336 auxiliary postmen. In 2013, 45 auxiliary postmen initiated a lawsuit against the Company in the Brussels and Charleroi Labor Courts claiming equal salary and benefits by reference to baremic contractual employees performing the same work, mainly under the non-discrimination provision set forth in Articles 10 and 11 of the Belgian Constitution. If the courts were to find that this principle is applicable and bpost is found to have violated it, the labor courts will most likely order bpost to increase the compensation of the auxiliary postmen to the level of relevant baremic contractual employees and it cannot be excluded that other employees could bring similar claims.

Discrimination claim by statutory employees

In March 2010, 74 statutory employees filed a lawsuit before the Brussels Labor Court in which they claimed that they had been discriminated against as a result of the system of job classification introduced by bpost in 2007, pursuant to which such employees received remuneration that was slightly lower than the remuneration received by other employees (both statutory and contractual) performing the same function. The Brussels labor court rejected the claims of the plaintiffs in a judgment dated September 10, 2012 on the basis of the legitimate grounds for the different treatment invoked by bpost. A majority of the plaintiffs have filed an appeal to the decision of the Brussels labor court.

Stock option claims

Since 2007, bpost has been involved in several lawsuits with former executives who claim entitlement to stock options under their employment contracts. Currently, two such cases are pending before the Brussels Labor Court of Appeal and one case is pending before the Brussels Court of First Instance. On April 5, 2011, the Brussels Labor Court of Appeal rendered a judgment in one case in which it decided that the alleged undertaking to grant options to the executives was null and void because of a lack of proper internal approvals at the time the employment contract was entered into. However, the court still ruled that the undertaking to grant options was enforceable against the Company. As a result, the former executive was entitled to damages. In determining the quantum of the damages, the court decided that the calculation should not be based on the loss of theoretical profits but rather should correspond to the inherent value of the options that should have been granted. This resulted in relatively low damages. Even though the judgment of the Brussels Labor Court of Appeal is a favorable precedent for bpost, it cannot be excluded that in the other two cases the courts would decide differently. Moreover, the plaintiff has initiated a procedure before the Supreme Court against the decision of the Brussels Labor Court of Appeal, which is currently pending.

PART IX: REGULATION

The postal industry is heavily regulated, including by national, EU and global regulatory bodies. bpost is therefore subject to significant regulations in Belgium and in other jurisdictions. This section is intended to provide a general overview of the regulations applicable to bpost's business or that may impact its business. It is not intended to be a comprehensive description of such regulations. It is uncertain whether Belgian or European regulators or third parties will raise material issues with regard to bpost's compliance with applicable laws and regulations or whether future legislative, regulatory or judicial changes or other regulatory developments will have a material adverse effect on bpost's business, financial condition, results of operations and prospects.

You should read this section in conjunction with the sections "Part II: Risk Factors — 2. Risks relating to the Regulatory and Legislative Environment" and "Part VIII: Business — 16. Legal Proceedings."

1 Key EU-driven Belgian Legislation Governing Postal Services

1.1 Overview and EU background

The key legislation regulating the activities of the Company is the 1991 Law, in particular Articles 1 through 49 and 129 through 154ter, and the 1971 Law, which relates to the creation of the Company. The 1991 Law has been further implemented through various secondary legislation.

The 1991 Law has been used to implement the EU law on postal services (the "EU Law on Postal Services"). The European Union regards postal services as a service of general economic interest and very important for the economic prosperity and social well-being and cohesion of the EU. The EU Law on Postal Services mainly consists of three postal directives: Directive 97/67/EC of December 15, 1997, as amended by Directive 2002/39/EC of June 10, 2002, and as further amended by Directive 2008/6/EC of February 20, 2008. The EU Law on Postal Services has gradually and fully liberalized postal services, abolishing all existing reserved areas. The three main objectives of the EU Law on Postal Services have been: (i) the gradual and controlled liberalization of the postal market; (ii) ensuring universal services; and (iii) consumer protection. The full liberalization of the postal services market was required to be achieved by January 1, 2011 by 16 Member States of the European Union, including Belgium. Since January 2011, all operators that comply with legal requirements set forth in the legislation implementing the EU Law on Postal Services are permitted to provide commercial postal services, and in principle also postal services within the scope of the USO. The EU Law on Postal Services also requires that Member States ensure that a minimum offering of postal services be provided to customers at a sufficient level of quality and at generally affordable prices throughout their national territory.

Under the EU Law on Postal Services, Member States:

- must ensure that the density of access points takes account of the needs of users and that the universal service is guaranteed at least five working days a week, at least one clearance and one delivery to home and business premises;
- may designate one or more companies as universal service providers to cover the entire national territory, subject to a periodic review;
- must ensure that the provision of universal service complies with "essential requirements," *i.e.*, the need for confidentiality of correspondence, security of the network as regards the transport of dangerous goods, respect for the terms and conditions of employment and social security schemes and, where justified, data protection, environmental protection and regional planning;
- must ensure that the universal service be offered as an identical service to all users under comparable conditions, be made available without discrimination, be provided on an uninterrupted basis and evolve in response to the technical, economic and social environment and the need of users;
- may introduce authorization procedures, including individual licenses, in order to guarantee compliance with the essential requirements and to ensure the provision of the universal service (for postal services outside the scope of the universal service, Member States may introduce general authorization procedures to guarantee compliance with the essential requirements);
- may allow compensation methodologies (on a transparent, non-discriminatory and proportional basis) in favor of universal service provider(s) if they claim and prove that the provision of the universal service has resulted in an unfair burden on them;

- must ensure that prices for the services forming part of the provision of the universal service are affordable such that all users have access to the services, cost-oriented, transparent and non-discriminatory;
- must ensure that whenever universal service providers apply special tariffs, for example for services for business, bulk mailers or consolidators of mail from different users, they shall apply the principles of transparency and non-discrimination with regard to both the tariffs and the associated conditions;
- must ensure that the universal service provider(s) maintain separate accounts within their internal accounting systems in order to clearly distinguish between services that are part of the universal service and services that are not part of the universal service. Such internal accounting systems must be consistently applied and must utilize objectively justifiable cost accounting principles;
- must ensure that service standards are set and published in order to guarantee postal services of high quality (in particular, quality standards shall focus on routing times and on the regularity and reliability of services); and
- shall take steps to ensure that users and postal service providers are regularly given sufficiently detailed and up-to-date information by the universal service provider regarding the particular features of the universal service offered, with special reference to the general conditions of access to these services as well as to prices and quality standard levels.

Member States must designate one or more national regulatory authorities for the postal sector that are legally separate from and operationally independent of the postal operators. In Belgium, the IBPT/BIPT has been designated as the national regulatory authority for the postal sector. Member States must ensure that transparent, simple and inexpensive complaint procedures are put in place by all postal service providers.

The EU Law on Postal Services has been implemented in Belgium *via* the 1991 Law, which was most recently amended by the Belgian Full Market Opening Law. The 1991 Law designates the Company as USO provider until December 31, 2018. See "*— 1.2 Universal Service Obligation under the 1991 Law — Designation.*" The 1991 Law further provides the terms and conditions under which the Company must provide the universal service. The 1991 Law also entrusts the Company with other public services. See "*— 1.3 Other public services entrusted to the Company*." Finally, the 1991 Law regulates certain other matters relating to the Company as an autonomous public sector enterprise. See "*— 7. Status as an Autonomous Public Sector Enterprise.*" Certain changes to the 1991 Law are expected to be adopted in the near future, including technical changes as well as changes specifying the analytical accounting framework and implementing regulations applicable to both the designated USO provider and other operators.

1.2 Universal Service Obligation under the 1991 Law

The USO is broadly defined in the EU Law on Postal Services, leaving Member States with the power to further define the USO, thereby also allowing Member States to deviate in specific and justified circumstances from certain criteria applicable to the USO relating to frequency of delivery, territorial scope and home delivery. The EU Law on Postal Services also leaves discretion to Member States as to the number of USO providers and the conditions under which they are designated. As a consequence, the national implementing legislation relating to the USO varies across Member States.

Designation

The 1991 Law designates the Company as USO provider until December 31, 2018 and provides that, following that date, one or more USO provider(s) shall be appointed for a period of ten years and that the universal service may then be divided into various segments. The 1991 Law provides that the procedure for designating the USO provider should, at the latest, be finalized three years prior to the end of the term of the current USO provider. This implies that the identity of the future USO provider(s) should be known by the end of 2015. The new USO provider(s) will become providers as from January 1, 2019, with the Company continuing to be the USO provider until that date.

Following the expiration of the Company's current term as designated USO provider on December 31, 2018, if the Company were to be designated as USO provider (whether or not in conjunction with other USO providers), there is uncertainty regarding the terms and conditions and financing mechanism that would apply to the provision of the USO. Such terms and conditions and financing mechanism may potentially be less favorable to the Company than the current terms and conditions and financing mechanism. See "*Part II: Risk Factors — 2. Risks Relating to the Regulatory and Legislative Environment — There are uncertainties regarding the financing of the USO by the Belgian state in the future*."

The designation as USO provider does not imply the granting of any exclusive rights to provide services. All services falling within the USO can be provided by other operators who obtain the license to do so and meet the legal requirements. See "— *Licensing*" below. Those other operators are subject to obligations that differ from the requirements applicable to the designated USO provider.

Scope

The USO under Article 142 of the 1991 Law consists of the following (including both national and cross-border services):

- the collection, sorting, transport and distribution of postal items weighing up to 2kg;
- the collection, sorting, transport and distribution of postal packages weighing up to 10kg;
- the distribution in Belgium of postal packages from Member States weighing up to 20kg; and
- the provision of services for registered items and insured items.

The USO requires compliance with the principle of non-discrimination and the offering of an identical service to all users under comparable conditions; compliance with essential requirements (*i.e.*, confidentiality, security of the network, data protection, etc.); continued service except in the case of "force majeure" events; the evolution of the service offering to take into account technical, social or economic trends and the needs of the customer; the provision of correct and complete information to the public (*e.g.*, the publication of general terms and conditions and tariffs); and compliance with pricing rules and compliance with quality targets.

The Company is required to:

- operate at least one access point for the deposit of postal items falling within the scope of the USO in each municipality in Belgium;
- organize at least one collection and distribution of specified postal items at least five days per week, excluding Sundays and official holidays; and
- distribute postal items (including packages up to 10kg) throughout Belgium.

The 1991 Law provides for a delegation to the government to impose further rules for services falling within the USO.

Pricing

The 1991 Law imposes strict pricing rules on the Company for services falling within the USO, including principles relating to affordability, cost orientation, transparency, non-discrimination and uniformity of tariffs throughout the country. Whenever the Company applies special tariffs, for example in providing services to businesses, bulk mailers or consolidators of mail from different customers, it must apply the principles of transparency and non-discrimination with regard to both the tariffs and the terms and conditions of the services.

Tariff increases for single piece mail and USO products included in the "small user basket" of postal services within the USO are subject to a price cap formula and prior control by the IBPT/BIPT and the IBPT/BIPT may refuse to approve such tariffs or tariff increases if they are not in compliance with the aforementioned principles or price cap formula.

In addition, the 1991 Law provides that modifications to tariffs for single piece mail and USO products included in the "small user basket" are subject to a price cap formula set by Royal Decree, which allows the Company to increase prices each year (as from January 1) based on changes in the Belgian health index (which is the Belgian consumer price index excluding certain goods such as tobacco products, alcohol, petrol and diesel). The price cap formula also includes a quality bonus applicable upon compliance with specified delivery times for single piece mail falling within the "small user basket." The price increase margin for the year can be aggregated with the accrued margin not used in the previous three years.

With respect to letter mail falling within the USO, the Company is required to offer at least one public discounted tariff that is dependent on minimum volumes and based on cost avoidance.

Tariffs for other postal services falling within the USO are not subject to a price cap formula but are subject to ex post verification by the IBPT/BIPT (on the basis of universal service pricing principles set out in the 1991 Law).

Quality

The 1991 Law provides for the possibility of imposing, by Royal Decree, quality of service targets for the USO, relating to, among other things, delivery time, frequency and reliability of services and compliance with such quality targets, which is under the control of the postal regulator (the IBPT/BIPT). Secondary legislation was adopted in 2006 containing quality of service targets for single piece products, combined with corrective measures in the case of non-compliance with the targets. These quality of service targets are also set out in the Fifth Management Contract. See "*Part VIII: Business — 8. Quality of Service*" for more details on quality of service targets.

The BIPT/IBPT can impose corrective measures to the universal service provider when less than 90% of domestic D+1 mail single piece items within the scope of the USO are delivered on time. Corrective measures are investments in projects aimed at improving the quality of service. For every 1% below the target of 90%, the universal service provider must invest €600,000 in projects aimed at improving the quality of service. When the universal service provider reaches a quality of service below 84%, it must invest €1.2 million for every 1% below the target of 90%. The corrective measures are capped at €12.5 million.

Compensation

In 2012, 2011 and 2010, the USO was profitable and hence did not represent an unfair burden on the Company. However, the obligation to provide the USO may in the future represent a burden on the Company as the cost of providing the USO may exceed the revenues earned from the service. The 1991 Law provides that if, in any given year, the performance of the USO has created an unfair financial burden for the Company, it is entitled to compensation by the Belgian state. In the past, such compensation would have been provided by a compensation fund, which, if activated, would have been a legal entity managed by the IBPT/BIPT financed by contributions from certain holders of a license for non-reserved postal services within the scope of the USO. In the past, the Company has not activated the mechanism for compensation. Accordingly, it has not received any compensation thereunder.

The new principles for calculating the compensation from the Belgian state in the case of an unfair burden of providing the USO are set out in the 1991 Law and are in accordance with the Third Postal Directive. The unfair burden of the USO is calculated on a net avoided cost basis, *i.e.*, as the difference between the net cost for a designated USO provider of operating with the USO and the same postal service provider operating without the USO. This calculation shall take into account all other relevant elements, including depreciation and amortization expenses relating to investments, any intangible and market benefits that accrue to a postal service provider designated to provide universal service, the entitlement to a reasonable profit and incentives for cost efficiency. The Company's calculations must be verified by the IBPT/BIPT. Pursuant to the 1991 Law, the burden of performing the USO is deemed to create an unfair burden if it exceeds 3% of the revenues realized by the Company from the USO. However, the methodology for the calculation of the net cost remains to be elaborated upon in a Royal Decree.

Following the expiration of the Company's current term as designated USO provider on December 31, 2018, if the Company were to be designated as USO provider (whether or not in conjunction with other USO providers), there is uncertainty regarding the terms and conditions and financing mechanism that would apply to the provision of the USO. Furthermore, the Belgian state has the power to unilaterally impose for a limited period of time such terms and conditions and financing mechanism, as permitted by Article 5 of the 1991 Law, in the event that no agreement is reached on a new management contract (*i.e.*, until a new management contract is concluded) after the expiration of the previous management contract.

Separate accounting

Under the 1991 Law, the Company must maintain separate internal accounting records for services that fall within the scope of the USO, services outside the scope of the USO and SGEIs. Costs must be allocated using a costing model applying the full cost distribution methodology. The IBPT/BIPT verifies the Company's compliance with the requirement of separate accounting records each year.

Licensing

Pursuant to the 1991 Law, the performance by any operator, other than the designated USO provider (currently the Company), of a letter mail service that falls within the scope of the USO requires a license issued by the IBPT/BIPT.

The conditions required for obtaining a license comprise level playing field conditions, including operational, social and financial conditions.

Operational conditions consist of: (i) a gradual increase in territorial coverage (10% in the first year, 20% in the second year, 40% in the third year, 60% in the fourth year and 80% in the fifth year) in each of the three regions of Belgium; (ii) frequency of two days per week achieved by the end of the second year of activity; (iii) uniform tariffs for each client; (iv) regular and reliable service; (v) quality information and control, and publication of such control by the IBPT/BIPT; and (vi) ensuring a service for non-distributable mail.

The table below summarizes the main operational conditions under postal regulatory law applicable to license holders compared to those applicable to the designated USO provider:

Operational condition	License holder	Designated USO provider
Territorial coverage	Gradual increase (10% in the first year, 20% in the second year, 40% in the third year, 60% in the fourth year and 80% in the fifth year) in each of the three regions of Belgium	National coverage for distribution + one access point for collection in each municipality
Frequency	Two days per week achieved by the end of the second year of activity	Five days per week
Quality of service	No specific quality targets but should offer a regular and reliable service (which is subject to quality information and control, and publication of such control by the IBPT/BIPT)	95% on time for single piece items within USO and 97% no more than one day thereafter
Pricing rules	• Uniformity of tariffs in territory that must be covered • No price affordability required • No cost orientation required • Transparency required • Non-discrimination required • No price cap applicable • No BIPT *ex ante* approval or *ex post* verification for tariff increases	• Uniformity of tariffs throughout the country • Affordability required • Cost orientation required • Transparency required • Non-discrimination required • Price cap applicable for tariff increases for single piece mail and USO products included in the "small user basket" of postal services within the USO • BIPT *ex ante* approval for tariff increases for single piece mail and USO products included in the "small user basket" and *ex post* verification BIPT for other postal services falling within the USO

The **social condition**, which also applies to the USO provider, requires that collection, sorting and distribution activities must be performed only by employees or statutory agents (*i.e.*, not by persons who are self-employed).

The **financial condition** is a financial contribution to the IBPT/BIPT that becomes payable once the operator achieves a minimum turnover of €500,000. The financial contribution is a fixed amount equal to 0.1% of global turnover from the operator's postal service activities and is intended to cover the cost of the

IBPT/BIPT's regulatory activities relating to the postal sector. As the USO provider, the Company must pay the annual financial contribution to the IBPT/BIPT. To the extent the cost of the IBPT/BIPT's regulatory activities relating to the postal sector is not covered by financial contributions from operators, such operators will be required to contribute, in addition to the fixed amount, to the shortfall based on their respective shares of the global turnover attributable to all licensed operators and the USO provider during the previous year.

There can be no assurance that the Belgian Full Market Opening Law will not be modified in a manner that is adverse to bpost. On May 29, 2013, in the context of its recommendation to the Council of the European Union on Belgium's 2013 national reform program, the European Commission expressed the view that regulatory barriers in Belgium's postal legislation, particularly the provisions of the Belgian Full Market Opening Law concerning certain licensing conditions should be removed. Management cannot predict what action, if any, the Belgian state will take in response to these recommendations or the timing of any such action. See *"Part II: Risk Factors — 2. Risks Relating to the Regulatory and Legislative Environment — Changes to the 1991 Law and the regulations implementing the 1991 Law could adversely affect bpost"*

Access to elements of infrastructure and services

The Third Postal Directive, as implemented in the 1991 Law, makes it possible for Member States to require postal operators to provide other operators with transparent and non-discriminatory access to specific elements of the postal infrastructure or to services rendered in the framework of the USO, such as post boxes, information on change of address, re-direction and return to sender services, whenever necessary to protect the interests of the users and/or to promote effective competition.

The 1991 Law (as amended effective January 1, 2011) sets forth, among other things, a regime of interoperability pursuant to which the Company (as well as any other licensed operator) must, whenever necessary to protect the interests of users and/or to promote effective competition, conclude reciprocal agreements with alternative operators in relation to access to certain elements of postal infrastructure and certain postal services. The services concerned are the postal services that the Company provides under the USO. While the law does not specify to which elements of the postal infrastructure the mutual access requirement applies, it requires that the access to those elements is necessary to develop postal activities. The explanatory memorandum to the Belgian Full Market Opening Law provides that these elements include, *inter alia*, access to post boxes in retail offices, access to movers databases, access to re-direction of mail services and access to return to sender services and that the mutual access regime is directed at creating interoperability between postal operators. The technical rules and tariffs applicable to such access must be determined in these agreements. The elements of the postal infrastructure must be made accessible at a price that is in conformity with the market. If the parties are unable to agree such terms after a six-month negotiation period, the IBPT/BIPT has the power to mediate between the parties and may, under certain conditions, impose terms upon the parties.

In addition to the rules on access provided for in the Third Postal Directive and the Belgian Full Market Opening Law, the Fifth Management Contract provides in certain specified circumstances for a right of access to certain post offices for other postal operators. Access shall be granted under fair and non-discriminatory conditions defined in a special agreement.

Indemnity in case of non-compliance with the terms of the Fifth Management Contract

The Fifth Management Contract also provides for indemnification in respect of direct loss when one of the parties to this contract fails to comply with the clauses therein. If the party in default fails to remedy the non-compliance relating to the USO, it must pay an indemnity that cannot exceed 15% per year of the total amount of payments executed by the Belgian state in compensation for the fulfilment by the Company of the USO.

1.3 Other public services entrusted to the Company

Certain other public services are imposed on the Company by law and/or entrusted to the Company on the basis of the contractual obligations provided in the Fifth Management Contract, effective from January 1, 2013, which replaces the Fourth Management Contract dated December 2, 2005. On or around June 7, 2013, the Company and the Belgian state are expected to enter into the Fifth Management Contract. The Fifth Management Contract sets forth the terms and conditions pursuant to which the Company must fulfill certain SGEIs for the period from January 1, 2013 to December 31, 2015. The Fifth Management Contract also provides certain additional terms and conditions relating to the performance of the USO by the Company. The Fifth Management Contract was approved by Royal Decree on May 29, 2013, and the Royal Decree will enter into force upon publication in the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*), which is expected prior to the Pricing Date.

The SGEIs entrusted to the Company under the Fifth Management Contract include the maintenance of the retail network, the provision of day-to-day SGEIs (*i.e.*, early delivery of newspapers, distribution of periodicals, "cash at counter" services and home delivery of pensions and social allowances) and the provision of certain ad hoc SGEIs, which are SGEIs that by their nature are provided without any recurrence. Ad hoc SGEIs include the social role of the postman, especially in relation to persons who live alone or are the least privileged (this service is rendered through the use of handheld terminals and the electronic ID card by mail carriers on their round), the "Please Postman" service, the distribution of information to the public, cooperation with regard to the delivery of voting paper packages, the delivery of addressed and unaddressed election printed items, the delivery at a special price of postal items sent by associations, the delivery of letter post items falling within the freepost system, the payment of attendance fees during elections, the financial and administrative processing of fines, the printing and sale of fishing permits and the sale of post stamps. No quality targets are included in the Fifth Management Contract for ad hoc SGEIs.

The SGEIs entrusted to the Company under the Fifth Management Contract are aimed at satisfying certain objectives related to the public interest. In order to ensure territorial and social cohesion, the Company must maintain a retail network consisting of at least 1,300 postal service points and 650 post offices. The early delivery of newspapers and distribution of periodicals ensures a wide distribution of the written press throughout Belgium, enhances the level of information and diversity of opinion and fosters public participation in the political debate. Other day-to-day SGEIs address the social needs of those citizens who are disadvantaged, such as those who are not served by banks because they are heavily indebted or financially vulnerable (in the case of "cash at counter" services) and the elderly and disabled (in the case of home delivery of pensions). Ad hoc SGEIs are also aimed at addressing various social needs. Through the social role of the postman, the Belgian state aims to improve social cohesion and, in particular, offer protection for persons living alone and underprivileged citizens at their residence. The delivery of addressed and unaddressed election printed items, the delivery at a special price of postal items sent by associations and the deliver of letter post items falling within the freepost system are all aimed at facilitating the dissemination of information from or between various organizations and entities. Tariffs and other terms for the provision of certain of these services are determined in implementing agreements between the Company, the Belgian state and, where relevant, the other parties or institutions concerned. Such implementing agreements must still be concluded. However, the implementing agreements concluded according to the Fourth Management Contract remain in place until conclusion of these new implementing agreements.

Certain limited public services are provided by the Company only pursuant to the 1991 Law (*e.g.*, delivery of stamps by postmen during their rounds) and the Company also provides cash account management services to the Belgian state and certain other public entities pursuant to the 1970 Royal Decree.

The Fifth Management Contract provides for indemnification in respect of direct loss when one of the parties fails to comply with the provisions of the Fifth Management Contract. If the party in default fails to remedy any non-compliance relating to the SGEIs, it must pay an indemnity not to exceed 15% per year of the total amount of payments made by the Belgian state in compensation for the fulfillment by the Company of the SGEIs.

Compensation

The Belgian state compensates the Company for the provision of most of the SGEIs mentioned in the Fifth Management Contract in accordance with mechanisms defined in the Fifth Management Contract and the implementing agreements. Only the net costs relating to the services as calculated based on the NAC methodology (as compared to the fully distributed cost methodology ("FDC") under the Fourth Management Contract) give rise to the right to compensation. The NAC methodology provides that compensation shall be based upon the difference between the net cost to the provider of operating with the SGEI and the net cost or profit of the same provider of operating without the SGEI. The methodology bpost has developed to comply with the NAC methodology includes the development of an alternative commercial strategy for each SGEI, which is the commercially optimal strategy in the absence of regulatory constraints. bpost's methodology takes into account depreciation and amortization expenses relating to investments as well as cross-effects generated by interdependence between SGEIs (for instance, the "cash at counter" services are dependent upon the retail network SGEI).

Compensation based on the NAC methodology is then increased by the share of efficiency gains or decreased by the share of efficiency losses. Efficiency gains are calculated as the actual reduction of the Company's total costs compared to the reference year 2010 incurred when providing the relevant SGEI. Efficiency losses are calculated as the actual increase of the Company's total costs compared to the reference year 2010 incurred when providing the relevant SGEI. The calculation of efficiency gains and

losses excludes exogenous effects which are not directly related to the Company's performance, such as inflation, price, volume variations and the effect of fixed cost allocations. The share of efficiency gains or losses attributed to the Company can be further adjusted on the basis of its performance against the quality targets set forth in the Fifth Management Contract. These quality targets are described under "*Part VIII: Business — 5. Business Units — 5.1 Mail and Retail Solutions Business Unit — Press*" and "*— Banking and Financial Products*." Efficiency gains and losses are shared in a proportion of 67% for bpost and 33% for the Belgian state. If the Company does not meet the applicable basic quality principles or quality enhancement targets for the relevant SGEI and it achieves efficiency gains in a particular year, its share of the gains shall be reduced from 67% to 33%. If the Company does not meet the applicable basic quality principles or quality enhancement targets for the relevant SGEI and it incurs efficiency losses in a particular year, its share of the losses shall be increased from 67% to 100%.

The Company will receive compensation for providing the SGEIs in the maximum amount of €303,720,300 in 2013, €304,389,328 in 2014 and €294,285,260 in 2015. These caps also serve as advance funding amounts paid by the Belgian state in January of each year. However, if, for a given year, the evolution of the Belgian consumer price index exceeds 2.2%, the maximum amount of compensation for that year will be adjusted accordingly to reflect the increase of the Belgian consumer price index above 2.2%.

At the end of each calendar year, the Company's financial accounts are verified by a Board of Auditors, which determines, on the basis of actual results, the appropriate amount of compensation for the SGEIs. For more information on the Board of Auditors, see "*Part XII: Management and Corporate Governance — 6. Board of Auditors*." The appropriate amount of compensation to which the Company is entitled from the Belgian state is calculated by adding together the compensation amounts calculated for each SGEI.

On the basis of the ex post verification, the advance funding received by the Company can be adjusted. If, after the ex post verification of the Company's financial accounts, the final compensation to which it is entitled is lower than the sum of the advance payments related to a specific year, then the difference will be reimbursed by the Company to the Belgian state within 30 days of the determination of the difference. If the final compensation to which bpost is entitled is higher than the sum of the advance payments related to a specific year, the difference will be paid by the Belgian state to the Company within 30 days of the determination of the difference, subject always to the overall cap on the compensation amount.

The 1991 Law grants powers to the Belgian government to specify the main implementing measures of the SGEIs listed in the 1991 Law by Royal Decree.

1.4 Regulatory supervision

bpost is subject to supervision by the IBPT/BIPT in relation to its postal services. The IBPT/BIPT is headed by a council, the members of which are appointed by the Belgian state by Royal Decree.

The Law on the Status of the Regulator of the Belgian Post and Telecommunications Sector of January 17, 2003 governs the status of the IBPT/BIPT, sets forth the powers and responsibilities of the IBPT/BIPT and determines the way in which these responsibilities are performed.

As the competent regulator of Belgian postal services, the IBPT/BIPT (i) monitors compliance by bpost and its competitors with postal legislation (including in respect of regulatory requirements regarding the USO), such as the obligation to maintain analytical bookkeeping; (ii) monitors compliance with the SGEIs entrusted by the Belgian state to the Company; (iii) issues licenses in respect of postal services; (iv) mediates conflicts between postal operators; (v) takes administrative decisions, including in relation to agreements relating to access, or in relation to increases in certain tariffs for the USO; (vi) consults the market regarding the functioning of the market; (vii) cooperates with the Belgian Competition Authority, the EU Commission and other national postal regulators; (viii) carries out studies related to the postal services; and (ix) advises and assists ministers of the Belgian state who are responsible for or involved in postal regulation, including in relation to the negotiation of management contracts with the Company.

The IBPT/BIPT may take various measures to enforce the requirements of postal legislation. In the case of infringement of postal legislation or regulations, the IBPT/BIPT may issue a cease-and-desist order and may also specify the way in which the infringement should be ceased. It may also impose fines of up to 5% of the Company's turnover in the postal sector in Belgium during the most recent fiscal year. If, following these measures, the infringement has not been remedied, the IBPT/BIPT may increase the fine to up to 10% of the Company's turnover in the postal sector in Belgium during the most recent fiscal year. In addition, it may order the complete or partial suspension of the operation of the network or the performance of the service, or the offering or use of all products and services concerned. The IBPT/BIPT may, under certain conditions, withdraw the individual license of a postal operator in the case of non-compliance with tax and social legislation for which the postal operator was convicted.

bpost has extensive duties of disclosure and notification to the IBPT/BIPT. The IBPT/BIPT and its agents have broad inspection powers, including the power to take statements, to receive and seize relevant documents, objects and business records and to conduct a search of the premises of a postal operator for the purposes of enforcing the postal legislation. The IBPT/BIPT reports upon these inspections in its annual reports.

The Belgian state has the power to suspend certain decisions of the IBPT/BIPT that it deems to be contrary to law or the public interest. Furthermore, on the basis of the Law of January 17, 2003 relating to the appeal and legal proceedings in connection with the law of January 17, 2003 on the Status of the Regulator of the Belgian Post and Telecommunications Sector, the IBPT/BIPT's decisions may be appealed before the Brussels Court of Appeal. However, any such appeal will not have the effect of suspending the decision of the IBPT/BIPT except in cases of specific rulings of the Brussels Court of Appeal to that effect. Following any nullification by a court of a decision rendered by the IBPT/BIPT, the IBPT/BIPT is entitled, in certain circumstances, to issue, on corrected grounds, a new decision replacing, with same scope, the nullified decision. The new decision will have retroactive effect if the following objectives are no longer fulfilled: the quality and sustainability of the universal service, the interests of the users of postal services, the development of an internal market for postal services or the competition into the postal sector.

The 1991 Law grants powers to the government to intervene in the postal activities for reasons of public order or security. When required for reasons of public security, public health, public order or the defense of the country, a Royal Decree can for a specific duration suspend or postpone some or all postal services, without any right to compensation. Furthermore, for reasons of public security or public order, a Royal Decree dated April 27, 2007 determines the types of postal items and objects that cannot be transported.

2 International Postal Regulations

2.1 Universal Postal Union

bpost is subject to the regulations of the Universal Postal Union (the "UPU"), which sets the rules for international mail exchanges, except to the extent it is allowed to depart from these rules by concluding bilateral or multilateral arrangements with foreign postal operators regarding, *e.g.* terminal dues.

The UPU is recognized by the United Nations as the specialized agency responsible for the field of international postal services. It sets the rules for international mail exchanges and makes recommendations to stimulate growth in mail volumes and to improve the quality of service for customers. The relationships between designated postal operators and the member states are governed by an international treaty (the "UPU Convention"). The General Regulations embody the provisions ensuring the application of the UPU Convention and the overall workings of the UPU. The Universal Postal Convention, the Letter Post Regulations and the Parcel Post Regulations embody the rules applicable throughout the international postal service relating to the letter post and parcel post services. The agreements of the UPU and the regulations relating to those agreements regulate the services other than the letter post and the parcel post services between the member countries party to those agreements.

UPU Congresses are held every four years. The main purpose of the congresses is to examine proposals to amend the Acts of the UPU. The last Congress was held in 2012 in Doha. The UPU Convention currently applicable in Belgium is the 2008 Geneva UPU Convention. Belgium must still ratify the 2012 UPU Convention.

The Company, as a designated postal operator based on the 1991 Law and the Fifth Management Contract, is responsible for exercising the rights and obligations arising from UPU regulations, such as the operation of the international letter postal service and international parcel service, insofar as they apply to the designated postal operators in relation to its customers and to other non-Belgian designated postal operators. The Company must comply with the tariffs set by supranational bodies or international treaties with regards to certain obligations.

Within the UPU Convention, the UPU has established an international system for mutual payments for the delivery of cross-border letter mail, known as the terminal dues system, pursuant to which the postal operator that collects the letter (in the country of origin) remunerates the postal operator that distributes the letter (in the country of destination) for the service provided. A different compensation scheme with similar purposes exists for parcel mail. The present terminal dues system comprises two sub-systems: the target system and the transitional system. The rates of remuneration to industrialised countries are generally higher than those for developing countries, but sometimes do not cover the costs of delivery.

2.2 REIMS agreements

A large majority of postal operators are party to the multilateral REIMS agreements. Five REIMS agreements have already been concluded. The main aim of the REIMS agreements is to provide the parties with appropriate compensation for the delivery of cross-border mail and to improve the quality of the cross-border mail service. All REIMS agreements are cost based and incorporate incentives to provide high quality of service. Postal operators must meet delivery quality of service targets in order to receive the full REIMS payments. The International Post Corporation (the "IPC") manages the REIMS system and helps signatories reach agreements in the realm of intercompany pricing or related areas.

The IPC and European postal operators, including bpost, have concluded a new terminal dues agreement, REIMS V, that entered into force on January 1, 2012. REIMS V continues to focus on quality of service for cross-border letter mail in Europe while aligning terminal dues levels to the prevailing market situation. REIMS V emphasizes and rewards not only speed but reliability of delivery. It also includes elements that will facilitate operations, for instance focus on scanning of inbound dispatches and mandatory use of electronic accounting. Furthermore, REIMS V levels the playing field between the incumbent and its competitors for outbound mail by regulating the terminal dues payable to a receiving postal operator so that these will be the same regardless of which designated operator dispatches the volumes.

bpost joined REIMS V in 2011. Among the parties, REIMS V takes precedence over previous REIMS agreements.

2.3 Bilateral agreements

With certain EU postal administrations who have not joined or are leaving REIMS V or other third party postal administrations, bpost has entered into bilateral agreements. Bilateral agreements relate to remuneration of mandatory deliveries of cross-border mails (*i.e.*, terminal dues).

Moreover, the parties to the REIMS agreements may agree to deviate from these agreements by entering into bilateral agreements. In particular, such bilateral agreements may provide for different remuneration and service features.

3 Transport Regulations

In addition to postal regulations such as the UPU regulations at the international level and the 1991 Law and its implementing regulations at the national level, bpost's operations, given their nature, are also subject to various transport regulations. Transport regulations have been introduced at the international, European, national and regional levels. Different sets of rules apply depending on the nature of the goods being transported, whether the transport is national or international, the role carried out by bpost (carrier or intermediary), and whether the transport takes place within or outside the framework of the USO.

In principle, transport regulations apply cumulatively with the postal regulations. However, there are some exceptions where transport regulations do not apply to postal services. For example, the CMR Convention and the Law of May 3, 1999 relating to the carriage of goods by road and its implementing Royal Decree of May 7, 2002 do not apply to services provided under the USO. This means that for the carriage of non-USO products and mixed transport (*i.e.*, USO and non-USO products), transport regulations apply to bpost as they would apply to any other carrier.

When acting as a carrier of goods by road at the national or international level, the Company and its subsidiaries that are active in such areas must comply with several conditions to qualify as a road transport operator and obtain access to the road market. A license is required for the national and European carriage of goods by road, in accordance with regulation (EC) nr. 1072/2009 of October 21, 2009 on common rules for access to the international road haulage market and with the Law of May 3, 1999 relating to the carriage of goods by road as implemented by the Royal Decree of May 7, 2002. When acting as a transport intermediary, the Company and its subsidiaries that are active in such areas also require a special license on the basis of the Law of June 26, 1967 relating to goods transport intermediaries and the implementing Royal Decree of July 18, 1975.

At the international level, the CMR Convention applies in the case of a contract for the carriage of goods by road in which the place of taking charge of the goods and the place of delivery are located in different countries, of which at least one is a contracting party to the CMR Convention. It regulates the conditions of carriage and the responsibility of the carrier.

In addition, under any circumstances, bpost must perform its activities in compliance with traffic regulations, as defined in different national and international legislation and regulation. These relate, among others, to road traffic, conditions for transport, offences, technical conditions of vehicles, registration of vehicles, driving license and compulsory insurance.

bpost must also comply with various national and international transport legislation related to overloading of vehicles, truck drivers' driving and resting times, and cargo security.

Finally, certain special goods require compliance with specific regulations, such as the transport of waste, dangerous goods, valuables, food and blood. The carriage of dangerous goods is highly regulated at European and national level and, more specifically, only authorized under the conditions provided by the European Agreement concerning the international carriage of dangerous goods by road (the "ADR"). The carriage of waste is subject to specific conditions imposed by the EU and by the regions of Belgium. The European regulations provide for specific procedures and obligations that must be complied with for shipments of waste between Member States, for waste import into and waste export from the European Union and for waste transit through the European Union. For the national carriage of waste, a carrier must be registered and/or accredited for this kind of mission. In accordance with the provisions of each region, specific regional legislation may also apply in the case of transport of medical waste. The international carriage of food is governed by the agreement on the international carriage of perishable foodstuffs and on the special equipment to be used for such carriage of September 1, 1970, and is subject to compliance with specific requirements related to the equipment used for such carriage and to obtaining ATP certification for the equipment used. For the national carriage of food to the final user, registration with the Federal Agency for the Safety of the Food Chain ("FASFC") is required, as specified in the Royal Decree of January 16, 2006 relating to the conditions of authorizations. The carriage of valuable goods requires compliance with certain security requirements under the Law of April 10, 1990 relating to private and public security.

4 Competition and State Aid Laws

4.1 Competition

bpost is subject to EU and national competition rules. Articles 101 and 102 of the Treaty on the Functioning of the European Union (the "TFEU") are directly applicable in Belgium. These provisions prohibit agreements or concerted practices between undertakings that could affect trade between Member States and that have the object or effect of restricting or preventing competition, as well as anti-competitive behavior by a company having a dominant position in a relevant market.

Substantively, Belgian competition rules contain identical provisions to the TFEU that are applicable provided that the Belgian market, or a substantial part thereof, is affected.

At the EU level, the European Commission can impose fines of up to 10% of bpost's worldwide consolidated annual turnover, as well as interim measures. The Belgian Competition Authority can impose fines of up to 10% of bpost's consolidated annual turnover in Belgium, as well as interim measures. bpost may also be subjected to fines or interim measures imposed by competition authorities in other jurisdictions. In addition, national courts may determine that bpost has infringed competition laws and may issue interim measures and/or cease and desist orders. At the request of the claimants, either on the basis of a prior decision by a competition authority or independently thereof, national courts may also award damages against bpost based on an infringement of competition laws.

As the incumbent postal operator, bpost has been found and may be found to have a dominant position in certain markets in which it operates. While having a dominant position is not as such unlawful, bpost may not abuse that position. In markets in which bpost is deemed to have a dominant position, this has resulted and may continue to result in certain restrictions to its commercial behavior, for example in relation to its pricing policy. In December 2012, the Belgian Competition Authority imposed a fine of €37.4 million on bpost for an alleged abuse of its dominant position in respect of its conventional pricing policy for direct mail and administrative mail towards intermediaries from January 2010 until July 2011. bpost paid the fine during the first quarter of 2013 and is appealing the decision. See "*Part VIII: Business — 16. Legal Proceedings*."

The new Belgian Competition Act, which was enacted in April 2013 but has not yet entered into force, will grant additional competencies to the Belgian Price Observatory (*Observatoire des Prix/ Prijzenobservatorium*). The Belgian Price Observatory may investigate any anomaly in pricing or margins, any abnormal price evolution or any structural market issues in Belgium. The Price Observatory may report on any such investigation to the Belgian Competition Authority, which could then impose interim measures to remedy such issues. Such interim measures can be adopted for a maximum period of six months and may include the imposition of maximum tariffs or margins. If the Belgian Competition Authority imposes

interim measures, the government may further adopt measures reforming the structure of the market concerned. bpost's commercial services may be subject to scrutiny by the Belgian Price Observatory.

4.2 State aid

The Belgian State entrusts the Company with the performance of certain public service missions (the USO and other SGEIs). Public service missions are economic activities that public authorities identify as being of particular importance to citizens and these may be compensated by the public authorities where revenues accruing from the provision of these services do not allow the costs related to them to be covered. Thus, the Belgian state grants financial compensation to bpost for the performance of these public service missions.

Compensation from the Belgian state to the Company for the performance of certain public service missions may constitute state aid, in which case it will be subject to EU state aid law, specifically Articles 106-109 of the TFEU. The terms of the management contracts the Company enters into with the Belgian state in respect of public service missions must comply with EU state aid law.

State aid is defined as an advantage, granted through state resources, in any form whatsoever, which is conferred on a selective basis to companies. Such an advantage must lead to distortions of competition and affect trade between Member States. Although the TFEU contains a general rule prohibiting all state aid, it recognizes that, in some circumstances, government intervention is necessary for a well functioning and equitable economy. Therefore, EU state aid law leaves room for a number of policy objectives, such as public service missions, for which state aid can be considered compatible with the internal market.

If the compensation paid by the Belgian state to the Company for the performance of SGEIs is granted under strict conditions as set out in the case law of the EU Court of Justice, it will not constitute state aid and EU state aid law will not apply. There are four conditions that must be met in order for compensation not to be deemed to be state aid: (i) the SGEIs must be clearly defined; (ii) the parameters to calculate the compensation must be established in advance in an objective and transparent manner; (iii) the compensation cannot exceed what is necessary to cover the costs of discharging the obligation (including a reasonable profit); and (iv) the SGEIs must be entrusted following a public procurement procedure or, in the alternative, the compensation should be determined on the basis of a strict cost analysis. If the above conditions are fulfilled, then there is no requirement for notification to the European Commission. Nonetheless, the Belgian state may still decide to notify management contracts for reasons of legal certainty.

If any of the above conditions are not fulfilled, the compensation will constitute state aid. In that case, state aid must be notified to the European Commission, which can declare the state aid to be compatible with the internal market if it is granted in accordance with the European Commission's 2011 framework for state aid in the form of public service compensation (Official Journal of the EU, 11 January 2012, C8/15). The 2011 framework requires that an SGEI is genuine and correctly defined (both in terms of scope and duration) in an entrustment act issued by the state. It further sets out a precise methodology that must be used to determine the amount of compensation and a requirement for Member States to introduce efficiency incentives in compensation mechanisms. In particular, the amount of compensation must not exceed what is necessary to cover the net cost of discharging the SGEIs, including a reasonable profit. The net cost should be calculated using the NAC methodology where this is required by EU or national legislation and in other cases where this is possible. Under the NAC methodology, the net cost necessary, or expected to be necessary, to discharge the SGEIs is calculated as the difference between the net cost for the provider of operating with the SGEI obligation and the net cost or profit for the same provider of operating without that obligation. Where the use of the NAC methodology is not feasible or appropriate, the European Commission may accept alternative methods of calculation, such as the methodology based on cost allocation. Finally, the 2011 framework requires that in assigning the SGEIs, the state complies with EU public procurement rules and, where applicable, the state must not discriminate between providers of the same service in respect of determining the compensation.

Furthermore, and also pursuant to the 2011 framework, as bpost receives compensation from the Belgian state for certain SGEIs entrusted to it, it is subject to financial transparency obligations under Directive 2006/111/EC. This means that there must not be any cross-subsidization between services for which the Company is compensated on the one hand and its commercial services on the other hand. Thus, where a subsidiary or business unit of the Company receives commercial and/or logistical assistance from it to render commercial services, that subsidiary or business unit must pay an appropriate transfer price to the Company for this assistance. More generally, according to state aid rules, if the Company engages in commercial services, the business case for providing such services must also comply with the "private investor test," that is the Company must be able to demonstrate that a private investor would have made the same investment decision. For instance, this means that in practice products should be profitable within a reasonable time period, using the appropriate costing methodology standard.

Finally, if the entrustment of the SGEI and the payment of compensation could possibly give rise to serious competition distortions, the Commission might impose conditions or require commitments. These could include an obligation imposed on the SGEI provider to provide competitors with fair and non-discriminatory access to its infrastructure.

If the Company is found to have received unlawful state aid, such state aid must be reimbursed by it, including interest. In addition, where state aid has been granted without prior notification to the European Commission, national courts may take interim measures suspending the grant or use of such state aid and order the reimbursement pending any decision of the European Commission on the compatibility of the state aid with the internal market.

5 Financial Regulation

5.1 bpost bank

bpost bank is authorized as (i) a credit institution by the National Bank of Belgium pursuant to the Law of March 22, 1993 relating to the status and the control of credit institutions; (ii) a consumer credit lender by the Ministry of Economic Affairs pursuant to the Law of June 12, 1991 relating to consumer credit; and (iii) an insurance agent by the FSMA pursuant to the Law of March 27, 1995 relating to insurance mediation.

These authorizations entitle bpost bank to offer, directly or through bpost acting as its agent (see "*—5.2 bpost*"), certain regulated financial services and products to clients in Belgium, including, for instance, payment and savings accounts, securities accounts, credits (including to consumers), the execution of orders relating to financial instruments (including investment funds), investment advice, and insurance contracts.

In its capacity as a credit institution, bpost bank is subject to the supervision of the National Bank of Belgium (in respect of matters such as, among others, capital requirements and internal governance). The most relevant requirements applying to bpost bank are set out in the Law of March 22, 1993 and the capital requirements regulation of the National Bank of Belgium of November 15, 2011 which transposes into Belgian law Directive 2006/48 of June 14, 2006 relating to the taking up and pursuit of the business of credit institutions, as amended ("CRD III").

On July 20, 2011, the European Commission adopted a legislative package of proposals (known as CRD IV) to implement the Basel III recommendations through the replacement of the existing Capital Requirements Directive with a new Directive and Regulation. The Basel III recommendations were finalized on January 1, 2011 and include changes to capital requirements and the introduction of a leverage ratio and liquidity standards. The recommendations also require banks to increase their regulatory capital as a percentage of risk-weighted assets to achieve certain minimum ratios by January 1, 2019. A compromise text on the CRD IV package was approved on March 27, 2013 by the Council's Permanent Representatives Committee (COREPER). The Council declared that if the European Parliament approves the CRD IV package texts as agreed (which it did during its plenary session of April 16, 2013), the Council will also approve it without further discussion once it has been finalized in all official European languages. The Council further declared that the new rules will apply from January 1, 2014 if publication takes place in the Official Journal by June 30, 2013. Full implementation is expected by January 2019. However, as the CRD IV package has not yet been formally adopted by the Council and the Directive that forms part of the package must still be transposed into Belgian law, the overall timing of CRD IV remains uncertain.

In addition, bpost bank's provision of financial services to clients is subject to a number of conduct of business rules, under the oversight of the FSMA, aimed at ensuring the provision of appropriate information to clients on financial products and services offered and protection of clients' interests. For instance, when providing investment services to its clients (such as the sale of financial instruments or the provision of investment advice), bpost bank must comply with the conduct of business rules set forth in the Law of August 2, 2002 relating to the supervision of the financial sector and financial services, including the overarching obligation to act honestly, fairly and professionally in accordance with the best interests of its clients. The so-called "MiFID" Royal Decree of June 2, 2007 sets out in detail the investment services conduct of business rules applicable to bpost bank when offering investment services. In the beginning of 2013, bpost bank updated certain of its policies to be fully in line with the MiFID Conduct of Business Rules introduced by the FSMA in April 2012. These policies include specific provisions for compliance with MiFID. The policies apply to all employees of bpost bank as well as those employees of the Company that are involved in the provision of banking services on behalf of bpost bank.

5.2 bpost

The Company is entrusted by law with carrying out a number of postal financial services, as set out in Article 2 of the 1971 Law and Article 140,1° of the 1991 Law. The postal financial services carried out by the Company which are SGEIs are determined in the Fifth Management Contract in accordance with Article 141, §1, B of the 1991 Law. Certain other specific postal financial products and services of the Company and the terms and conditions applicable thereto are also further detailed in specific legislation (for instance the 1970 Royal Decree). These services include, among others, the provision of payment services for the Belgian state and certain other public entities through the operation of postal accounts (the so-called "679 accounts").

The Company benefits from an exemption under the Law of March 22, 1993 that allows it to conduct banking activities without having to seek authorization as a credit institution and therefore is not subject to prudential supervision by the National Bank of Belgium (for instance, no capital requirements apply to bpost). In addition, the Law of December 21, 2009 relating to the status of payment institutions and electronic money institutions allows the Company to offer payment services and to issue electronic money (such as, for instance, the bpaid pre-paid cards) in Belgium without having to seek separate payment or electronic money institution authorizations.

The Company is also authorized by the FSMA as insurance sub-agent of bpost bank and as agent in banking and financial services of bpost bank. The Company is hence entitled to distribute a range of insurance contracts and offer a number of banking and investment services, as agent of bpost bank, through its network of post offices.

6 Other Regulatory Matters

6.1 Security and customs

The importance of security measures in transport is increasing, especially since the September 11, 2001 terrorist attacks and the 2010 cargo plane bomb plot in Yemen. These incidents have led to the adoption of a number of measures to counteract emerging threats in the transportation of goods. Multilateral (at the UPU and EU level) and unilateral (such as in the United States) measures have been taken. Various authorities have considered stricter customs procedures to improve safety and this has affected the activities of bpost.

Public postal operators enjoy simplified procedures, both for the transport of mail and parcels within the European Union and customs security. The Customs Union is a foundation of the European Union and an essential element in the functioning of a single market. In principle, the EU Customs Code imposes compliance with the requirement of the "summary declarations" that regulate pre-arrival and pre-departure information. "Summary declaration" means that, before or at the time of the event, a person informs the customs authorities, in the prescribed form and manner, that goods are to be brought into or out of the customs territory of the European Union. According to Article 181c and Article 592a of the regulation implementing the Community Customs Code, summary declarations do not apply to letters, postcards and printed matters and goods moved under the rules of the UPU Convention.

For cargo, EU electronic advance cargo data reporting requirements have been introduced for all goods entering, passing through or leaving the EU for security risk analysis (the requirements differ in terms of import or export and by mode of transport). These requirements consist of a "pre-advanced notification" before entry of the good into the country or before departure from the country of different information relating to the good.

The European Commission has issued clear statements that the simplified procedures for movement of goods under the UPU Convention will be eliminated. Furthermore a new Union Customs Code is being developed and will integrate security, safety and clearance parameters. A system with comparable features for cargo and express mail is under negotiation between postal operators and the UPU and in coordination with the WCO, ICAO and IATA. Such a system will require information to be provided prior to departure.

National legislation also specifies the respective responsibilities and obligations of customs and of the postal service in connection with customs treatment of postal items.

An increasing number of regulatory initiatives in aviation security also affect the postal industry. The primary source of international regulation comes from the International Civil Aviation Organization, a UN agency. Specific regulations also apply at the EU level (Regulation no. 300/2008 of March 11, 2008 and Regulation no. 185/2010 of March 4, 2010). Under the EU framework, all cargo and mail is subject to security controls prior to being loaded onto aircraft. National measures have been taken in this regard as well. In this respect, the United States Transportation Security Administration has implemented ancillary

legislation and regulations, which serve to add various levels of detailed requirements and procedures to the basic aviation security standards, some of which have a significant impact on airmail transport.

All of these initiatives, which are aimed at reinforcing security and safety, will be harmonized at international level in new standards that management expects will significantly affect the regulatory framework under which international postal operators conduct their business and operations.

6.2 Tax

VAT

On January 1, 2012, VAT at the standard rate of 21% was introduced on all postal services provided by bpost, except for the provision of services (and the supply of goods accessory to such services) covered by the USO.

Prior to that date, the postal services provided by bpost were exempt from VAT, under an exemption provided by the sixth VAT Directive of the EU (currently VAT Directive 2006/112) for public postal service (Art. 132, 1, (a) VAT Directive 2006/112).

The European Court of Justice (the "ECJ") ruled in 2009 (ECJ, April 23, 2009, C-357/07, TNTPost UK Ltd.) that the concept of public postal service in the sixth VAT Directive must be interpreted to cover postal operators, whether public or private, who undertake to provide, in an EU Member State, all or part of the USO. This implies that the VAT exemption should be applied to the supply of the USO by operators in their capacity as designated USO providers in respect of such services (other than passenger transport and telecommunications services and the supply of goods incidental thereto). The ECJ also ruled that the VAT exemption does not apply to supplies of services (or of goods incidental thereto) for which the terms have been individually negotiated.

The application of VAT as of 2012 to all postal services provided by bpost (except for the exempted postal services covered by the USO) may result in a loss of turnover earned from customers that are unable to recover part or all of the VAT on their expenditure (*e.g.*, private individuals, public authorities, banks, insurance companies, certain real estate companies and certain holding companies).

Local taxes on distribution of advertising mail

In Belgium, municipalities have the constitutional right to levy local taxes. Some of these relate to the distribution of unaddressed advertising or addressed advertising. The vast majority of Belgian municipalities levy local taxes on the distribution of unaddressed advertising in their territory. Such taxes are often levied in order to protect the environment by discouraging the distribution of printed advertisements. While the taxpayer is usually the publisher of the advertisements, bpost may be jointly liable towards the relevant municipality to pay such tax. Such local tax on the distribution of unaddressed advertising may adversely impact bpost's business by reducing the volume of unaddressed advertisements distributed or if bpost were to be held jointly liable to pay the local tax.

Recently, one municipality also began levying a tax on the distribution of addressed advertising. It is uncertain whether this tax is constitutional. However, there is a risk that in the future more municipalities may start introducing local taxes on addressed advertising. This may adversely impact bpost's business by reducing the volume of addressed advertisements distributed or if bpost were to be held jointly liable to pay the tax.

Real estate tax and local taxes applicable to bpost

Pursuant to the 1971 Law, the Company was assimilated into the Belgian state for purposes of taxes, rights and/or retributions imposed by the Belgian state, the provinces and the municipalities.

Such assimilation entailed a tax exemption for the Company from all state and local taxes, rights and retributions. The Company ceased to be assimilated to the Belgian state for VAT purposes as of January 1, 2005 and for Belgian corporate income tax purposes as of tax year 2007.

On January 25, 2012, the European Commission decided that the exemption of the Company from real estate withholding taxes (*précompte immobilier/onroerende voorheffing*) and local taxes constituted existing state aid under EU law. It is expected that the Belgian state will adopt legislation to eliminate these exemptions with a view towards subjecting the Company to: real estate withholding taxes and local taxes. Such legislation is expected to have retroactive effect from January 1, 2013 and will have a recurring financial impact on bpost, which management has estimated to be approximately €12 million per annum.

6.3 Data protection, direct marketing and mail secrecy

Data protection

bpost is subject to data protection legislation in relation to the processing of personal data in the context of carrying out its business (*e.g.*, for the purposes of employee, customer or supplier management and administration) or when selling personal data to a third party.

The processing of personal data (*i.e.*, any information relating to an identified or identifiable natural person) is currently regulated by EU Directive 95/46/EC of October 24, 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, which has been implemented in Belgium through the Law of December 8, 1992 on the protection of privacy in relation to the processing of personal data, which was amended by the Law of December 11, 1998 (the "Data Protection Law") and an implementing Royal Decree of February 13, 2001.

Personal data may only be processed if such processing is based upon one of the six "legal grounds" enumerated in the Data Protection Law (*e.g.*, consent of the data subject). Pursuant to the Data Protection Law, personal data must further be: (i) processed fairly and lawfully; (ii) collected for specific, explicit and legitimate purposes and not processed in a manner incompatible with those purposes; (iii) adequate, relevant and not excessive; (iv) accurate and, where necessary, up to date; and (v) kept in an identifiable form for no longer than necessary. In addition, personal data must be processed in accordance with the rights of the data subjects and appropriate technical and organizational security measures must be implemented to protect the personal data. The Data Protection Law also restricts the transfer of personal data to countries outside the EEA that do not offer an adequate level of protection of privacy.

The Commission for the Protection of Privacy (*Commission de la protection de la vie privée/Commissie voor de Bescherming van de Persoonlijke Levenssfeer*) (the "Commission") is an independent body established under the auspices of the Belgian House of Representatives and is the regulatory authority competent for data protection matters. bpost has regular interactions with the Commission on data protection issues arising in the normal course of business. In principle, every instance of processing personal data in a wholly or partially automated manner is subject to a prior notification with the Commission. Certain types of processing are however exempted from notification by the Royal Decree of February 13, 2001.

On January 25, 2012, the EU Commission published proposals with respect to the reform of the EU data protection framework. The proposals would substantially tighten the data protection regime, including by requiring explicit consent for the processing of personal data, which would need to be evidenced by a statement or clear affirmative action, and by introducing fines of up to 2% of the annual worldwide turnover of the relevant entity for non-compliance with these requirements.

Direct marketing

Pursuant to Article 12, §1 of the Data Protection Law, if personal data is obtained for the purposes of direct marketing, the data subject may object to the intended processing of personal data relating to him/her, free of charge and without reason ("opt-out"). Whereas for physical mail the "opt-out" applies, the use of electronic communication (*e.g.*, fax, automated calling systems, e-mail) for direct marketing purposes is subject to the prior consent of the addressee ("opt-in").

Furthermore, specifically in the context of postal operators, a new provision of the UPU Convention, adopted during the 25th Congress of the UPU in Doha in October 2012 that comes into force on January 1, 2014 provides that (i) personal data of users may be employed only for the purposes for which they were gathered, in accordance with applicable national legislation; (ii) personal data of users shall be disclosed only to third parties authorized by applicable national legislation to access them; (iii) member countries and their designated operators shall ensure the confidentiality and security of personal data of users, in accordance with their national legislation; and (iv) designated operators shall inform their customers as to how their personal data is used, and the purpose for which such data was gathered. Within the context of the Universal Postal Convention, "personal data" is defined as information needed to identify a postal service user. Activities such as list brokerage and the reselling of address data by postal operators for direct marketing purposes are subject to the aforementioned requirements.

Mail secrecy

As a postal operator, bpost is also subject to postal secrecy legislation. The secrecy of letters is protected by Article 8 of the European Convention on Human Rights and Article 29 of the Belgian Constitution. The confidentiality of correspondence is also an "essential requirement" under Directive 97/67/EC of

December 1, 1997. The Belgian Criminal Code imposes criminal sanctions on persons found guilty of disposing of a letter entrusted to a postal operator or opening such a letter. In addition, the 1971 Law imposes criminal sanctions upon the employees of postal operators who violate the confidentiality of correspondence by opening, disposing of or disclosing the existence of correspondence entrusted to a postal operator. Legal exceptions to the aforementioned principles do however exist.

Registered e-mail legislation

On December 13, 2010, a law providing an explicit legal framework for registered e-mail was introduced. This law was intended to modify the law of July 9, 2001 on e-signatures and certification services. The law introduced definitions for registered e-mail and "hybrid" registered mail (*i.e.*, registered e-mail which is, at the sender's request, duplicated in paper and put in an envelope for distribution) and provided that service providers need not obtain a prior authorization to serve registered e-mails, but rather would need to comply with the requirements set forth in Annex V to the law, including, among others, service reliability; adequate timestamps; identification of the addressee of the registered e-mail; the storage and accessing of data only as required to perform the service; the employment of specialized staff and sufficient financial means. In addition, the law established a liability regime whereby service providers are liable for harm resulting from non-compliance with the requirements of Annex V, except to the extent they are able to prove that they were not negligent. The law introduced on December 13, 2010 was subsequently withdrawn by a law dated May 31, 2011. In order to give registered e-mail the same legal status as registered mail, a new legislative initiative would need to be taken. On July 26, 2011, the Belgian parliament notified to the European Commission a new law for registered e-mail that largely tracked the previous law. bpost may lose registered mail volumes as a result of the enactment of such legislation.

E-invoicing

As a result of the implementation of several Council Directives, Belgian VAT legislation was modified in different stages to permit e-invoices. E-invoices may be sent in any electronic form. The legislative steps taken to permit e-invoices may result in further decreases in paper invoicing.

6.4 Environmental laws

In Belgium, the regions have power to regulate environmental matters. The three regions have provided for rules requiring operators of certain listed activities to operate such activities in accordance with a prior environmental permit and in compliance with environmental regulations.

Waste regulations have been adopted in the three regions, implementing the European Directives relating to waste, among other initiatives. The objectives of the waste regulations are to protect the environment and human health by preventing or reducing the adverse impacts of waste generation and management. Waste management should apply the imposed waste management hierarchy, giving priority to waste prevention. In all regions, non-compliance with waste regulations can give rise to criminal or administrative sanctions.

With regard to the prevention of paper waste, Belgium's three regions have adopted rules aimed at reducing waste caused by free publications distributed through mailboxes. These rules generally provide that free publications must not be distributed to mailboxes with DoNotMailMe stickers. The rules differ across the three regions. Whether free publications will be prohibited depends upon the commercial purpose of the product, the frequency of publication, the proportion of general information available in the publication and whether the product is addressed or unaddressed. These criteria are given different weight across the three regions. In the case of non-compliance with DoNotMailMe stickers, the recipient of free publications or any interested party may file a complaint with the regional government agency in charge of environmental matters.

Applicable environmental regulations also impose certain obligations on the producers of publications containing advertising. Any producer of such publications (*i.e.*, the entity that is responsible for printing and for the content and form of the publications) must take steps to prevent waste (*e.g.*, through the design of the product), must recycle a certain minimum percentage of waste paper, and must bear financial responsibility for the costs associated with prevention and management of the waste.

In Belgium, the regions have powers in respect of matters relating to land planning (including permits and zoning). Construction or transformation works require a prior building permit that may only be granted if such works are in compliance with the regulated used of the land, as set out in the appropriate zoning plans.

7 Status as an Autonomous Public Sector Enterprise

7.1 General

The Company is an autonomous public sector enterprise within the meaning of the 1991 Law, which has adopted the legal form of a limited liability company under public law organized under the laws of Belgium (*société anonyme de droit public/naamloze vennootschap van publiek recht*). It is governed by the Belgian laws applicable to all private limited companies save to the extent that the 1991 Law, or other laws or regulations adopted pursuant thereto, provide otherwise.

The 1991 Law differs from ordinary Belgian corporate and other laws in certain important respects, including with respect to (i) the appointment of directors; (ii) the composition and functioning of the Board of Directors and the management of the Company; (iii) shareholder structure and share capital and changes thereto; (iv) the distribution of profits; (v) the status of employees and the forum for and scope of collective bargaining; (vi) the supervision by the Belgian state through a Government Commissioner; (vii) the appointment of the Company's board of auditors; and (viii) compliance with public procurement laws. The Company is also subject to a specific insolvency and liquidation regime and some of its assets may not be subject to enforcement measures by creditors. For further details about these provisions, see "*Part XII: Management and Corporate Governance*" and "*Part XIV: Description of Share Capital, Articles of Association and Group Structure*."

7.2 Principles of public and administrative law and public procurement rules

As an autonomous public sector enterprise, the Company is also required to comply with certain provisions and principles of Belgian public and administrative law such as the obligation to disclose certain documents and records in order to comply with the legislation on administrative transparency, the obligation to state explicit reasons for its decisions and the obligation to comply with rules on the use of languages in administrative matters.

It is also subject to public procurement law and is required to comply with this legislation for the award of certain contracts. Different rules apply depending on whether or not these contracts relate to postal services and, if they relate to postal services, whether or not they relate to the public service missions (USO and SGEIs) of the Company. Contracts for works, supplies and certain listed services relating to the USO or the SGEIs are in principle subject to public procurement rules. Contracts for works, supplies and certain listed services that do not relate to the USO or the SGEIs will only be subject to public procurement rules when their estimated value exceeds the European thresholds for such contracts. For any contract relating to the USO and the SGEIs, whether or not subject to the public procurement rules, it must also comply with principles of good public governance.

8 Regulatory Stability

The Shareholders' Agreement contains a hardship clause for the benefit of the Company. This clause applies to any legislative or regulatory changes made prior to January 1, 2016 by the Belgian state at the federal level which would make it impossible for the Company to implement any of the essential elements set out in its business plan in a way that would reasonably be expected to cause a material adverse effect to the Company. A material adverse effect is deemed to arise under the hardship clause in the case of a one-time or recurring loss of net income (after taking into account all costs avoided and on an after-tax basis) which, discounted to present value at 10%, exceeds €100 million.

If the hardship clause is triggered, under certain conditions the Belgian state (where appropriate following arbitration and/or the determination of the adequacy of compensation by a third party) shall compensate the Company, unless the Belgian state subsequently notifies the Company that the relevant legislative or regulatory measure will be repealed or amended so as to eliminate the material adverse effect on the Company.

The hardship clause does not apply in respect of (i) legislative or regulatory measures that apply generally to objectively distinguishable groups of companies and not solely, legally or factually to the Company; (ii) legislative or regulatory measures that are required to be taken pursuant to EU law or other international treaty obligations of the Belgian state; (iii) legislative or regulatory measures specifically announced prior to March 25, 2013; (iv) decisions of the judiciary; or (v) decisions taken by supervisory authorities in furtherance of compliance with existing laws and regulations.

The hardship clause is expected to become effective on the date of the distribution resulting from the capital reduction described in "*Part VI: Capitalization and Indebtedness*." See "*Part XIII: Principal and Selling Shareholders and Related Party Transactions — 1. Shareholders' Agreement*." The hardship clause shall survive any termination of the Shareholders' Agreement.

PART X: SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OPERATING DATA

The selected consolidated financial information presented below as of and for the three months ended March 31, 2013 and 2012 has been derived from bpost's unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2013. The selected consolidated financial information as of and for the years ended December 31, 2012, 2011 and 2010 has been derived from its audited consolidated financial statements as of and for the years ended December 31, 2012, 2011 and 2010, which have been audited by Ernst & Young Bedrijfsrevisoren BV CVBA and PVMD Bedrijfsrevisoren-Reviseurs d'Entreprises SC SCRL. The consolidated financial statements of bpost have been prepared in accordance with IFRS, on a voluntary basis. bpost has included its results of operations by operating segment for the first time in its audited financial statements covering the years ended December 31, 2012, 2011 and 2010. It has also included its results of operations by operating segment in "Part XI: Operating and Financial Review and Prospects." It has elected to present its results of operations by operating segment according to both the decision-making organizational unit that was in force from 2010 to 2012 and the new decision-making organizational structure that was in place as from January 1, 2013 in order to facilitate comparability. The operating segments are the lowest level at which performance is assessed by the Chief Operating Decision Maker under the definition of IFRS 8.22. The Chief Operating Decision Maker is the Board of Directors. See "Presentation of Financial and Other Information."

The selected consolidated financial information presented below should be read in conjunction with "Part XI: Operating and Financial Review and Prospects" and bpost's unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2013 and its audited consolidated financial statements as of and for the years ended December 31, 2012, 2011 and 2010, each included elsewhere in this Prospectus.

Consolidated Income Statement Data

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions)		
Turnover	613.6	612.1	2,396.0	2,342.3	2,279.0
Other operating income	19.1	4.4	19.8	22.3	38.7
Total operating income	632.7	616.5	2,415.7	2,364.6	2,317.8
Materials cost	(7.8)	(8.4)	(34.6)	(32.0)	(27.3)
Services and other goods	(149.8)	(136.5)	(602.8)	(570.4)	(545.1)
Payroll costs	(306.4)	(307.0)	(1,238.5)	(1,288.1)	(1,314.5)
Other operating expenses	5.6	(6.1)	(118.9)	(313.5)	6.6
Total operating expenses excluding depreciations/ amortizations	(458.4)	(457.9)	(1,994.8)	(2,204.0)	(1,880.3)
EBITDA	174.3	158.5	420.9	160.6	437.5
Depreciation, amortization	(20.7)	(21.3)	(98.0)	(91.3)	(115.0)
Profit from operating activities (EBIT)	153.5	137.3	323.0	69.2	322.4
Financial income	0.8	2.6	6.8	14.4	11.1
Financial cost	(2.4)	(9.5)	(60.6)	(19.7)	(31.7)
Share of profit of associates	2.5	3.0	3.5	2.2	13.3
Profit before tax	154.4	133.4	272.7	66.0	315.0
Income tax expense	(55.0)	(43.9)	(98.5)	(123.4)	(105.4)
Profit from continuing operations	99.4	89.6	174.2	(57.4)	209.6

Selected Consolidated Statement of Financial Position Data

	As of March 31, 2013[1]	As of December 31,		
		2012	2011	2010
		(€ millions)		
Total non-current assets	1,140.0	1,112.8	854.5	925.7
Total current assets	1,306.7	1,115.3	1,548.4	1,547.8
Total assets	2,446.7	2,228.1	2,402.9	2,473.5
Total equity	683.8	737.7	777.3	1,114.3
Total non-current liabilities	579.2	573.1	565.0	578.6
Total current liabilities	1,183.8	917.3	1,060.5	780.6
Total liabilities	1,762.9	1,490.4	1,625.5	1,359.2

Note:

(1) For details of the effects on the statement of financial position resulting from the exceptional dividend of €53.5 million to the Company's existing shareholders prior to the Closing Date, which is expected to be approved by an extraordinary Shareholders' Meeting to be held on or around June 7, 2013, and the distribution resulting from the capital reduction of €144.5 million approved by the extraordinary Shareholders' Meeting on March 25, 2013, see "*Part VI: Capitalization and Indebtedness*."

Selected Consolidated Statement of Cash Flows Data

	Three months ended March 31,		Year ended December 31,		
	2013	**2012**	**2012**	**2011**	**2010**
			(€ millions)		
Net cash from operating activities	196.4	117.8	71.3	296.3	154.6
Net cash used in investing activities	(27.1)	(18.6)	(88.1)	(70.1)	(42.2)
Net cash used in financing activities[1]	(0.1)	(0.2)	(412.5)	(230.7)	(171.2)

Note:

(1) Investment securities meet the definition of cash & cash equivalents as per IAS 7.

Other Financial Data

Management believes that bpost's operating performance cannot be measured solely on the basis of its reported IFRS historical financial information. bpost measures its financial performance using financial measures that are not defined under IFRS, such as EBIT, EBITDA and operating free cash flow. bpost also analyzes the performance of its activities on a normalized basis. Normalized financial measures have been adjusted for elements that are considered to be non-recurring by bpost. 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 recurring or non-recurring and if it is significant enough to be excluded from the reported figures to obtain the normalized figures. A non-recurring item is deemed to be significant if it amounts to €20 million or more. All profits or losses on disposals of activities are normalized regardless of the amount they represent. Reversals of provisions whose addition had been normalized from income are also normalized regardless of the amount they represent. All other normalizations must both be non-recurring and must amount to €20 million or more.

The presentation of normalized results is not in conformity with IFRS and is not audited. The normalized results may not be comparable to normalized figures reported by other companies as those companies may compute their normalized figures differently from bpost. Normalized financial measures are presented below.

	Three months ended March 31,		Year ended December 31,		
	2013	**2012**	**2012**	**2011**	**2010**
		(€ millions, except as otherwise noted)			
Normalized total operating income[1]	618.1	616.5	2,415.7	2,364.6	2,317.8
Normalized total operating expenses excluding depreciation, amortization[2]	458.4	457.9	1,913.7	1,914.6	1,883.5
Normalized profit from operating activities (Normalized EBIT)[3]	138.9	137.3	404.1	358.6	319.2
Normalized EBIT margin[4]	22.5%	22.3%	16.7%	15.2%	13.8%
EBITDA[5]	174.3	158.5	420.9	160.6	437.5
Normalized EBITDA[6]	159.7	158.5	502.0	450.0	434.3
Normalized EBITDA margin[7]	25.8%	25.7%	20.8%	19.0%	18.7%
Normalized profit for the year[8]	92.1	89.6	227.7	227.1	207.5
Operating free cash flow[9]	169.3	99.2	(16.8)	226.2	112.4
Normalized operating free cash flow[10]	258.2	374.2	284.1	226.2	224.7
Normalized operating free cash flow/normalized EBITDA	161.6%	236.1%	56.6%	50.3%	51.7%
Normalized operating free cash flow/normalized total operating income	41.8%	60.7%	11.8%	9.6%	9.7%
Earnings per share (€)[11]	241.56	219.03	425.78	(140.34)	510.45

Notes:

(1) Normalized total operating income represents total operating income excluding the impact of non-recurring items and is not audited.

(2) Normalized total operating expenses excluding depreciation, amortization represents operating expenses excluding depreciation, amortization and the impact of non-recurring items and is not audited.

(3) Normalized EBIT represents profit from operating activities excluding the impact of non-recurring items and is not audited.
(4) Normalized EBIT margin represents normalized EBIT divided by normalized total operating income and is not audited.
(5) EBITDA represents EBIT plus depreciation and amortization.
(6) Normalized EBITDA represents EBITDA excluding the impact of non-recurring items and is not audited.
(7) Normalized EBITDA margin represents normalized EBITDA divided by normalized total operating income and is not audited.
(8) Normalized profit for the year represents profit for the year excluding the impact of non-recurring items and is not audited.
(9) Operating free cash flow represents net cash from operating activities less net cash used in investing activities and is not audited.
(10) Normalized operating free cash flow for the year represents operating free cash flow for the year excluding the impact of non-recurring items and is not audited.
(11) In accordance with IAS 33, basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. A stock split was approved at the Extraordinary Shareholders' Meeting on May 27, 2013. Taking into the account the effect of the stock split, which resulted in a total of 200,000,944 Shares, earnings per share for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010 would have been €0.50, €0.45, €0.87, negative €0.29 and €1.05, respectively. For more detail on how earnings per share is calculated, see "*Part XI: Operating and Financial Review — 8. Events After the Statement of Financial Position Date.*"

Reconciliations of Normalized Financial Measures

The reconciliation of total operating income to normalized total operating income, total operating expenses to normalized total operating expenses, profit from operating activities to normalized EBIT, EBITDA to normalized EBITDA, profit for the period to normalized profit for the period and net cash from operating activities to operating free cash flow and normalized operating free cash flow are set forth below:

Reconciliation of normalized total operating income, normalized total operating expenses, normalized EBIT, normalized EBITDA and normalized profit for the period

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
	(€ millions, unaudited)				
Total operating income	632.7	616.5	2,415.7	2,364.6	2,317.8
Disposal of selected activities of Certipost	(14.6)[1]	—	—	—	—
Normalized total operating income	618.1	616.5	2,415.7	2,364.6	2,317.8

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
	(€ millions, unaudited)				
Total operating expenses excluding depreciation, amortization	458.4	457.9	1,994.8	2,204.0	1,880.3
Non-recurring payroll costs	—	—	21.1[2]	9.6[3]	3.2[4]
Non-recurring other operating charges	—	—	(102.2)[5]	(299.0)[6]	—
Normalized total operating expenses excluding depreciation, amortization	458.4	457.9	1,913.7	1,914.6	1,883.5

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
	(€ millions, unaudited)				
Profit from operating activities (EBIT)	153.5	137.3	323.0	69.2	322.4
Disposal of selected activities of Certipost	(14.6)[1]	—	—	—	—
Provisions relating to the decision of the European Commission	—	—	124.9[7]	299.0[6]	—
Collective Labor Agreement	—	—	—	—	27.3[8]
Pending litigation provision	—	—	(22.7)[9]	(9.6)[3]	(9.3)[3]
Modifications in employee benefit schemes	—	—	(21.1)[2]	—	(21.2)[10]
Normalized profit from operating activities (Normalized EBIT)	138.9	137.3	404.1	358.6	319.2

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
	(€ million, unaudited)				
EBITDA	174.3	158.5	420.9	160.6	437.5
Disposal of selected activities of Certipost	(14.6)(1)	—	—	—	—
Provisions relating to the decision of the European Commission	—	—	124.9(7)	299.0(6)	—
Collective Labor Agreement	—	—	—	—	27.3(8)
Pending litigation provision	—	—	(22.7)(9)	(9.6)(3)	(9.3)(3)
Modifications in employee benefit schemes	—	—	(21.1)(2)	—	(21.2)(10)
Normalized EBITDA	159.7	158.5	502.0	450.0	434.3

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
	(€ millions, unaudited)				
Profit for the year	99.4	89.6	174.2	(57.4)	209.6
Disposal of selected activities of Certipost	(14.6)(1)	—	—	—	—
Provisions relating to the decision of the European Commission	—	—	82.5(7)	290.8(6)	—
Collective Labor Agreement	—	—	—	—	18.0(8)
Pending litigation provision	—	—	(15.0)(9)	(6.3)(3)	(6.1)(3)
Modifications in employee benefit schemes	—	—	(14.0)(2)	—	(14.0)(10)
Tax expense from use of legal reserves	7.3(11)		—	—	—
Normalized profit for the year	92.1	89.6	227.7	227.1	207.5

Notes:

(1) The amount of €14.6 million relates to the gain on the disposal of selected activities of Certipost to Basware. This disposal does not generate a tax charge, given that Certipost has tax losses carried forward and that no deferred tax asset was ever recorded.

(2) A collective labor agreement covering the period from 2012 to 2013 was signed between the Company and representatives of the workforce in March 2012. The agreement included a measure limiting the quota for sick days for statutory employees to 63 days instead of 300 days in exchange for a payment in respect of compensation for the days exceeding the new quota. The impact of this agreement is a reduction of the related plan and has led to the recognition of an actuarial gain (shown as negative personnel expenses) of €21.1 million in 2012 (2011: €0 million). This gain has been considered as non-recurring and is excluded from the normalized results. The impact of this gain on the earnings after tax amounted to €14.0 million.

(3) Reversals from the provision for litigation of €9.6 million and €9.3 million were recorded in 2011 and 2010, respectively, as some payroll-related risks were definitively resolved. The reversals were considered as non-recurring as the addition to the provision had also been reported as non-recurring.

(4) The amount of €3.2 million is equal to the sum of the amounts described in notes (8), (3) and (10):
- negative €27.3 million: a non-recurring provision related to a scheme under which employees who will reach the age of 58 by December 31, 2012 and who work in departments that have been designated at the discretion of the Company as being under restructuring, who belong to certain job categories designated by the Company and who are not replaced will have the possibility to apply for early retirement;
- positive €9.3 million: a non-recurring pending litigation provision recorded prior to 2009 that related to payroll matters was re-measured in 2010 and was reduced by an amount of €9.3 million;
- positive €21.2 million: non-recurring income related to changes in the rules of the employee benefits plan relating to the quota for sick days. The changes altered the amount of guaranteed salary. These changes were approved as part of the adoption of a collective labor agreement.

(5) The amount of €102.2 million is equal to the sum of the amounts described in notes (7) and (9):
- a non-recurring provision of €124.9 million in respect of the overcompensation for the years 2010-2011;
- a reversal of a non-recurring provision booked in 2009 and related to a pending litigation: negative €22.7 million. The provision covered a risk of litigation relating to off-balance sheet transaction. The matter has been definitively resolved in 2012 and the provision was reversed.

(6) In 2011, the Company recorded a provision in the amount of €299.0 million to cover the financial impact of the European Commission's January 25, 2012 decision in relation to the state aid investigation covering the period from 1992 to 2010. The provision was based on an estimate of the net amount to be recovered and was recorded as a net amount (*i.e.*, after deduction of corporate taxes) as it was agreed with the Belgian state that the repayment would be the net overcompensation (*i.e.*, after deduction of corporate taxes). Only interest was recorded on a gross basis (*i.e.*, before deduction of corporate taxes). In May 2012, the Belgian state confirmed to the Company the exact amount to be reimbursed by the Company (i.e., €300.8 million, including interest and net of taxes). This amount was recognized as a disallowed expense for tax purposes.

(7) In 2012, management estimated the amount corresponding to the overcompensation that it would be required to repay in respect of 2011 and 2012 and the Company recorded a provision of €124.9 million in respect of those years (which included interest). This provision was recorded gross of corporate taxes as it was agreed with the Belgian state that the repayment would be the gross overcompensation (*i.e.*, before deduction of corporate taxes). The impact of this provision on profit after tax amounted to €82.5 million. On May 2, 2013 the European Commission approved the state aid granted to the Company under the terms of the Fifth Management Contract. In connection with this approval the Belgian state committed to the European Commission to recover €123.0 million (including interest but excluding taxes) from the Company in relation to 2011 and 2012. The Company has agreed with the Belgian state to repay this amount under certain conditions. In anticipation of the amount due (*i.e.*, €123.1 million following the final computation of interest), the Belgian state withheld in the first quarter of 2013 an amount equal to €88.9 million from the outstanding balance of state compensation due in respect of 2012 under the Fourth Management Contract. The balance due in the amount of €34.2 million is expected to be paid by the Company on or about June 7, 2013. For details on the provisions related to the decision of the European Commission, see "*Part VIII: "Business — 16. Legal Proceedings — 16.1 State aid.*"

(8) In December 2010, the Company announced its intention to introduce a scheme under which employees who will reach the age of 58 by December 31, 2012, who work in certain departments which have been designated as being under restructuring and who are not replaced will have the possibility to apply for early retirement. In January 2011, the representatives of the workforce and the company approved the proposed scheme. The cost of the scheme was estimated at €27.3 million and a non-recurring charge of that amount was recorded in the 2010 income statement, given its significant impact in the Company's financial statements. From 2010 to 2012, this was by far the largest transformation plan and impacted several departments simultaneously. As far as the subsequent early retirement plans are concerned, their impact and scope was significantly reduced and most importantly they were part of the ordinary course natural attrition. However, it is clear that the Company does not negotiate such schemes with the labor unions on a systematic basis, but rather depending on the circumstances at a certain point in time.

(9) The amount of €22.7 million refers to the reversal of a pending litigation provision recorded in the past to cover a risk of litigation relating to off-balance sheet transactions conducted prior to 2010. As the matter was definitively resolved in the course of 2012, the provision was no longer necessary and was reversed. This reversal is considered to be a non-recurring item. The impact of this reversal on 2012 profit after tax amounted to €15.0 million.

(10) The Company has performed the periodic review of the accounting estimates relating to its liabilities for employee benefits. This review has led to the recognition of a non-recurring income (shown as negative personnel expenses) of €21.2 million. In 2010, the source of the non-recurring income related to changes in the rules of a plan (the "guaranteed" salary for the beneficiaries was 75% rather than 71%) as additional and improved data became available and were used for the computation. The impact of this non-recurring income on profit after tax amounted to €14.0 million.

(11) Tax expense from use of legal reserves represents the impact of the transfer of €21.3 million in legal reserves to available reserves.

Reconciliation of normalized operating free cash flow

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions)		
Net cash from operating activities	196.4	117.8	71.3	296.3	154.6
Net cash used in investing activities	(27.1)	(18.6)	(88.1)	(70.1)	(42.2)
Operating free cash flow	169.3	99.2	(16.8)	226.2	112.4
Advances received from the Belgian state — repayment in 2010	—	—	—	—	84.3[1]
Deposits received from third parties — termination in 2010	—	—	0.1[2]	—	28.0[2]
Payment relating to the decision of the European Commission	88.9[3]	275.0[4]	300.8[4]	—	—
Normalized operating free cash flow	258.2	374.2	284.1	226.2	224.7

Notes:

(1) The amount of €84.3 million relates to the non-recurring repayment of advances received from the Belgian state as part of the cash management arrangements between bpost and the Treasury of the Belgian state. As the scheme was wound up in 2010, the advances were repaid.

(2) The amounts of €28.0 million and €0.1 million in 2010 and 2012 relate to the non-recurring repayment of deposits received from third parties. Under the cash management arrangements between bpost and the Treasury of the Belgian state, bpost was required to accept overnight deposits from third parties. As the scheme was wound up in 2010, bpost repaid the overnight deposits to the third parties.

(3) The amount of €88.9 million relates to the non-recurring payment of the alleged overcompensation for which a provision of €124.9 million was recorded in 2012 with respect to alleged overcompensation of SGEIs over the period from 2011 to 2012. In anticipation of the amount due (*i.e.*, €123.1 million following the final computation of interest), the Belgian state withheld in the first quarter of 2013 an amount equal to €88.9 million from the outstanding balance of state compensation due in respect of 2012 under the Fourth Management Contract. The balance due in the amount of €34.2 million is expected to be paid by the Company on or around June 7, 2013.

(4) The amounts of €300.8 million and €275.0 million relate to the non-recurring payment of the overcompensation for which a provision of €299.0 million was recorded in 2011 with respect to alleged overcompensation of SGEIs for over the period from 1992 to 2010.

Operating Segment Data

MRS Operating Segment

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions)		
Operating income	520.0	519.5	2,052.0	2,033.2	2,015.4
EBIT	145.8	132.4	362.7	146.1	399.2
Normalized EBIT	131.2	132.4	468.7	436.1	396.0

The reconciliation of profit from operating activities to normalized EBIT for the MRS operating segment is set forth below:

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions, unaudited)		
Profit from operating activities (EBIT)	145.8	132.4	362.7	146.1	399.2
Provisions relating to the decision of the European Commission	—	—	124.9	299.0	—
Collective Labor Agreement	—	—	—	—	24.7
Pending litigation provision	—	—	—	(9.0)	(8.7)
Modifications in employee benefit schemes	—	—	(18.9)	—	(19.2)
Disposal of selected activities of Certipost	(14.6)	—	—	—	—
Normalized profit from operating activities (EBIT)	131.2	132.4	468.7	436.1	396.0

P&I Operating Segment

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions)		
Operating income	98.3	82.3	342.6	318.3	283.8
EBIT	4.3	6.4	6.6	10.5	(4.1)
Normalized EBIT	4.3	6.4	4.5	10.2	(3.8)

The reconciliation of profit from operating activities to normalized EBIT for the P&I operating segment is set forth below:

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions, unaudited)		
Profit from operating activities (EBIT)	4.3	6.4	6.6	10.5	(4.1)
Collective Labor Agreement	—	—	—	—	2.4
Pending litigation provision	—	—	—	(0.3)	(0.3)
Modifications in employee benefit schemes	—	—	(2.1)	—	(1.8)
Normalized profit from operating activities (Normalized EBIT)	4.3	6.4	4.5	10.2	(3.8)

Corporate Reconciliation Category

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions)		
Operating income	14.4	14.7	21.1	13.0	18.6
EBIT	3.4	(1.6)	(46.3)	(87.4)	(72.8)
Normalized EBIT	3.4	(1.6)	(69.1)	(87.6)	(73.0)

The reconciliation of profit from operating activities to normalized EBIT for the Corporate reconciliation category is set forth below:

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions, unaudited)		
Profit from operating activities (EBIT)	3.4	(1.6)	(46.3)	(87.4)	(72.8)
Collective Labor Agreement	—	—	—	—	0.2
Pending litigation provision	—	—	(22.7)	(0.2)	(0.2)
Modifications in employee benefit schemes	—	—	(0.1)	—	(0.2)
Normalized profit from operating activities (Normalized EBIT)	3.4	(1.6)	(69.1)	(87.6)	(73.0)

Operating and Other Data

	As of and for the three months ended March 31,		As of and for the year ended December 31,		
	2013	2012	2012	2011	2010
Change in domestic mail volumes (%)	(5.6)	(3.3)	(3.5)	(2.0)	(0.5)
Change in transactional mail volumes (%)	(4.5)	(2.0)	(3.3)	(1.9)	(0.4)
Change in advertising mail volumes (%)	(10.9)	(7.7)	(5.8)	(5.2)	—
Change in press volumes (%)	(2.2)	(1.8)	(1.0)	—	(1.0)
Change in parcels volumes (%)[(1)]	10.2	0.8	4.7	15.8	5.0
Number of post offices	669	675	670	676	690
Number of PostPoints	658	679	670	697	704
Number of FTEs (at period end)	25,497	26,788	25,705	27,258	28,616
Number of FTEs (average)	25,499	26,915	26,625	27,973	29,311

Note:

(1) Parcels volumes in 2010 and 2009 exclude the impact of the consolidation of Express Road, Courier Network System and MG Road Express, which were acquired in 2009.

PART XI: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following is a discussion and analysis of the financial condition and results of operations of bpost, based on the unaudited interim condensed consolidated financial statements of bpost as of and for the three months ended March 31, 2013 and the audited consolidated financial statements of bpost as of and for the years ended December 31, 2012, 2011 and 2010, which, in each case, have been prepared in accordance with IFRS, on a voluntary basis. bpost has included its results of operations by operating segment for the first time in its audited financial statements covering the years ended December 31, 2012, 2011 and 2010. It has also elected to present its results of operations by operating segment according to both the decision-making organizational unit that was in force from 2010 to 2012 and the new decision-making organizational structure that was in place as from January 1, 2013 in order to facilitate comparability. The operating segments are the lowest level at which performance is assessed by the Chief Operating Decision Maker under the definition of IFRS 8.22. The Chief Operating Decision Maker is the Board of Directors. See "Presentation of Financial and Other Information." This discussion should be read in conjunction with the selected historical consolidated financial information and bpost's consolidated financial statements and the accompanying notes thereto included elsewhere in this Prospectus.

Some of the information contained in the following discussion contains forward-looking statements that are based on assumptions and estimates and are subject to risks and uncertainties. Investors should read the section entitled "Forward-Looking Statements" for a discussion of the risks and uncertainties related to these statements. Investors should also read the "Part II: Risk Factors" for a discussion of certain factors that may affect bpost's business, financial condition or results of operations.

1 Overview

bpost is the leading postal operator in Belgium. Its core business is collecting, sorting, transporting and delivering letters and parcels. bpost also positions itself as a supplier of integrated solutions and its product portfolio encompasses products and services in the areas of document management and value-added services. bpost also offers banking and insurance products on behalf of bpost bank, an associate of the Company whose other shareholder is BNP Paribas Fortis, and also offers its own public and commercial payment services. As of December 31, 2012, bpost served its customers through 1,340 points of sale, including 670 post offices and 670 PostPoints. During 2012, it handled an average of 10.5 million mail items per day and an average of 100,000 parcels per day. bpost also has international mail and parcels subsidiaries in North America, the United Kingdom, China, Hong Kong and Singapore. In 2012, 93.5% of bpost's total operating income was derived from Belgium or from Belgian customers.

Effective January 1, 2013, bpost operates its business through the following two business units, which are also operating segments for financial reporting purposes (see "*— 4. Organization and Operating Segments*"):

- the Mail and Retail Solutions unit (MRS), which focuses on the sale of mail products and manages relationships with business and residential customers. Large business customers are served through dedicated account managers serving different portfolios of customers. Residential and small business customers are served through bpost's "mass channels," including post offices, PostPoints, bpost's eShop, stamp distributors and the Contact Center. The MRS business unit also offers banking and insurance products on behalf of bpost bank and offers certain other financial services; and
- the Parcels & International unit (P&I), which specializes in parcels (domestic and international) and international mail and e-commerce logistics solutions (including fulfillment, handling, delivery and return management).

The MRS business unit and the P&I business unit accounted for 82.2% and 15.5% of bpost's consolidated total operating income for the three months ended March 31, 2013 and 84.9% and 14.2% of its consolidated total operating income for the year ended December 31, 2012, respectively. The remaining portion of consolidated total operating income was attributable to the Corporate reconciliation category.

2 Recent Developments

Results through April 30, 2013, and in particular the decline in domestic mail volumes of approximately 4% from January 1, 2013 through April 30, 2013, are in line with management's expectations and strategy. The evolution of domestic mail volumes is broadly in line with last year's trends and the other product lines are progressing in line with expectations. Parcels turnover continues to evolve positively. Costs remain under control.

On May 2, 2013, the European Commission announced that it had approved the Fifth Management Contract as notified by the Belgian state to the European Commission for approval between the Belgian state and the Company. The Fifth Management Contract entrusts a number of SGEIs to the Company for a period up to December 31, 2015. The Fifth Management Contract also determines the compensation that the Company will receive to perform those services. The Company and the Belgian state are expected to enter into the Fifth Management Contract on or around June 7, 2013.

3 Key Factors Affecting Results of Operations

During each of the periods under review, bpost's operating income and normalized EBIT have increased despite decreases in addressed mail volumes. Its total operating income increased to €632.7 million for the three months ended March 31, 2013 from €616.5 million for the three months ended March 31, 2012 and its normalized EBIT increased to €138.9 million from €137.3 million over the same periods. Total operating income increased to €2,415.7 million in 2012 from €2,364.6 million in 2011 and €2,317.8 million in 2010 and normalized EBIT increased to €404.1 million in 2012 from €358.6 million in 2011 and €319.2 million in 2010. bpost increased its normalized operating income in each of these periods primarily through price increases across the product lines, including those covered by the price cap formula, as well as the introduction of new products and services and acquisitions, which mitigated the effect of lower mail volumes. The continued implementation of productivity enhancement initiatives also contributed to its ability to increase normalized EBIT. Regulation also has an impact on bpost's ability to increase normalized EBIT.

In future periods, bpost's ability to achieve further increases in normalized EBIT will continue to be directly affected by declines in mail volumes. If mail volumes decline at rates that exceed the moderate rates of decline bpost has experienced in the past (or if there is a significant change in the mix of the products accounting for the decline in volumes), bpost may not be able to reduce costs sufficiently or introduce other measures to achieve increases in these metrics.

bpost's business is characterized by certain foreseeable fluctuations (such as revenue growth during the end of the year and revenue decline during the summer), as well as certain other factors that are not fully foreseeable. The first and last quarters have historically been the quarters with the highest operating income for bpost. It is not possible to simply multiply the results for the first quarter as an indicator of full year results.

Mail volumes

bpost's results of operations are affected by trends in volumes of mail. bpost has experienced a relatively modest but sustained decline in mail volumes during the past decade. Management estimates that volumes of domestic mail fell on average by approximately 2.5% per annum for the period from 2008 to 2012, with declines of approximately 3.5%, 2.0%, 0.5%, 4.0% and 2.0% in 2012, 2011, 2010, 2009 and 2008, respectively, largely due to electronic substitution. For the three months ended March 31, 2013, volumes of domestic mail fell by approximately 5.6% compared to the three months ended March 31, 2012. bpost's different product lines have been affected to varying degrees by electronic substitution.

bpost's volumes of transactional mail (which includes daily mail, registered mail, outbound social mail and administrative mail) declined by 4.5%, 3.3%, 1.9% and 0.4% in the first quarter of 2013 and in 2012, 2011 and 2010, respectively. Within transactional mail, bpost has experienced the largest declines in daily mail and outbound social mail, while administrative mail volumes have been more stable. Volumes of daily mail and outbound social mail have been adversely affected by customers' increasing use of e-mail, text messaging and social media. Although the impact of electronic substitution on administrative volumes has been less pronounced, the rate of decline may in the future be adversely affected by e-government initiatives or other measures introduced by the Belgian state or any other public authority that encourage electronic substitution, as well as by initiatives in the private sector. Legislation granting registered e-mail the same legal status as registered mail could also affect volumes of registered mail sent by bpost's clients.

bpost's volumes of advertising mail (which includes direct mail and unaddressed mail) declined by 10.9%, 5.8% and 5.2% in the first quarter of 2013 and in 2012 and 2011, respectively, after having remained stable in 2010. Advertising mail volumes are affected by the evolution of investments in advertising. During the past few years, advertisers have generally shifted spending towards the Internet and other electronic media, while the share of paper-based advertising has decreased. Investments in advertising may also be affected by economic conditions. During times of economic distress, volumes of advertising mail may decline as customers reduce their advertising budgets and/or shift their spending to media other than paper. In addition,

opt-in legislation or any similar legislation that requires explicit prior consent of the addressee for the use of personal data, could, if introduced, contribute to a significant decline in advertising mail volumes.

bpost's cost base is relatively fixed in nature and, as a result, its margins will be affected by declines in mail volumes if it does not reduce its costs. In the past few years, it has largely been successful in doing this. While mail volumes have declined and turnover has increased only slightly, bpost's normalized EBIT, normalized EBITDA and normalized profit from operating activities have increased during each of the periods under review.

Pricing

Pursuant to the 1991 Law, tariffs for single piece mail and parcels included in the "small user basket" of postal services within the USO are subject to a price cap formula set by Royal Decree, which allows bpost to modify its tariffs for these services each year (on January 1) based on changes in the Belgian health index (which is the Belgian consumer price index excluding certain goods such as tobacco products, alcohol, petrol and diesel). The price cap formula also includes a quality bonus applicable upon compliance with specified delivery times for single piece mail falling within the "small user basket." The price increase margin for the year can be aggregated with the accrued margin not used in the previous three years, which provides the Company with a degree of timing flexibility in its pricing. For 2012, the Company had approximately 2.5% in unused accrued margin. For the year ended December 31, 2012, 28.6% of bpost's total operating income was attributable to products subject to the price cap formula. A portion of the increases in operating income during each of the periods under review is therefore directly due to the tariff increases permitted under the price cap formula, and indirectly to inflation, as well as to the Company's ability to meet quality of service targets. See "*Part IX*: "*Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.2 Universal Service Obligation under the 1991 Law — Compensation*."

For services falling within the USO but outside the "small user basket" (such as administrative mail and direct mail) bpost may offer discounts from standard tariffs. For instance, customers may receive a discount that is related to the volume of mail sent. Customers also may receive certain operational discounts based on factors such as whether the mail has been sorted or not. bpost has developed a systematic process to optimize pricing. The discounts it applies depend on factors such as elasticity of demand, avoided costs and general economic conditions. In general, customers in the advertising mail product line are more sensitive to price than customers in the administrative mail product line.

For commercial products (including unaddressed mail), bpost's pricing is based on factors such as competition and general economic conditions. bpost's Distripost service competes with Belgische Distributiedienst NV and smaller local operators in unaddressed mail, which may affect its pricing.

All SGEIs are provided by the MRS operating segment. The MRS and P&I operating segments include both USO products and commercial products.

Compensation for SGEIs

The Company is entitled to receive compensation from the Belgian state in respect of the SGEIs it provides, which include, among other services, the early delivery of newspapers, the distribution of periodicals, "cash at counter" services and home delivery of pensions and social allowances. Compensation from the Belgian state accounts for a significant portion of operating income recorded by the Company for certain product lines, such as its press product line. For the years ended December 31, 2012, 2011 and 2010, the Company received €265.5 million, €258.9 million and €283.0 million in compensation from the Belgian state for providing SGEIs (net of repayments by the Company for overcompensation of SGEIs in respect of those years in the amount of €57.3 million, €62.0 million and €42.8 million, respectively).

Effective from January 1, 2013, the mechanism for the determination of compensation in respect of SGEIs is set forth in the Fifth Management Contract. Such compensation is calculated on the basis of a NAC methodology. The amount to which the Company is entitled is subject to adjustment based on the efficiency gains or losses the Company recognizes as well as its performance based on certain quality targets set for each SGEI. See "*Part IX: Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.3 Other public services entrusted to the Company — Compensation*" for further details of the methodology for determining compensation for SGEIs. Under the Fifth Management Contract, the maximum amount of compensation for the years 2013, 2014 and 2015 is €303.7 million, €304.5 million and €294.3 million, respectively. The decrease in compensation for SGEIs over the period of the Fifth

Management Contract is based on forecasts of the net avoided cost. However, if, for a given year, the evolution of the Belgian consumer price index exceeds 2.2%, the maximum amount of compensation for that year will be adjusted accordingly to reflect the increase of the Belgian consumer price index above 2.2%. The caps referred to above also serve as advance funding amounts paid by the Belgian state in January of each year. At the end of each calendar year, the Company's financial accounts are verified by a Board of Auditors which shall determine, on the basis of actual results, the appropriate amount of compensation for the SGEIs.

Although the overall cap for compensation for SGEIs provided in the Fifth Management Contract for the periods covered will remain relatively stable in comparison to prior years, the allocation of such compensation across the various SGEIs, as well as the applicable cost methodology and compensation formula, has changed. The Fifth Management Contract specifically provides for a retail network SGEI, whereas the European Commission found that the retail network was not sufficiently described as a separate SGEI in the Fourth Management Contract. As a result of the allocation in the Fifth Management Contract, bpost's operating income recorded within the "other" product line will increase as this is where compensation for the retail network SGEI is recorded. Conversely, operating income recorded within the press product line will decrease. The effects of this allocation are already evident in bpost's results of operations for the three months ended March 31, 2013, since the allocation of compensation set forth in the Fifth Management Contract has been effective from January 1, 2013, whereas the allocation set forth in the Fourth Management Contract applied for the three months ended March 31, 2012. The table below sets forth compensation for SGEIs by product line for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010.

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
	(€ millions)				
Transactional mail	—	1.5	5.9	5.9	5.7
Advertising mail	—	0.7	2.9	2.9	2.9
Press	47.2	69.5	281.4	279.7	272.7
Parcels	—	—	—	—	—
Value-added services	—	0.2	0.9	0.9	0.8
International mail	—	—	—	—	—
Banking and financial products	6.4	7.1	29.0	28.8	40.9
Other	22.3	0.7	2.8	2.7	2.8
Gross compensation from the Belgian state	75.9	79.7	322.9	320.9	325.7
Repayments for overcompensation of SGEIs[1]	—	(14.3)	(57.3)	(62.0)	(42.8)
Net compensation from the Belgian state	75.9	65.4	265.5	258.9	283.0

Note:

(1) At the time that the provision relating to the period from 1992 to 2010 was established, the Company was still disputing the incompatible nature of the compensation that was received. As a result, a provision for overcompensation was recognized in operating expenses rather than a reduction in turnover based on the management contracts between the Company and the Belgian state.

While the mechanisms set forth in the Fifth Management Contract for the determination of compensation in respect of SGEIs provide bpost with a degree of predictability in the medium term, in the period after the Fifth Management Contract, regulatory developments may affect the way in which SGEIs are awarded or remunerated. In particular, the Belgian state has committed to the European Commission that it will organize a competitive, transparent and non-discriminatory tendering procedure, with a view to awarding by the end of 2014 a service concession at national level in respect of the distribution of newspapers and periodicals in Belgium. The successful candidate in this selection process will be entitled to begin providing such services as of January 1, 2016. As the parameters of the tendering procedure and its outcome remain uncertain, the approach the Belgian state takes in relation to SGEIs following the expiration of the Fifth Management Contract might affect bpost's results of operations in future periods.

Parcels volumes and pricing

While bpost is operating in an environment of declining mail volumes, it has experienced volume growth in its parcels product line. bpost's parcels volumes increased by 10.2%, 4.7%, 15.8% and 5.0% in the first quarter of 2013 and in 2012, 2011 and 2010, respectively. The increase in parcels volumes has been due in

part to the expansion of e-commerce (although the decline in volumes of parcels sold by traditional mail order companies has partially counteracted this trend). Growth in e-commerce has contributed to higher volumes of B2C and C2X parcels, in which bpost has a leading position. Within the B2B parcels segment, bpost's market share is much lower than its market share in the B2C and C2X parcels segment.

bpost sets tariffs for its non-USO parcels products on a commercial basis, subject to compliance with relevant postal regulatory and competition requirements. Competition may affect bpost's pricing for its parcels products. In the B2B, B2C and C2X parcels segments, bpost competes with large international operators as well as smaller local operators. bpost also seeks to increase its margins for parcels products by encouraging customers to purchase higher end products and services and value-added services such as its Track & Trace feature.

Productivity enhancement initiatives

bpost's results of operations during the periods under review have been affected by certain productivity enhancement initiatives, which management has been applying on an ongoing basis. In 2003, in anticipation of the full liberalization of the Belgian postal market, bpost embarked on a modernization program which included a number of cost reduction measures, such as the streamlining of operations, particularly within the MSO service unit, and the replacement of post offices with PostPoints. While the effects of this modernization program were most pronounced in the first few years of its implementation, bpost has continued to introduce productivity enhancement initiatives. Productivity enhancement initiatives have enabled bpost to contain its normalized total operating expenses, which were relatively flat during the past three years. One of the key components of these initiatives during the last few years has been the ongoing reduction in headcount, which has been facilitated by reorganizations and productivity programs in the postal value chain and the optimization of service units such as HR&O and Service Operations. bpost has steadily reduced the size of its workforce, resulting in a decrease in the number of employees across all units during the periods under review. For 2012, the average number of full-time equivalent employees was 26,625, compared to 27,973 for 2011 and 29,311 for 2010. Payroll costs have also been positively affected by an average salary mix effect as older employees have retired and have been replaced by younger employees. As of December 31, 2012, slightly more than one-third of bpost's work force was over the age of 50. Retiring employees tend to have higher salaries than new joiners, both because new joiners are hired as contractual employees with lower salary packages and because employees' salaries generally increase based on seniority. The reductions in headcount through productivity enhancement initiatives have resulted in cost savings of €15.9 million, €61.1 million, €58.3 million and €41.4 million in the three months ended March 31, 2013 and the years ended December 31, 2012, 2011 and 2010, respectively, based on calculated average salary costs. These costs savings have helped bpost to offset the effects of inflation on its cost base. As a result, bpost has been able to decrease its payroll costs during each of the periods under review, which has contributed to the increase in its normalized EBIT margin despite limited increases in turnover.

In 2011, bpost launched its Vision 2020 strategic plan, which builds upon its ongoing program of modernization and is aimed at further improving the efficiency of its MSO service unit. See "*Part VIII: Business — 7. Service Units — 7.1 Mail Service Operations*" for more detail on the Vision 2020 strategic plan. Although the impact of the Vision 2020 strategic plan on bpost's operations and results has thus far been limited, in future periods this may affect its operating expenses and is expected to result in increased capital expenditure.

4 Organization and Operating Segments

bpost's business is organized based on business units, service units and corporate units. Effective January 1, 2013, it has operated through two business units: the MRS business unit and the P&I business unit. bpost has service units that support the business whose costs are recharged to the business and corporate units using a cost allocation mechanism. The service units include the MSO unit, IOPS unit, the ICT and Service Operations units and most of the Human Resources & Organization (HR&O) unit. The MSO service unit is in charge of collecting, sorting and distributing mail and parcels in Belgium. The IOPS service unit comprises the operations of the European Mail Center, which is located at Brussels Airport and serves as a hub for international mail and parcels. bpost's corporate units include Finance, Legal/Regulatory and Internal Audit and some departments of Human Resources & Organization. The costs of the corporate units are not recharged to other units and are reported under the Corporate reconciliation category.

The two business units are also operating segments for financial reporting purposes. bpost's Corporate reconciliation category primarily consists of costs attributable to its corporate units. Operating income at the

level of each of the two operating segments captures external sales to third parties. The sum of the operating income of the two operating segments and the operating income of the Corporate reconciliation category reconciles to bpost's operating income. bpost computes its profit from operating activities (EBIT) at the segment level.

bpost fully consolidates the results of operations of all of its subsidiaries. Its associate, bpost bank, is not fully consolidated but is rather accounted for using the equity method. Accordingly, the operating income recorded in the banking and financial products product line does not include the operating income of bpost bank. It does, however, include the commissions and fees that bpost receives from bpost bank for offering products and services on its behalf.

5 Results of Operations

5.1 Three Months Ended March 31, 2013 and 2012

The following table presents bpost's results of operations for the three months ended March 31, 2013 and 2012:

	Three months ended March 31,	
	2013	2012
	(€ millions)	
Turnover	613.6	612.1
Other operating income	19.1	4.4
Total operating income	632.7	616.5
Materials costs	(7.8)	(8.4)
Services and other goods	(149.8)	(136.5)
Payroll costs	(306.4)	(307.0)
Other operating expenses	5.6	(6.1)
Total operating expenses excluding depreciation, amortization	(458.4)	(457.9)
EBITDA	174.3	158.5
Depreciation, amortization	(20.7)	(21.3)
Profit from operating activities (EBIT)	153.5	137.3
Financial income	0.8	2.6
Financial cost	(2.4)	(9.5)
Share of profit of associates	2.5	3.0
Profit before tax	154.4	133.4
Income tax expense	(55.0)	(43.9)
Profit for the period	99.4	89.6

Total operating income

Total operating income increased by €16.2 million, or 2.6%, to €632.7 million for the three months ended March 31, 2013 from €616.5 million for the three months ended March 31, 2012. This increase was primarily due to the gain on the disposal of selected activities of Certipost, which contributed to the increase in the amount of €14.6 million, partially offset by the loss of the related turnover in respect of the disposed activities. bpost recorded €2.0 million of turnover in respect of such activities for the three months ended March 31, 2012. As a result, the net contribution of the disposal of selected activities of Certipost was €12.6 million.

A portion of the remaining increase in total operating income was due to Landmark Global being consolidated for the three months ended March 31, 2013, whereas Landmark Global was not consolidated for the three months ended March 31, 2012. The consolidation of Landmark Global contributed to the increase in total operating income in the amount of €7.5 million.

Compensation for SGEIs for the three months ended March 31, 2013 amounted to €75.9 million, corresponding to one quarter of estimated annual compensation for the year ended December 31, 2013 (with such compensation being subject to ex post verification according to the NAC methodology). Compensation for SGEIs for the three months ended March 31, 2013 was computed using the methodology set forth in the Fifth Management Contract and was €3.8 million lower than the compensation for SGEIs for the three months ended March 31, 2012, which was computed based on the methodology set forth in the Fourth

Management Contract. Compensation under the Fifth Management Contract is computed using the NAC methodology and includes compensation for the newspapers, periodicals, maintenance of a retail network and other SGEIs. Compensation under the Fourth Management Contract was determined using a different methodology and did not include any compensation for the maintenance of a retail network. For the three months ended March 31, 2013, newspapers, periodicals and other activities (including the maintenance of a retail network) accounted for 37.6%, 24.6% and 37.8% of total compensation for SGEIs, respectively.

bpost's operating income for the three months ended March 31, 2013 was adversely affected by a 5.6% decrease in domestic mail volumes, which was due in part to there having been two fewer working days in the first quarter of 2013 than in the first quarter of 2012, which had an estimated adverse impact of €2.8 million. The decrease in domestic mail volumes was partially offset by price increases in addressed domestic mail and parcels and growth in parcels volumes.

The following table presents a breakdown of bpost's total operating income by product and by operating segment for the three months ended March 31, 2013 and 2012:

	Three months ended March 31,	
	2013	2012
	(€ millions)	
By product		
Domestic mail	395.2	429.0
Transactional mail	244.3	249.7
Advertising mail	71.5	77.7
Press	79.4	101.5
Parcels	55.9	40.9
Value-added services	22.4	24.7
International mail	52.1	51.6
Banking and financial products[1]	52.0	51.9
Other	55.1	18.4
Total	632.7	616.5
By operating segment		
MRS	520.0	519.5
P&I	98.3	82.3
Total operating income of operating segments	618.3	601.8
Corporate (reconciliation category)	14.4	14.7
Total	632.7	616.5
By geographical segment		
Belgium	579.2	581.9
Rest of world	53.4	34.6
Total	632.7	616.5

Note:

(1) Operating income reported under the banking and financial products product line does not include the operating income of bpost bank. It includes operating income generated by the sale of banking and insurance products under an agency agreement with bpost bank and AG Insurance and also includes operating income generated by payment products. bpost bank is reported as an associate and is accounted for using the equity method.

MRS operating segment

Operating income attributable to the MRS operating segment increased by €0.5 million, or 0.1%, to €520.0 million for the three months ended March 31, 2013 from €519.5 million for the three months ended March 31, 2012. The increase was primarily attributable to the disposal of selected activities of Certipost, which had a net contribution of €12.6 million, as well as sales price increases across the product range. Excluding the net impact of the disposal of selected activities of Certipost, operating income would have decreased by €12.1 million. This decrease was mainly due to a decrease in transactional and advertising mail volumes, including as a result of there having been two fewer working days in the first quarter of 2013 than in the first quarter of 2012, which had an estimated impact of €2.8 million. The decrease was also due in part to a decrease in compensation for SGEIs in the amount of €3.8 million.

Compensation for SGEIs for the three months ended March 31, 2013 amounted to €75.9 million, corresponding to one quarter of estimated annual compensation for the year ended December 31, 2013 (with such compensation being subject to ex post verification according to the NAC methodology). All of this amount was recorded within the MRS operating segment.

The following table presents a breakdown of the MRS operating segment's operating income for the three months ended March 31, 2013 and 2012:

	Three months ended March 31,	
	2013	**2012**
	(€ millions)	
Transactional mail	244.3	249.7
Advertising mail	71.5	77.7
Press	79.4	101.5
Parcels	8.5	8.4
Value-added services	22.4	24.7
Banking and financial products[1]	52.0	51.9
Other	42.0	5.4
Total	520.0	519.5

Note:

(1) Operating income reported under banking and financial products do not include the operating income of bpost bank. It includes operating income generated by the sale of banking and insurance products under an agency agreement with bpost bank and AG Insurance and also includes operating income generated by payment products. bpost bank is reported as an associate and is accounted for using the equity method.

Transactional mail. Operating income attributable to transactional mail decreased by €5.4 million, or 2.2%, to €244.3 million for the three months ended March 31, 2013 from €249.7 million for the three months ended March 31, 2012. The decrease was primarily attributable to lower volumes, which were partially offset by increases in line with the price cap formula set by Royal Decree. The decrease in operating income attributable to transactional mail was also due to a decrease in compensation for SGEIs as a result of the application of the methodology contained in the Fifth Management Contract.

Advertising mail. Operating income attributable to advertising mail decreased by €6.2 million, or 8.0%, to €71.5 million for the three months ended March 31, 2013 from €77.7 million for the three months ended March 31, 2012. The decrease was primarily attributable to a decline in advertising mail volumes, which was partially offset by increases in pricing. The decline in volumes was due to adverse economic conditions, lower media net spending and the loss of a major client in addressed mail (which had an impact of €1.7 million).

Press. Operating income attributable to press decreased by €22.1 million, or 21.8%, to €79.4 million for the three months ended March 31, 2013 from €101.5 million for the three months ended March 31, 2012. The decrease was attributable to the changes relating to compensation for SGEIs from the Fourth Management Contract to the Fifth Management Contract. The lower overall compensation and the reallocation from the newspapers and periodicals SGEIs to the retail network SGEI accounted for a reduction of €22.2 million in operating income for the press product line. Excluding the effect of this reallocation, operating income attributable to the press product line remained stable.

Parcels. Operating income attributable to parcels increased by €0.1 million, or 1.2%, to €8.5 million for the three months ended March 31, 2013 from €8.4 million for the three months ended March 31, 2012. The increase was primarily attributable to improved pricing and product mix, partially offset by a decline in volumes.

Value-added services. Operating income attributable to value-added services decreased by €2.3 million, or 9.3%, to €22.4 million for the three months ended March 31, 2013 from €24.7 million for the three months ended March 31, 2012. The decrease was primarily attributable to the disposal of selected activities of Certipost as well as a decrease in operating income from document management services.

Banking and financial products. Operating income attributable to banking and financial products increased by €0.1 million, or 0.2%, to €52.0 million for the three months ended March 31, 2013 from €51.9 million for the three months ended March 31, 2012. The increase was primarily attributable to increased income from the bpaid pre-paid card.

Other. Other operating income increased by €36.6 million, or 671.6%, to €42.0 million for the three months ended March 31, 2013 from €5.4 million for the three months ended March 31, 2012. The increase was primarily attributable to the disposal of selected activities of Certipost as well as the changes relating to compensation for SGEIs from the Fourth Management Contract to the Fifth Management Contract, which accounted for €14.6 million and €21.6 million of the increase, respectively. The Fifth Management Contract includes compensation for the maintenance of a retail network, whereas the Fourth Management Contract did not include such compensation.

P&I operating segment

Operating income attributable to the P&I operating segment increased by €16.0 million, or 19.4%, to €98.3 million for the three months ended March 31, 2013 from €82.3 million for the three months ended March 31, 2012. The increase was primarily attributable to higher inbound parcels volumes as well as to the consolidation of Landmark Global. The consolidation of Landmark Global contributed to €7.5 million of the increase in operating income attributable to the P&I operating segment.

The following table presents a breakdown of the P&I operating segment's operating income for the three months ended March 31, 2013 and 2012:

	Three months ended March 31,	
	2013	2012
	(€ millions)	
Parcels	47.4	32.5
International mail	52.1	51.6
Other[1]	(1.1)	(1.8)
Total	98.3	82.3

Note:

(1) Includes intercompany eliminations.

Parcels. Operating income attributable to parcels increased by €14.9 million, or 45.8%, to €47.4 million for the three months ended March 31, 2013 from €32.5 million for the three months ended March 31, 2012. The increase was primarily attributable to the consolidation of Landmark Global for the three months ended March 31, 2013, which contributed €7.5 million to the increase. The increase was also due to a 14.5% increase in parcels volumes despite the marginal impact of two fewer working days in the first quarter of 2013 than the first quarter of 2012. An increase in average selling prices also contributed to the increase.

International mail. Operating income attributable to international mail increased by €0.5 million, or 1.0%, to €52.1 million for the three months ended March 31, 2013 from €51.6 million for the three months ended March 31, 2012. The increase was primarily attributable to higher average selling prices, partially offset by a decline in volumes.

Other. Other operating income increased by €0.7 million to negative €1.1 million for the three months ended March 31, 2013 from negative €1.8 million for the three months ended March 31, 2012. The increase was primarily attributable to lower intercompany eliminations within the P&I operating segment which were not attributable to individual products.

Corporate operating segment

Operating income attributable to the Corporate operating segment decreased by €0.3 million, or 2.0%, to €14.4 million for the three months ended March 31, 2013 from €14.7 million for the three months ended March 31, 2012.

Operating expenses

Materials costs

Materials costs, which includes the cost of raw materials, consumables and goods for resale, decreased by €0.6 million, or 7.1%, to €7.8 million for the three months ended March 31, 2013 from €8.4 million for the three months ended March 31, 2012. The decrease was primarily due to a decrease in services performed by contract drivers and express parcels delivery.

Services and other goods

The cost of services and other goods increased by €13.3 million, or 9.7%, to €149.8 million for the three months ended March 31, 2013 from €136.5 million for the three months ended March 31, 2012. The increase was primarily due to the consolidation of Landmark Global during the three months ended March 31, 2013, an increase in transport costs and an increase in third party remuneration fees.

The following table presents a breakdown of cost of services and other goods for the three months ended March 31, 2013 and 2012:

	Three months ended March 31,	
	2013	**2012**
	(€ millions)	
Rent and rental costs	17.0	15.3
Maintenance and repairs	17.7	16.9
Energy delivery	11.3	11.6
Other goods	4.9	5.1
Postal and telecom costs	1.7	2.1
Insurance costs	3.9	4.1
Transport costs	43.9	35.4
Publicity and advertising	4.6	3.6
Consultancy	4.4	6.0
Interim employees	8.1	7.5
Third party remuneration, fees	28.4	25.0
Other services	4.0	3.8
Total	149.8	136.5

Rent and rental costs. Rent and rental costs increased by €1.7 million, or 11.1%, to €17.0 million for the three months ended March 31, 2013 from €15.3 million for the three months ended March 31, 2012. The increase was primarily due to the low rental costs recorded for the three months ended March 31, 2012 following the renegotiation of an operational leasing contract for vehicles, which led to bpost being granted a retrospective credit note covering the period from the beginning of the leasing contract to March 31, 2012.

Maintenance and repairs. Maintenance and repairs costs increased by €0.8 million, or 4.7%, to €17.7 million for the three months ended March 31, 2013 from €16.9 million for the three months ended March 31, 2012. The increase was primarily due to an increase in IT related maintenance.

Energy delivery. Energy delivery costs decreased by €0.3 million, or 2.6%, to €11.3 million for the three months ended March 31, 2013 from €11.6 million for the three months ended March 31, 2012. The decrease was primarily due to a decrease in vehicle fuel consumption, partially offset by increasing energy costs for real estate.

Other goods. Costs in respect of other goods decreased by €0.2 million, or 3.9%, to €4.9 million for the three months ended March 31, 2013 from €5.1 million for the three months ended March 31, 2012. The decrease was primarily due to reduced usage of office supplies.

Insurance costs. Insurance costs decreased by €0.2 million, or 4.9%, to €3.9 million for the three months ended March 31, 2013 from €4.1 million for the three months ended March 31, 2012. The decrease was primarily due to a decrease in insurance costs related to vehicles.

Transport costs. Transport costs increased by €8.5 million, or 24.0%, to €43.9 million for the three months ended March 31, 2013 from €35.4 million for the three months ended March 31, 2012. The increase was primarily due to the consolidation of Landmark Global for the three months ended March 31, 2013 and an increase in transport costs related to international activities.

Publicity and advertising. Publicity and advertising costs increased by €1.0 million, or 27.8%, to €4.6 million for the three months ended March 31, 2013 from €3.6 million for the three months ended March 31, 2012. The increase was primarily due to the earlier start of an advertising campaign in 2013 compared to 2012.

Consultancy. Consultancy costs decreased by €1.6 million, or 26.7%, to €4.4 million for the three months ended March 31, 2013 from €6.0 million for the three months ended March 31, 2012. The decrease was primarily due to decreases in consultancy costs for certain specific projects.

Interim employees. Interim employee costs increased by €0.6 million, or 8.0%, to €8.1 million for the three months ended March 31, 2013 from €7.5 million for the three months ended March 31, 2012. The increase was primarily due to an increase in interim employees.

Third party remuneration, fees. Third party remuneration and fees increased by €3.4 million, or 13.6%, to €28.4 million for the three months ended March 31, 2013 from €25.0 million for the three months ended March 31, 2012. The increase was primarily due to the outsourcing of cleaning activities (which offset a decrease in payroll costs) and a project aiming to reduce ICT costs.

Other services. Costs in respect of other services increased by €0.2 million, or 5.3%, to €4.0 million for the three months ended March 31, 2013 from €3.8 million for the three months ended March 31, 2012. The increase was primarily due to higher administration costs.

Payroll costs

Payroll costs decreased by €0.6 million, or 0.2%, to €306.4 million for the three months ended March 31, 2013 from €307.0 million for the three months ended March 31, 2012. The decrease in payroll costs resulting from the disposal of selected Certipost activities was effectively offset by the increase in payroll costs resulting from the consolidation of Landmark Global for the three months ended March 31, 2013.

The decrease in payroll costs was primarily due to the reduction in the average work force by 1,415 full-time equivalent employees over the year ended March 31, 2013, which generated savings of €15.9 million, as a result of various productivity enhancement initiatives. All units contributed to the reduction in headcount except for the P&I business unit. Reorganizations and productivity programs in the postal value chain, which includes distribution, transportation and collection, and in post offices continued to be implemented alongside the optimization of support activities such as cleaning, facilities management and human resources. A portion of the decrease in the number of full-time equivalent employees was, however, offset by an increase in the number of interim employees and by a less favorable evolution of rest and holiday arrears. The recruitment of auxiliary postmen on lower salaries created a positive mix effect in payroll costs in the amount of €0.3 million. These positive effects were partially offset by cost of living increases in March 2012 and January 2013, which had a negative impact on payroll costs of €9.6 million. In addition, an unfavorable evolution of the employee benefits liability resulting mainly from the absence of unrecognized gain on the "transport" post-employment liability for the period ended March 31, 2013, merit increases and higher year-end premiums had negative impacts on payroll costs of €2.9 million, €1.0 million and €0.9 million, respectively.

Other operating expenses

Other operating expenses decreased by €11.7 million to negative €5.6 million for the three months ended March 31, 2013 from €6.1 million for the three months ended March 31, 2012. The decrease was primarily due to the recovery of VAT costs related to the year ended December 31, 2012, as the percentage of recoverable VAT was increased in 2013 from 5% to 11%, with retroactive effect for 2012. The impact related to 2012 amounted to €4.7 million. Another factor contributing to the decrease was the absence of a provision for onerous contracts for the three months ended March 31, 2013 compared to the three months ended March 31, 2012.

Depreciation and amortization

Depreciation and amortization decreased by €0.6 million, or 2.8%, to €20.7 million for the three months ended March 31, 2013 from €21.3 million for the three months ended March 31, 2012. The decrease was primarily due to a decline in depreciation of vehicles and ICT materials.

Profit from operating activities (EBIT)

Profit from operating activities (EBIT) increased by €16.2 million, or 11.8%, to €153.5 million for the three months ended March 31, 2013 from €137.3 million for the three months ended March 31, 2012. The increase was primarily due to the gain on the disposal of selected activities of Certipost. Excluding the impact of the disposal of selected activities of Certipost, profit from operating activities (EBIT) would have increased by €1.6 million, or 1.2%, to €138.9 million for the three months ended March 31, 2013 from €137.3 million for the three months ended March 31, 2012. This increase was primarily due to the increase in parcels activities, including the impact of the consolidation of Landmark Global, a decrease in other operating expenses following the change in VAT recoverability and favorable movements in provisions. These factors were partially offset by an increase in transport costs and third party remuneration costs.

The following table presents profit from operating activities (EBIT) by operating segment for the three months ended March 31, 2013 and 2012:

	Three months ended March 31,	
	2013	2012
	(€ millions)	
MRS	145.8	132.4
P&I	4.3	6.4
EBIT of operating segments	150.1	138.8
Corporate (reconciliation category)	3.4	(1.6)
Total	153.5	137.3

MRS operating segment

Profit from operating activities (EBIT) attributable to the MRS operating segment increased by €13.4 million, or 10.1%, to €145.8 million for the three months ended March 31, 2013 from €132.4 million for the three months ended March 31, 2012. The increase was primarily due to the disposal of selected activities of Certipost. Excluding the impact of the disposal of selected activities of Certipost, profit from operating activities (EBIT) would have decreased by €1.2 million, or 0.9%, to €131.2 million for the three months ended March 31, 2013 from €132.4 million for the three months ended March 31, 2012. This decrease was primarily due to a decrease in transactional and advertising mail volumes, which was in turn due in part to there having been two fewer working days in the first quarter of 2013 than in the first quarter of 2012. The decrease was also due in part to a decrease in compensation for SGEIs as a result of the application of the Fifth Management Contract. These factors were partially offset by price increases in line with the price cap formula set by Royal Decree as well as the recovery of VAT costs related to the year ended December 31, 2012. Other offsetting factors included the decrease in payroll costs and the decrease in third party costs.

P&I operating segment

Profit from operating activities (EBIT) attributable to the P&I operating segment decreased by €2.1 million, or 32.8%, to €4.3 million for the three months ended March 31, 2013 from €6.4 million for the three months ended March 31, 2012. The decrease was primarily due to costs associated with the start-up of the Shop & Deliver project, which had an impact of €1.1 million. The remainder of the decrease was mainly due to an increase in transport costs related to the international mail product line and exceptional one-off costs related to MSI. Profit from operating activities (EBIT) attributable to the parcels product line increased by €1.0 million, or 30.3%, to €4.3 million for the three months ended March 31, 2013 from €3.3 million for the three months ended March 31, 2012. The increase was due to the consolidation of Landmark Global in the three months ended March 31, 2013 as well as a 14.5% increase in volumes. Costs moved in line with the growth of operating income. Profit from operating activities (EBIT) attributable to the international product line decreased by €2.7 million, or 57.4%, to €2.0 million for the three months ended March 31, 2013 from €4.7 million for the three months ended March 31, 2012. The decrease was primarily due to transport costs increasing at a higher rate than operating income and to exceptional one-off costs related to MSI.

Corporate (reconciliation category)

Profit from operating activities (EBIT) attributable to the Corporate reconciliation category increased by €5.0 million to €3.4 million for the three months ended March 31, 2013 from negative €1.6 million for the three months ended March 31, 2012. The increase was primarily due to changes in provisions in the amount of €3.0 million and variances in revenue recognition, which had an impact of €0.7 million.

Net financial costs

Net financial costs decreased by €5.3 million, or 76.8%, to €1.6 million for the three months ended March 31, 2013 from €6.9 million for the three months ended March 31, 2012. The decrease was primarily due to the decrease of IAS 19 related financial costs and the evolution of interest rates over the three months ended March 31, 2013 compared to the three months ended March 31, 2012.

Income tax expense

Income tax expense increased by €11.1 million, or 25.3%, to €55.0 million for the three months ended March 31, 2013 from €43.9 million for the three months ended March 31, 2012. bpost's effective tax rate increased from 32.9% for the three months ended March 31, 2012 to 35.6% for the three months ended March 31, 2013, primarily as a result of the transfer of €21.3 million from tax free reserves to distributable results.

5.2 Years ended December 31, 2012, 2011 and 2010

The following table presents bpost's results of operations for the years ended December 31, 2012, 2011 and 2010:

	Year ended December 31,		
	2012	**2011**	**2010**
		(€ millions)	
Turnover	2,396.0	2,342.3	2,279.0
Other operating income	19.8	22.3	38.7
Total operating income	2,415.7	2,364.6	2,317.8
Materials costs	(34.6)	(32.0)	(27.3)
Services and other goods	(602.8)	(570.4)	(545.1)
Payroll costs	(1,238.5)	(1,288.1)	(1,314.5)
Other operating expenses	(118.9)	(313.5)	6.6
Total operating expenses excluding depreciation, amortization	(1,994.8)	(2,204.0)	(1,880.3)
EBITDA	420.9	160.6	437.5
Depreciation, amortization	(98.0)	(91.3)	(115.0)
Profit from operating activities (EBIT)	323.0	69.2	322.4
Financial income	6.8	14.4	11.1
Financial cost	(60.6)	(19.7)	(31.7)
Share of profit of associates	3.5	2.2	13.3
Profit before tax	272.7	66.0	315.0
Income tax expense	(98.5)	(123.4)	(105.4)
Profit for the year	174.2	(57.4)	209.6

Total operating income

Total operating income increased by €51.1 million, or 2.2%, to €2,415.7 million for the year ended December 31, 2012 from €2,364.6 million for the year ended December 31, 2011. The increase in total operating income was achieved despite a 3.5% decrease in domestic mail volumes. This decrease was more than offset by price increases in addressed mail and parcels, growth in parcels volumes, higher turnover from international activities and an increase in income generated by banking and financial products.

A portion of the increase in total operating income was due to bpost Asia having been consolidated for the whole of 2012, compared to three months of consolidation in 2011 (from October 1, 2011, the date of acquisition). Excluding the impact of the bpost Asia acquisition, total operating income would have increased by €47.8 million, or 2.0%.

Total operating income increased by €46.8 million, or 2.0%, to €2,364.6 million for the year ended December 31, 2011 from €2,317.8 million for the year ended December 31, 2010. The increase in total operating income was achieved despite a 2.0% decrease in domestic mail volumes. This decrease was more than offset by turnover from the introduction of new integrated solutions, including the EU license plates, combined with price increases and further growth in turnover from foreign subsidiaries, including organic growth and growth through acquisitions.

A portion of the increase in total operating income was due to bpost Asia having been consolidated for three months in 2011. Excluding the impact of the bpost Asia acquisition, total operating income would have increased by €45.7 million, or 2.0%.

Prior to January 1, 2013 bpost operated through three business units: BIZ, RSS and P&I. The BIZ business unit was dedicated to large and medium domestic customers. The RSS business unit served residential customers as well as all customers using mass market channels such as post offices, Post Points or bpost's eShop to purchase their mail products. The RSS business unit also sold banking and insurance products under an agency agreement with BPO and AG Insurance as well as a number of other payment products. Effective January 1, 2013 the BIZ and RSS business units were merged into MRS. The following table presents a breakdown of bpost's total operating income by product and by operating segment, including the reconciliation between the old and the new structure, for the years ended December 31, 2012, 2011 and 2010:

	Year ended December 31,		
	2012	2011	2010
		(€ millions)	
By product			
Domestic mail	1,676.4	1,676.0	1,662.8
Transactional mail	982.7	967.2	954.4
Advertising mail	287.3	309.1	318.9
Press	406.4	399.7	389.5
Parcels	165.0	154.1	128.0
Value-added services	95.8	94.4	85.0
International mail	221.0	203.8	192.2
Banking and financial products[1]	217.3	200.6	200.9
Other	40.1	35.6	49.0
Total	2,415.7	2,364.6	2,317.8
By operating segment			
MRS	2,052.0	2,033.2	2,015.4
BIZ	1,552.5	1,535.0	1,513.5
RSS	499.5	498.2	501.8
P&I	342.6	318.3	283.8
Total operating income of operating segments	2,394.6	2,351.5	2,299.2
Corporate (reconciliation category)	21.1	13.0	18.6
Total	2,415.7	2,364.6	2,317.8
By geographical segment			
Belgium	2,258.9	2,235.3	2,203.7
Rest of world	156.8	129.3	114.1
Total	2,415.7	2,364.6	2,317.8

Note:

(1) Operating income reported under the banking and financial products product line does not include the operating income of bpost bank. It includes operating income generated by the sale of banking and insurance products under an agency agreement with bpost bank and AG Insurance and also includes operating income generated by payment products. bpost bank is reported as an associate and is accounted for using the equity method.

MRS operating segment

Operating income attributable to the MRS operating segment increased by €18.8 million, or 0.9%, to €2,052.0 million for the year ended December 31, 2012 from €2,033.2 million for the year ended December 31, 2011. The increase was primarily attributable to higher turnover from transactional mail and banking and financial products.

The following table presents a breakdown of the MRS operating segment's operating income by product line, as well as a reconciliation to the structure effective prior to January 1, 2013 (including the BIZ and RSS operating segments), for the years ended December 31, 2012, 2011 and 2010:

	Year ended December 31,		
	2012	2011	2010
		(€ millions)	
BIZ			
Transactional mail	732.1	709.1	689.7
Advertising mail	287.3	309.1	318.9
Press	406.4	399.7	389.5
Parcels	0.0	0.1	0.0
Value-added services	80.0	80.9	72.7
International mail	1.7	1.8	1.9
Banking and financial products[(1)]	50.5	40.3	44.7
Other	(5.5)	(5.8)	(3.9)
Total BIZ	1,552.5	1,535.0	1,513.5
RSS			
Transactional mail	250.7	258.1	264.7
Advertising mail	—	—	—
Press	—	—	—
Parcels	33.8	32.7	32.0
Value-added services	15.8	13.5	12.2
International mail	—	—	—
Banking and financial products[(1)]	166.8	160.3	156.2
Other	32.5	33.4	36.7
Total RSS	499.5	498.2	501.8
Total MRS (BIZ + RSS)	2,052.0	2,033.2	2,015.4

Note:

(1) Operating income reported under the banking and financial products product line does not include the operating income of bpost bank. bpost bank is reported as an associate and is accounted for using the equity method.

Transactional mail. Operating income attributable to transactional mail increased by €15.5 million, or 1.6%, to €982.7 million for the year ended December 31, 2012 from €967.2 million for the year ended December 31, 2011. The increase was primarily attributable to the shift of clients from daily mail, registered mail and outbound social mail towards administrative mail products, the further development of new contractual business relationships and price increases in line with the price cap formula set by Royal Decree, partially offset by the overall trend of lower volumes.

Operating income attributable to transactional mail increased by €12.8 million, or 1.3%, to €967.2 million for the year ended December 31, 2011 from €954.4 million for the year ended December 31, 2010. As was the case in 2012, the increase was primarily attributable to the shift of clients from daily mail, registered mail and outbound social mail towards administrative mail products, the further development of new contractual business relationships and price increases in line with the price cap formula set by Royal Decree, despite the overall trend of lower volumes.

Advertising mail. Operating income attributable to advertising mail decreased by €21.8 million, or 7.1%, to €287.3 million for the year ended December 31, 2012 from €309.1 million for the year ended December 31, 2011. The decrease was primarily attributable to a decline in volumes as well as deterioration in pricing. The decline in volumes was in turn due to adverse economic conditions as well as the loss of a major client in unaddressed mail. The client left in July 2011 and had contributed €8.9 million in operating income in 2010 and €4.8 million in operating income between January and July 2011. The deterioration in pricing was due to the new tariff structure introduced in light of the IBPT/BIPT's decision on bpost's "per sender" pricing model as well as the impact of promotional tariffs introduced for certain direct mail products. The elimination of the "per sender" model resulted in intermediaries having access to a volume rebates on a consolidated basis.

Operating income attributable to advertising mail decreased by €9.8 million, or 3.1%, to €309.1 million for the year ended December 31, 2011 from €318.9 million for the year ended December 31, 2010. The decrease was primarily attributable to a decline in volumes, which was partially offset by an improvement in customer mix.

Press. Operating income attributable to press increased by €6.7 million, or 1.7%, to €406.4 million for the year ended December 31, 2012 from €399.7 million for the year ended December 31, 2011. The increase was primarily attributable to an improvement in product mix, partially offset by a decline in volumes.

Operating income attributable to press increased by €10.2 million, or 2.6%, to €399.7 million for the year ended December 31, 2011 from €389.5 million for the year ended December 31, 2010. Price and product mix contributed to the increase, while volumes were flat as the increase in newspaper subscriptions was offset by the decrease in periodicals.

Parcels. Operating income attributable to Parcels increased by €0.9 million, or 2.7%, to €33.8 million for the year ended December 31, 2012 from €32.9 million for the year ended December 31, 2011. This increase was primarily attributable to improved pricing and product mix, partially offset by a decline in volumes.

Operating income attributable to parcels increased by €0.9 million, or 2.8%, to €32.9 million for the year ended December 31, 2011 from €32.0 million for the year ended December 31, 2010. The increase was primarily attributable to an improvement in pricing and product mix, partially offset by a decline in volumes.

Value-added services. Operating income attributable to value-added services increased by €1.4 million, or 1.5%, to €95.8 million for the year ended December 31, 2012 from €94.4 million for the year ended December 31, 2011, due to increased turnover from bpost's mail forwarding and temporary mail conservation services.

Operating income attributable to value-added services increased by €9.4 million, or 11.0%, to €94.4 million for the year ended December 31, 2011 from €85.0 million for the year ended December 31, 2010. The increase was mainly due to higher turnover from the printing activities of Speos.

Banking and financial products. Operating income attributable to banking and financial products increased by €16.7 million, or 8.3%, to €217.3 million for the year ended December 31, 2012 from €200.6 million for the year ended December 31, 2011. The increase was primarily attributable to contractually agreed price increases from the Belgian state for the cashier activities bpost performs, higher banking and insurance commissions received from bpost bank and turnover from bpost's bpaid card, which was launched in 2012.

Operating income attributable to banking and financial products decreased by €0.3 million, or 0.1%, to €200.6 million for the year ended December 31, 2011 from €200.9 million for the year ended December 31, 2010. This decrease is primarily attributable to lower remuneration from the Belgian state for the cashier activities bpost performs and the decline of certain traditional financial products, offset by higher banking and insurance commissions received from bpost bank.

Other. Other operating income decreased by €0.6 million, or 2.2%, to €27.0 million for the year ended December 31, 2012 from €27.6 million for the year ended December 31, 2011.

Other operating income decreased by €5.2 million, or 15.9%, to €27.6 million for the year ended December 31, 2011 from €32.8 million for the year ended December 31, 2010. The decrease was primarily attributable to lower revenues from retailer products and philately.

P&I operating segment

Operating income attributable to the P&I operating segment increased by €24.3 million, or 7.6%, to €342.6 million for the year ended December 31, 2012 from €318.3 million for the year ended December 31, 2011. The increase was primarily attributable to the further development of bpost's parcels activities, the strong performance of its foreign subsidiaries and improved pricing and product mix for international mail.

The following table presents a breakdown of the P&I operating segment's operating income by product line for the years ended December 31, 2012, 2011 and 2010:

	Year ended December 31,		
	2012	2011	2010
		(€ millions)	
Parcels	131.3	121.2	96.0
International mail	219.4	202.1	190.3
Other[(1)]	(8.1)	(5.0)	(2.5)
Total	342.6	318.3	283.8

Note:

(1) Includes intercompany eliminations.

Parcels. Operating income attributable to parcels increased by €10.1 million, or 8.3%, to €131.3 million for the year ended December 31, 2012 from €121.2 million for the year ended December 31, 2011. The increase was primarily attributable to higher inbound volumes, as well as higher prices in line with a new commercial pricing policy, which facilitated the successful substitution of lower value products by higher value products related to e-tailing activities.

Operating income attributable to parcels increased by €25.2 million, or 26.3%, to €121.2 million for the year ended December 31, 2011 from €96.0 million for the year ended December 31, 2010. The increase was primarily attributable to the launch of the EU license plates project, which involves the management of the production and distribution of the new EU license plates, resulting in higher domestic parcels volumes, combined with higher inbound volumes and higher prices in line with commercial pricing policies.

International mail. Operating income attributable to international mail increased by €17.3 million, or 8.5%, to €219.4 million for the year ended December 31, 2012 from €202.1 million for the year ended December 31, 2011. The increase was primarily attributable to higher turnover from bpost's foreign subsidiaries and the consolidation of bpost Asia, as well as improvements in volume and pricing for international mail products.

Operating income attributable to international mail increased by €11.8 million, or 6.2%, to €202.1 million for the year ended December 31, 2011 from €190.3 million for the year ended December 31, 2010. The increase was primarily attributable to higher turnover from bpost's foreign subsidiaries as well as improvements in volume and pricing for inbound mail.

Other. Other operating income decreased by €3.1 million to negative €8.1 million for the year ended December 31, 2012 from negative €5.0 million for the year ended December 31, 2011. This evolution was mainly due to higher intercompany eliminations within P&I not attributable to individual products.

Other operating income decreased by €2.5 million to negative €5.0 million for the year ended December 31, 2011 from negative €2.5 million for the year ended December 31, 2010. This evolution was mainly due to higher intercompany eliminations within P&I not attributable to individual products.

Corporate (reconciliation category)

Operating income attributable to the Corporate reconciliation category increased by €8.1 million, or 62.3%, to €21.1 million for the year ended December 31, 2012 from €13.0 million for the year ended December 31, 2011. The increase was primarily attributable to variances in revenue recognition related to stamps and franking machines. In 2012, bpost had €8.5 million of gains on sales of buildings, compared to €8.8 million of gains in 2011.

Operating income attributable to the Corporate reconciliation category decreased by €5.6 million, or 30.1%, to €13.0 million for the year ended December 31, 2011 from €18.6 million for the year ended December 31, 2010. The decrease was primarily attributable to lower gain on the disposal of real estate assets, partially offset by the effect of variances in revenue recognition mainly related to stamps. In 2011, bpost had €8.8 million of gains on sales of buildings compared to €21.8 million in 2010.

Operating expenses

Materials costs

The cost of raw materials, consumables and goods for resale increased by €2.6 million, or 8.1%, to €34.6 million for the year ended December 31, 2012 from €32.0 million for the year ended December 31, 2011. This increase was primarily due to an increase in services performed by contract drivers in express parcels delivery.

The cost of raw materials, consumables and goods for resale increased by €4.7 million, or 17.2%, to €32.0 million for the year ended December 31, 2011 from €27.3 million for the year ended December 31, 2010. This increase was primarily due to sub-contracted services associated with license plates in connection with the launch of the EU license plates project.

Services and other goods

The cost of services and other goods increased by €32.4 million, or 5.7%, to €602.8 million for the year ended December 31, 2012 from €570.4 million for the year ended December 31, 2011. Excluding the impact resulting from the consolidation of bpost Asia for a full year in 2012 compared to three months in 2011, which amounted to €2.6 million, the cost of services and other goods would have increased by €29.7 million, or 5.2%.

The cost of services and other goods increased by 4.6%, or €25.3 million, to €570.4 million for the year ended December 31, 2011 from €545.1 million for the year ended December 31, 2010. Excluding the impact resulting from the consolidation of bpost Asia for three months in 2011, which amounted to €0.8 million, the cost of services and other goods would have increased by €24.5 million, or 4.5%.

The following table presents a breakdown of cost of services and other goods for the years ended December 31, 2012, 2011 and 2010:

	Year ended December 31,		
	2012	2011	2010
		(€ millions)	
Rent and rental costs	65.3	63.8	59.0
Maintenance and repairs	69.3	59.6	55.8
Energy delivery	43.2	41.7	39.1
Other goods	20.2	21.2	27.5
Postal and telecom costs	7.8	8.7	7.6
Insurance costs	15.6	12.0	10.8
Transport costs	155.5	141.8	134.1
Publicity and advertising	25.9	18.1	27.6
Consultancy	33.0	35.6	34.9
Interim employees	40.7	40.1	33.3
Third party remuneration, fees	106.9	110.6	100.7
Other services	19.4	17.1	14.7
Total	602.8	570.4	545.1

Rent and rental costs. Rent and rental costs increased by €1.5 million, or 2.4%, to €65.3 million for the year ended December 31, 2012 from €63.8 million for the year ended December 31, 2011, primarily due to the continuing shift from ownership toward operational leases for bpost's vehicle fleet. Rental costs for buildings remained stable.

Rent and rental costs increased by €4.8 million, or 8.1%, to €63.8 million for the year ended December 31, 2011 from €59.0 million for the year ended December 31, 2010, primarily due to the continuing shift from ownership toward operational leases for bpost's vehicle fleet. Rental costs for buildings remained stable.

Maintenance and repairs. Maintenance and repairs costs increased by €9.7 million, or 16.3%, to €69.3 million for the year ended December 31, 2012 from €59.6 million for the year ended December 31, 2011. As bpost increases the automation of its operations to improve productivity, the number of machines and the maintenance costs associated with them has increased. This trend has also occurred with respect to maintenance and repair costs relating to the vehicle fleet.

Maintenance and repairs costs increased by €3.8 million, or 6.8%, to €59.6 million for the year ended December 31, 2011 from €55.8 million for the year ended December 31, 2010. This was mainly due to the purchase of software licenses and additional software maintenance costs in 2011.

Energy delivery. Energy delivery costs increased by €1.5 million, or 3.6%, to €43.2 million for the year ended December 31, 2012 from €41.7 million for the year ended December 31, 2011, primarily due to increased average prices for fuel used by bpost vehicles.

Energy delivery costs increased by €2.6 million, or 6.6%, to €41.7 million for the year ended December 31, 2011 from €39.1 million for the year ended December 31, 2010. Increasing average fuel prices for bpost's vehicles more than offset the reduction in energy consumption driven by mild weather.

Other goods. Costs in respect of other goods decreased by €1.0 million, or 4.7%, to €20.2 million for the year ended December 31, 2012 from €21.2 million for the year ended December 31, 2011, primarily due to reduced usage of office supplies and the closure of bpost's employee restaurants.

Costs in respect of other goods decreased by €6.3 million, or 22.9%, to €21.2 million for the year ended December 31, 2011 from €27.5 million for the year ended December 31, 2010, primarily due to specific cost initiatives to reduce the usage of office supplies as well as costs incurred during 2010 following the introduction of bpost's new name and logo.

Insurance costs. Insurance costs increased by €3.6 million, or 30.0%, to €15.6 million for the year ended December 31, 2012 from €12.0 million for the year ended December 31, 2011, primarily due to the settlement of a past claim, an increase in the insurance premiums and an increase in self-insured damages.

Insurance costs increased by €1.2 million, or 11.1%, to €12.0 million for the year ended December 31, 2011 from €10.8 million for the year ended December 31, 2010, primarily due to increasing fleet insurance costs related to a higher number of vehicles.

Transport costs. Transport costs increased by €13.7 million, or 9.7%, to €155.5 million for the year ended December 31, 2012 from €141.8 million for the year ended December 31, 2011. The full consolidation of bpost Asia in 2012 contributed to the increase in the amount of €2.2 million. Excluding the change in scope, the increase would have been €11.5 million, which was primarily due to higher volumes of outbound mail and parcels, resulting in higher terminal dues, as well as higher volumes in bpost's foreign subsidiaries.

Transport costs increased by €7.7 million, or 5.7%, to €141.8 million for the year ended December 31, 2011 from €134.1 million for the year ended December 31, 2010, primarily due to higher volumes and sales in bpost's foreign subsidiaries. The consolidation of bpost Asia for three months in 2011 also contributed to the increase in the amount of €0.7 million.

Publicity and advertising. Publicity and advertising costs increased by €7.8 million, or 43.1%, to €25.9 million for the year ended December 31, 2012 from €18.1 million for the year ended December 31, 2011. bpost increased its advertising expenditures to support the promotion of new activities and new products such as the bpaid card and the bpack brand.

Publicity and advertising costs decreased by €9.5 million, or 34.4%, to €18.1 million for the year ended December 31, 2011 from €27.6 million for the year ended December 31, 2010. The introduction of bpost's new name and logo as well as campaigns supporting bpost's products contributed to the high level of publicity and advertising costs in 2010.

Consultancy. Consultancy costs decreased by €2.6 million, or 7.3%, to €33.0 million for the year ended December 31, 2012 from €35.6 million for the year ended December 31, 2011, mainly due to more effective cost control across the company.

Consultancy costs remained stable at €35.6 million for the year ended December 31, 2011 compared to €34.9 million for the year ended December 31, 2010. bpost has continued to undertake projects to support future revenue growth and productivity improvements. These have included the development of an information technology platform for billing purposes, programs to optimize the performance of mail activities and further improvements to bpost's commercial offering, including innovative solutions and value-added services.

Interim employees. Interim employee costs increased by €0.6 million, or 1.5%, to €40.7 million for the year ended December 31, 2012 from €40.1 million for the year ended December 31, 2011, primarily due to inflation and the use of more expensive interim employee roles. This increase was partially offset by lower utilization of interim employees (27 fewer employees were used compared to 2011). Interim employees are used to cope with short-term needs for manpower due to natural attrition, continuing absenteeism or high turnover of personnel, which has mainly occurred in the service units.

Interim employee costs increased by €6.8 million, or 20.4%, to €40.1 million for the year ended December 31, 2011 from €33.3 million for the year ended December 31, 2010. The utilization of interim employees was on average 101 full-time equivalent employees higher than in 2010.

Third party remuneration, fees. Third party remuneration and fees decreased by €3.7 million, or 3.3%, to €106.9 million for the year ended December 31, 2012 from €110.6 million for the year ended December 31, 2011, primarily due to reductions in requirements for ICT developments. This was partially offset by higher costs in respect of external parties, including interim managers, who were brought on to bridge short-term gaps in internal organization, as well as higher costs associated with outsourcing of cleaning activities and money transport.

Third party remuneration and fees increased by €9.9 million, or 9.8%, to €110.6 million for the year ended December 31, 2011 from €100.7 million for the year ended December 31, 2010. The increase was primarily due to increasing requirements for ICT developments, the higher number of transactions at PostPoints, the full year impact of a quality premium (compared to an impact of seven months in 2010) and the higher use of interim managers.

Other services. Costs in respect of other services increased by €2.3 million, or 13.5%, to €19.4 million for the year ended December 31, 2012 from €17.1 million for the year ended December 31, 2011, primarily due to higher training costs, IBPT/BIPT contributions and administration costs relating to bpaid cards.

Costs in respect of other services increased by €2.4 million, or 16.3%, to €17.1 million for the year ended December 31, 2011 from €14.7 million for the year ended December 31, 2010. The increase was primarily due to the introduction in 2011 of a compulsory contribution to the costs of IBPT/BIPT.

Payroll costs

Payroll costs decreased by €49.6 million, or 3.9%, to €1,238.5 million for the year ended December 31, 2012 from €1,288.1 million for the year ended December 31, 2011. The consolidation of bpost Asia for a full year in 2012 compared to only three months in 2011 accounted for an increase of €0.7 million. Non-recurring items accounted for €9.6 million of payroll costs in 2011 and €21.1 million in 2012, resulting in a positive impact of €11.5 million in 2012. Excluding the impact of changes in scope and non-recurring items, payroll costs would have decreased by €38.8 million, or 3.0%. This decrease was primarily due to the reduction in the average workforce by 1,348 full-time equivalent employees in 2012, which generated savings of €61.1 million, as a result of various productivity enhancement projects. All units contributed to the reduction in headcount, except for the P&I business unit. Reorganizations and productivity programs in the postal value chain, which includes distribution, transportation and collection, and in post offices continued to be implemented alongside optimization of support activities such as cleaning, facilities management and human resources. The recruitment of auxiliary postmen on lower salaries created a positive mix effect in payroll costs, in the amount of €3.4 million. In addition, a favorable evolution of the employee benefits liability (including the recognition of unrecognized actuarial gains) and lower performance related premiums had a positive impact of €13.9 million on payroll costs. These positive effects were partially offset by the cost of living increases in June 2011 (which had a full year's impact in 2012) and March 2012, which led to an increase in payroll costs of €30.8 million. Regular seniority and merit increases and increased social security charges for certain categories of personnel also led to increases of €4.8 million and €5.6 million, respectively.

Payroll costs decreased by €26.4 million, or 2.0%, to €1,288.1 million for the year ended December 31, 2011 from €1,314.5 million for the year ended December 31, 2010. The consolidation of bpost Asia for three months in 2011 increased payroll cost by €0.2 million. Non-recurring items accounted for €9.6 million of payroll costs in 2011, whereas they accounted for €3.2 million in 2010, resulting in a positive impact of €6.4 million in 2011. Excluding the impact of changes in scope and non-recurring items, payroll costs would have decreased by €20.2 million, or 2.0%. bpost's average workforce decreased by 1,338 full-time equivalent employees in 2011 as a result of various productivity enhancement projects, generating savings of €58.3 million, based on calculated average salary costs. All units contributed to the reduction in headcount, except for the P&I business unit. Reorganizations and productivity programs in the postal value chain and in post offices continued to be implemented alongside optimization of support activities such as cleaning, facilities management and human resources. The recruitment of auxiliary postmen on lower salaries created a positive mix effect on payroll costs, in the amount of €8.1 million. These positive effects were partially offset by the cost of living increases in October 2010 (which had a full year's impact in 2011) and June 2011, which led to an increase in payroll costs of €35.0 million. Regular seniority and merit increases also had an unfavorable impact in the amount of €3.9 million. An unfavorable evolution of the employee benefits liability (including the recognition of unrecognized actuarial losses), the lower utilization of rest arrears and higher performance-related premiums together accounted for an unfavorable impact of €14.3 million.

Other operating expenses

Other operating expenses decreased by €194.6 million, or 62.1%, to €118.9 million for the year ended December 31, 2012 from €313.5 million for the year ended December 31, 2011. bpost recorded a provision of €299.0 million in 2011, in respect of the European Commission's state aid investigation covering the period from 1992 to 2010, compared to a provision of €124.9 million in 2012, which covers the estimation of the repayment in respect of amounts received in 2011 and 2012 from the Belgian State as compensation for SGEIs. The higher provision in 2011 accounted for €174.1 million of the decrease. The remainder of the decrease was primarily attributable to the reversal of a pending litigation provision in 2012 in the amount of €22.7 million.

Other operating expenses were €313.5 million for the year ended December 31, 2011, compared to other operating expenses of €6.6 million for the year ended December 31, 2010. Other operating expenses in 2011 mainly related to the provision bpost recorded in respect of the European Commission's state aid investigation. bpost also recorded an environmental provision in the amount of €7.9 million in 2011.

Depreciation and amortization

Depreciation, amortization and impairment increased by €6.7 million, or 7.3%, to €98.0 million for the year ended December 31, 2012 from €91.3 million for the year ended December 31, 2011. This increase was due to higher impairment charges.

Depreciation, amortization and impairment charges decreased by €23.7 million, or 20.6%, to €91.3 million for the year ended December 31, 2011 from €115.0 million for the year ended December 31, 2010. This decrease was due to lower impairment charges.

Profit from operating activities (EBIT)

Profit from operating activities (EBIT) increased by €253.8 million, or 366.8%, to €323.0 million for the year ended December 31, 2012 from €69.2 million for the year ended December 31, 2011. This increase was mainly due to the effect of non-recurring items, which include provisions related the European Commission decision. The non-recurring provision related to the European Commission decision recorded in 2012 in respect of the years 2011 and 2012 was €174.1 million lower than the non-recurring provision recorded in 2011 in respect of the period from 2006 to 2010. Differences in the reversal of non-recurring provisions related to pending litigation and modification of employee benefit schemes accounted for €13.1 million and €21.1 million of the improvement in operating profit, respectively. Excluding the impact of non-recurring items, profit from operating activities (EBIT) would have increased by €45.5 million, or 12.7%, to €404.1 million for the year ended December 31, 2012 from €358.6 million for the year ended December 31, 2011. This improvement was achieved despite further declines in mail volumes. The negative volume trend was more than offset by price increases in domestic mail, growth in parcels volumes, the further development of bpost's international activities and an increase in income generated by banking and financial products. Furthermore, payroll costs decreased, driven by the evolution of the age pyramid and productivity enhancement initiatives.

Profit from operating activities (EBIT) decreased by €253.2 million, or 78.5%, to €69.2 million for the year ended December 31, 2011 from €322.4 million for the year ended December 31, 2010. This decrease was mainly driven by the provision related to the European Commission decision in respect of the period from 2006 to 2010, in the amount of €299.0 million. This provision was partially offset by the reversal of other non-recurring provisions in the amount of €6.4 million. Excluding the impact of these non-recurring items, profit from operating activities (EBIT) would have increased by €39.4 million, or 12.3%, to €358.6 million for the year ended December 31, 2011 from €319.2 million for the year ended December 31, 2010. While declines in mail volumes accelerated during the year, new products such as the EU license plates project combined with price increases and the further development of the foreign subsidiaries generated an increase in turnover. The decrease in payroll costs also contributed to the improvement in profit from operating activities (EBIT). The impact of the reduction in headcount, driven by productivity enhancement initiatives, offset the effect of two salary increases.

The following table presents profit from operating activities (EBIT) by operating segment as well as a reconciliation to the structure effective prior to January 1, 2013 (including the BIZ and RSS operating segments), for the years ended December 31, 2012, 2011 and 2010:

	Year ended December 31,		
	2012	2011	2010
		(€ millions)	
MRS excluding provision relating to overcompensation for SGEIs	487.6	445.1	399.2
BIZ	428.5	406.9	386.0
RSS	59.1	38.2	13.2
Provision relating to overcompensation for SGEIs	124.9	299.0	—
MRS including provision relating to overcompensation for SGEIs	362.7	146.1	399.2
P&I	6.6	10.5	(4.1)
EBIT of operating segments (including provision related to overcompensation for SGEIs)	369.3	156.6	395.1
Corporate (reconciliation category)	(46.3)	(87.4)	(72.8)
Total	323.0	69.2	322.4

MRS operating segment

Profit from operating activities (EBIT) attributable to the MRS operating segment increased by €216.6 million, or 148.3%, to €362.7 million for the year ended December 31, 2012 from €146.1 million for the year ended December 31, 2011. This increase was mainly due to the lower level of provisions with respect to the European Commission decision regarding alleged overcompensation for SGEIs in 2012 (€124.9 million) compared to 2011 (€299.0 million), combined with an increase in the reversal of non-recurring provisions. Excluding the impact of these non-recurring items, profit from operating activities (EBIT) would have increased by €32.6 million, or 7.5%, to €468.7 million for the year ended December 31,

2012 from €436.1 million for the year ended December 31, 2011. This increase was primarily due to the shift of clients from daily mail, registered mail and social mail towards administrative mail products, the further development of new contractual business relationships, price increases in line with the price cap, higher compensation from the Belgian state for the cashier activities performed by bpost and higher banking and insurance commissions received from bpost bank.

Profit from operating activities (EBIT) attributable to the MRS operating segment decreased by €253.1 million, or 63.4%, to €146.1 million for the year ended December 31, 2011 from €399.2 million for the year ended December 31, 2010. This decrease was mainly due to the €299.0 million provision related to the European Commission decision regarding alleged overcompensation for the SGEIs during the period from 1992 to 2010, partially offset by an increase in the net reversal of non-recurring provisions. Excluding the impact of these non-recurring items, profit from operating activities (EBIT) would have increased by €40.1 million, or 10.1%, to €436.1 million for the year ended December 31, 2011 from €396.0 million for the year ended December 31, 2010. This increase was primarily due to the shift of clients from daily mail, registered mail and social mail towards administrative mail products, the further development of contractual business relationships, price increases in line with the price cap and higher banking and insurance commissions received from bpost bank.

P&I operating segment

Profit from operating activities (EBIT) attributable to the P&I operating segment decreased by €3.9 million, or 37.1%, to €6.6 million for the year ended December 31, 2012 from €10.5 million for the year ended December 31, 2011. This decrease was in large part due to the start-up costs of the Shop & Deliver ("bpost by appointment") project, which accounted for €5.4 million of the decrease. Profit from operating activities (EBIT) attributable to the parcels product line decreased as a result of consulting, advertising and marketing investments to support the development of the domestic parcels business, which accounted for €1.9 million of the increase, and as a result of increases in services performed by contract drivers in express parcels delivery. These increases in costs were partially offset by the continued increase in volumes and average selling prices. Profit from operating activities (EBIT) attributable to the international product line increased, which was primarily due to bpost's increasing focus on growing international turnover, with the most important contribution coming from MSI. The decrease in profit from profit from operating activities (EBIT) was partially offset by an increase in reversals of non-recurring items. EBIT attributable to the Shop & Deliver ("bpost by appointment") project, which started in 2011, was negative €7.0 million for the year ended December 31, 2012.

Profit from operating activities (EBIT) attributable to the P&I operating segment increased by €14.6 million, to €10.5 million for the year ended December 31, 2011 from negative €4.1 million for the year ended December 31, 2010. This increase was primarily due to the development of the EU license plates project. This was partially offset by an increase in reversals of non-recurring provisions. EBIT attributable to the Shop & Deliver ("bpost by appointment") project, which started in 2011, was negative €1.6 million for the year ended December 31, 2011.

Corporate (reconciliation category)

Profit from operating activities (EBIT) attributable to the Corporate reconciliation category increased by €41.1 million, to negative €46.3 million for the year ended December 31, 2012 from negative €87.4 million for the year ended December 31, 2011. The increase was primarily due to the reversal of a pending litigation provision in the amount of €22.7 million recorded in the past to cover a risk of litigation relating to off-balance sheet transactions conducted prior to 2010, combined with variances in revenue recognition and an increase in the amortization of actuarial gains and losses for employment benefits in 2011. The costs of the corporate units (including Finance, Legal/Regulatory and Internal Audit remained stable.

Profit from operating activities (EBIT) attributable to the Corporate reconciliation category decreased by €14.6 million, to negative €87.4 million for the year ended December 31, 2011 from negative €72.8 million for the year ended December 31, 2010. This decrease was primarily due to lower gains on the disposal of real estate assets.

Net financial costs

Net financial costs increased by €48.5 million, to €53.8 million for the year ended December 31, 2012 from €5.3 million for the year ended December 31, 2011. This increase was primarily due to a €41.2 million increase in non-cash financial costs associated with employee benefits, as a result of lower discount rates used to value the benefits. The decrease in interest rates also had an adverse effect on net financial costs.

Net financial costs decreased by €15.3 million, or 74.3%, to €5.3 million for the year ended December 31, 2011 from €20.6 million for the year ended December 31, 2010. This improvement was primarily due to a €14.8 million reduction in non-cash financial costs associated with employee benefits, as a result of an increase in the discount rate used to value the benefits.

Income tax expense

Income tax expense decreased by €24.9 million, or 20.2%, to €98.5 million for the year ended December 31, 2012 from €123.4 million for the year ended December 31, 2011. This reflected an effective tax rate of 36.1% in 2012, which was in line with the effective tax rate in 2011 when the impact of the European Commission decision is excluded.

Income tax expense increased by €18.0 million, or 17.1%, to €123.4 million for the year ended December 31, 2011 from €105.4 million for the year ended December 31, 2010. Excluding the impact of the European Commission decision, bpost's effective tax rate would have been 36.0% in 2011, compared to an effective tax rate of 33.5% in 2010.

6 Statement of Financial Position

6.1 Assets

The following table presents a breakdown of bpost's consolidated assets as of March 31, 2013 and as of December 31, 2012, 2011 and 2010:

	As of March 31, 2013	As of December 31, 2012	2011	2010
		(€ millions)		
Non-current assets				
Property, plant and equipment	576.9	588.5	608.8	622.8
Intangible assets	95.3	95.5	70.0	69.3
Investment securities	—	—	—	—
Investments in associates	393.7	351.6	84.3	131.2
Investment properties	15.3	15.2	18.2	19.5
Deferred tax assets	57.9	61.0	72.4	81.9
Trade and other receivables	0.9	0.9	0.8	0.9
Total non-current assets	1,140.0	1,112.8	854.5	925.7
Current assets				
Assets held for sale	—	0.3	0.5	1.6
Investment securities	333.0	22.0	515.6	31.3
Inventories	7.3	7.0	8.2	7.7
Income tax receivable	0.4	0.1	0.4	0.4
Trade and other receivables	415.1	394.6	397.0	391.3
Cash and cash equivalents	550.9	691.2	626.7	1,115.5
Total current assets	1,306.7	1,115.3	1,548.4	1,547.8
Total assets	2,446.7	2,228.1	2,402.9	2,473.5

Property, plant and equipment

Property, plant and equipment decreased by €11.6 million, or 2.0%, to €576.9 million as of March 31, 2013 from €588.5 million as of December 31, 2012. The decrease was due to depreciation and impairment of €17.2 million for the three months ended March 31, 2013, partially offset by capital expenditures of €6.4 million.

Property, plant and equipment decreased by €20.3 million, or 3.3%, to €588.5 million as of December 31, 2012 from €608.8 million as of December 31, 2011. The decrease was due to depreciation and impairments of €78.5 million. Net transfers towards assets held for sale and from investment property amounted to €0.9 million. The main investments in 2012 related to the refurbishing, upgrade and maintenance of the buildings of the mail and retail networks (€17.8 million), production facilities for sorting and printing activities (€19.0 million), ATM and security infrastructure (€7.7 million) and information technology and other infrastructure (€12.5 million).

Property, plant and equipment decreased by €14.0 million, or 2.2%, to €608.8 million as of December 31, 2011 from €622.8 million as of December 31, 2010. The decrease was due to acquisitions of property, plant and equipment, which were €66.8 million, being more than offset by depreciation and impairments of €79.8 million. Net transfers towards assets held for sale and from investment property amounted to €1.1 million. The main investments in 2011 related to the refurbishing, upgrade and maintenance of the buildings of the mail and retail networks (€18.5 million), production facilities for sorting and printing activities (€20.8 million), vehicles (€5.3 million) and information technology and other equipment (€12.8 million).

Intangible assets

Intangible assets decreased by €0.2 million, or 0.2%, to €95.3 million as of March 31, 2013 from €95.5 million as of December 31, 2012. The decrease was due to amortization, partially offset by capital expenditures.

Intangible assets increased by €25.5 million, or 36.4%, to €95.5 million as of December 31, 2012 from €70.0 million as of December 31, 2011. This increase was mainly due to the following factors:

- An increase in goodwill in the amount of €20.8 million mainly as a result of the Landmark Global acquisition, which accounted for €18.2 million of goodwill, goodwill on the acquisition of the customs activities of DSV in the amount of €2.1 million and a share price adjustment relating to the acquisition of bpost Asia in the amount of €0.8 million; and
- Investments in software and licenses in the amount of €9.4 million, development costs capitalized in the amount of €15.2 million, the effects of business combinations in the amount of €0.9 million and other intangible assets in the amount of €0.5 million.

These increases were partially offset by amortization and impairment losses of €21.3 million.

Intangible assets increased by €0.7 million, or 1.0%, to €70.0 million as of December 31, 2011 from €69.3 million as of December 31, 2010. This increase was mainly due to goodwill resulting from the bpost Asia acquisition in the amount of €3.4 million, investments in software of €7.6 million and software development costs of €3.8 million related to several projects. These increases were partially offset by amortization and impairment losses of €14.0 million.

Investments in associates

Investments in associates increased by €42.1 million, or 12.0%, to €393.7 million as of March 31, 2013 from €351.6 million as of December 31, 2012, reflecting the Company's contribution to the capital increase of bpost bank in the amount of €37.5 million, a gain of €12.5 million arising from the increase in fair value of bpost bank, which in turn resulted from an additional issue premium paid by BNP Paribas Fortis, and the Company's share of bpost bank's profit for the first quarter of 2013 in the amount of €2.5 million. These factors were partially offset by a net unrealized loss on the bond portfolio in the amount of €10.5 million. As of March 31, 2013, investments in associates comprised net unrealized gains in respect of the bond portfolio in the amount of €215.0 million, which represented 54.6% of total investments in associates. The unrealized gains were generated by the low level of interest rates at the end of the first quarter of 2013 compared to the acquisition yields of the bonds. Unrealized gains are not recognized in the income statement but rather are recognized directly in equity in other comprehensive income.

Investments in associates increased by €267.3 million, or 317.1%, to €351.6 million as of December 31, 2012 from €84.3 million as of December 31, 2011, reflecting an increase in unrealized gains on bpost bank's bond portfolio in the amount of €263.8 million, and an increase in the Company's share of bpost bank's results, to €3.5 million for 2012 compared to €2.2 million for 2011. As of December 31, 2012, investments in associates comprised unrealized gains in respect of the bond portfolio in the amount of €225.5 million, which represented 64.1% of total investments in associates of €351.6 million. The unrealized gains were generated by the low level of interest rates at the end of 2012, compared to the acquisition yields of the bonds. Unrealized gains are not recognized in the income statement but are recorded directly in equity in other comprehensive income.

Investments in associates decreased by €46.9 million, or 35.7%, to €84.3 million as of December 31, 2011 from €131.2 million as of December 31, 2010, reflecting the impact of unrealized losses on bpost bank's bond portfolio in the amount of €49.4 million, and the incorporation of the Company's share of bpost bank's results, to €2.2 million for 2011 compared to €13.3 million for 2010. As of December 31, 2011, investments in associates comprised a net unrealized loss on the bond portfolio in the amount of €38.3 million. The

unrealized losses were due to high interest rates at the end of 2011, compared to the acquisition yields of the bonds. Unrealized losses are not recognized in the income statement but are recorded directly in equity in other comprehensive income.

Investment properties

Investment properties increased by €0.1 million, or 0.7%, to €15.3 million as of March 31, 2013 from €15.2 million as of December 31, 2012. The increase was due to more buildings being rented out.

Investment properties decreased by €3.0 million, or 16.5%, to €15.2 million as of December 31, 2012 from €18.2 million as of December 31, 2011, primarily as a result of fewer buildings being rented out.

Investment properties decreased by €1.3 million, or 6.7%, to €18.2 million as of December 31, 2011 from €19.5 million as of December 31, 2010, primarily as a result of fewer buildings being rented out.

Deferred tax assets

Deferred tax assets decreased by €3.1 million, or 5.1%, to €57.9 million as of March 31, 2013 from €61.0 million as of December 31, 2012. The decrease was due to the reduction in the difference between the Company's IFRS accounts for employee benefits, assets held for sale and provisions and the taxable base of these items.

Net deferred tax assets decreased by €11.4 million, or 15.7%, to €61.0 million as of December 31, 2012 from €72.4 million as of December 31, 2011. The decrease was mainly due to a reduction in the difference between bpost's IFRS accounts for provisions and employee benefits and the taxable basis of these items.

Net deferred tax assets decreased by €9.5 million, or 11.6%, to €72.4 million as of December 31, 2011 from €81.9 million as of December 31, 2010. The decrease was mainly due to a reduction in the difference between the IAS19 provision and the taxable basis of the employee benefits.

Investment securities

Investment securities increased by €311.0 million to €333.0 million as of March 31, 2013 from €22.0 million as of December 31, 2012. The increase was due to the Company electing to keep available cash (including cash generated by operating activities) in investment securities rather than in current bank accounts.

Investment securities decreased by €493.6 million, or 95.7%, to €22.0 million as of December 31, 2012 from €515.6 million as of December 31, 2011. bpost elected to keep available cash in its current bank account rather than in investment securities.

Investment securities increased by €484.3 million to €515.6 million as of December 31, 2011 from €31.3 million as of December 31, 2010. bpost elected to invest a portion of its available cash in commercial paper and short-term government paper.

For all periods under review, the investment securities met the definition of cash & cash equivalents as defined by IAS 7.

Current trade and other receivables

Current trade and other receivables increased by €20.5 million, or 5.2%, to €415.1 million as of March 31, 2013 from €394.6 million as of December 31, 2012. The increase was due to exceptional VAT regularization, seasonal effects and exceptional timing delays in invoicing and payments by certain clients.

Current trade and other receivables decreased by €2.4 million to €394.6 million as of December 31, 2012 from €397.0 million as of December 31, 2011, due to a €9.9 million decrease in trade receivables partially offset by an increase of €7.3 million in other receivables. The decrease in trade receivables was mainly due to a decrease of €11.6 million in the terminal dues owed by foreign operators. Other receivables rose due to higher commissions to be received (€18.5 million in 2012).

Current trade and other receivables increased by €5.7 million, or 1.5%, to €397.0 million as of December 31, 2011 from €391.3 million as of December 31, 2010, due to a €5.1 million increase in trade receivables. The increase in trade receivables was mainly due to an increase of €12.2 million in the terminal dues owed by foreign operators, partially offset by a decrease in outstanding trade accounts receivable. Other receivables increased by €1.2 million.

Cash and cash equivalents

Cash and cash equivalents decreased by €140.3 million, or 20.3%, to €550.9 million as of March 31, 2013 from €691.2 million as of December 31, 2012. The decrease was due to the Company's decision to invest more cash in investment securities rather than current bank accounts.

Cash and cash equivalents increased by €64.5 million, or 10.3%, to €691.2 million as of December 31, 2012 from €626.7 million as of December 31, 2011, primarily due to the increase in cash available in current bank accounts, partially offset by a reduction in short term deposits. Cash invested in investment securities at the end of 2011 was used in part in 2012 for the payment of a dividend to the shareholders of the Company of €170.0 million, a capital reduction of €220.0 million and the payment of an exceptional dividend from the excess in legal reserve of €28.0 million.

Cash and cash equivalents decreased by €488.8 million, or 43.8%, to €626.7 million as of December 31, 2011 from €1,115.5 million as of December 31, 2010, primarily due to the reallocation of the financial portfolio. bpost invested more cash in investment securities in 2011 compared to 2010.

6.2 Liabilities and equity

The following table presents a breakdown of bpost's liabilities and equity as of March 31, 2013 and as of December 31, 2012, 2011 and 2010:

	As of March 31,	As of December 31,		
	2013	2012	2011	2010
		(€ millions)		
Equity and liabilities				
Issued capital	364.0	508.5	783.8	783.8
Treasury shares	—	—	(14.0)	—
Reserves	220.4	225.5	64.0	120.3
Retained earnings	99.4	3.7	(57.4)	209.1
Total equity attributable to equity holders of the Parent	683.8	737.7	776.4	1,113.2
Non-controlling interest	—	—	0.9	1.1
Total equity	683.8	737.7	777.3	1,114.3
Non-current liabilities				
Interest-bearing loans and borrowings	82.7	82.7	92.2	101.6
Employee benefits	370.1	364.1	379.8	378.8
Trade and other payables	83.0	83.1	13.0	14.3
Provisions	42.1	42.0	79.6	83.4
Deferred tax liabilities	1.3	1.3	0.4	0.5
Total non-current liabilities	579.2	573.1	565.0	578.6
Current liabilities				
Interest-bearing loans and borrowings	9.5	11.2	9.7	0.8
Bank overdrafts	2.0	0.3	0.2	0.1
Provisions	137.2	140.5	334.5	37.5
Income tax payable	52.1	4.6	29.6	29.4
Trade and other payables	983.1	760.7	686.5	712.7
Total current liabilities	1,183.8	917.3	1,060.5	780.6
Total liabilities	1,762.9	1,490.4	1,625.5	1,359.2
Total liabilities and equity	2,446.7	2,228.1	2,402.9	2,473.5

Equity

Equity decreased by €53.9 million, or 7.3%, to €683.8 million as of March 31, 2013 from €737.7 million as of December 31, 2012. The decrease was due to a capital reduction of €144.5 million approved by the extraordinary Shareholders' Meeting on March 25, 2013 combined with the impact of the IAS 19 corridor in the amount of €10.8 million and the negative fair value adjustment in respect of bpost bank's bond portfolio in the amount of €10.5 million. These factors were partially offset by the profit of €99.4 million for the three months ended March 31, 2013 and by the gain of €12.5 million resulting from an additional issue premium paid by BNP Paribas Fortis in connection with the capital increase. See "*Part VI: Capitalization and Indebtedness*."

Equity decreased by €39.6 million, or 5.1%, to €737.7 million as of December 31, 2012 from €777.3 million as of December 31, 2011. The decrease was due to the payment of dividends to the shareholders of the Company of €170.0 million, a capital reduction of €220.0 million and the payment as an exceptional dividend of the excess in legal reserve of €28.0 million. Equity was further reduced by an amount of €73.6 million given that the exercise price of the put options granted to the minority shareholders of Landmark and MSI exceeded the net asset value of the companies. These items were partially offset by net profit of €174.2 million for 2012 and the increase in the Company's share of the unrealized gains on bpost bank's bond portfolio in the amount of €263.8 million. Equity was further increased by an amount of €14.0 million as the Selling Shareholder acquired the 2,589 shares of the Company held by Alteris SA/NV, a wholly owned subsidiary of the Company, which were previously reported as treasury shares (these shares were sold to the Selling Shareholder together with 1,473 shares of the Company that Alteris SA/NV acquired during 2012 as a result of the exercise window of the employee stock option plan made available in 2012).

Equity decreased by €337.0 million, or 30.2%, to €777.3 million as of December 31, 2011 from €1,114.3 million as of December 31, 2010. The decrease was due to the net loss of €57.4 million for 2011, the decrease in the Company's share of the unrealized gains on bpost bank's bond portfolio in the amount of €49.4 million, the payment of a dividend of €216.2 million in 2011 and the buy-back of shares in the amount of €14.0 million. As a consequence of the exercise window of the employee stock option plan made available in 2011, Alteris SA/NV acquired 2,589 shares of the Company, which were deemed to be treasury shares in the amount of €14.0 million. See "*Part XIV: Description of Share Capital, Articles of Association and Group Structure — 3. Share Capital and Shares — 3.1 Share capital history.*"

Non-current interest-bearing loans and borrowings

Non-current interest-bearing loans and borrowings remained unchanged at €82.7 million, as of March 31, 2013 and December 31, 2012.

Non-current interest-bearing loans and borrowings decreased by €9.5 million, or 10.3%, to €82.7 million as of December 31, 2012 from €92.2 million as of December 31, 2011 as a result of the second installment of the European Investment Bank loan, which is repayable in December 2013 in the amount of €9.1 million, being transferred to current liabilities.

Non-current interest-bearing loans and borrowings decreased by €9.4 million, or 9.3%, to €92.2 million as of December 31, 2011 from €101.6 million as of December 31, 2010 as a result of the first installment of the European Investment Bank loan, which is repayable in December 2012 in the amount of €9.1 million, being transferred to current liabilities.

Non-current trade and other payables

Non-current trade and other payables decreased by €0.1 million, or 0.1%, to €83.0 million as of March 31, 2013 from €83.1 million as of December 31, 2012.

Non-current trade and other payables increased by €70.1 million to €83.1 million as of December 31, 2012 from €13.0 million as of December 31, 2011, driven by commitments relating to the full acquisition of MSI Worldwide and Landmark Global.

Non-current trade and other payables decreased by €1.3 million, or 9.1%, to €13.0 million as of December 31, 2011 from €14.3 million as of December 31, 2010.

Employee benefits

The following table sets forth a breakdown of employee benefits as of March 31, 2013 and as of December 31, 2012, 2011 and 2010:

	As of March 31,	As of December 31,		
	2013	2012	2011	2010
		(€ millions)		
Post-employment benefits	81.6	68.7	68.1	52.4
Long-term employee benefits	123.4	124.8	157.9	166.9
Termination benefits	24.4	28.8	38.8	42.3
Other long-term benefits	140.7	141.8	115.0	117.2
Total	370.1	364.1	379.8	378.8

Employee benefits increased by €6.0 million, or 1.6%, to €370.1 million as of March 31, 2013 from €364.1 million as of December 31, 2012. The increase mainly reflected the following:

- The payment of benefits in the amount of €12.3 million, which included €4.5 million for the payment of early retirement and part-time work benefits;
- An increase in service costs and interest costs in the amount of €4.5 million; and
- An actuarial loss of €13.8 million resulting from the suppression of the corridor approach under IAS 19.

Employee benefits decreased by €15.7 million, or 4.1%, to €364.1 million as of December 31, 2012 from €379.8 million as of December 31, 2011. The decrease mainly reflected the following:

- The payment of benefits in the amount of €84.8 million, including €36.9 million for the one-off settlement of accumulated compensated absences, €17.2 million in early retirement payments and €30.7 million in other benefits. As part of the 2012 collective labor agreement, a significant number of sick days was repurchased from statutory employees. The payment of benefits also included €19.4 million for the payment of early retirement and part-time work benefits;
- An increase in service costs and interest costs in the amount of €57.3 million. In 2011, the approval of termination benefits had a €7.8 million impact on service costs. The new part-time and early retirement schemes negotiated in the 2012 collective labor agreement resulted in a €28.4 million increase; and
- An actuarial loss of €18.6 million, offset by a transfer of €6.8 million to unrecognized actuarial gains/losses, resulting in a net income statement and balance sheet effect of €11.8 million. This increase in liability reflected an actuarial financial loss of €38.5 million related to a significant decrease in discount rates in 2012 compared to 2011, and an actuarial operating gain of €26.7 million mainly related to changes in the 2012 collective labor agreement with regard to the maximum number of days allowed in the relevant plan.

After the deduction of the deferred tax asset relating to employee benefits, which amounts to €60.4 million, the net employee benefits liability amounted to €303.7 million as of December 31, 2012, compared to €316.2 million as of December 31, 2011.

Employee benefits remained almost unchanged at €379.8 million as of December 31, 2011 compared to €378.8 million as of December 31, 2010. The increase of €1.0 million mainly reflected the following:

- The payment of benefits in the amount of €55.5 million, including €12.1 million for the payment of accumulated compensated absences and €17.4 million for the payment of early retirement and part-time work benefits;
- An increase in service costs and interest costs in the amount of €35.9 million. In 2010, service costs were impacted in the amount of €27.7 million by the approval of a new early retirement scheme. The termination benefits negotiated in the Joint Committee during 2011 resulted in an increase of €7.8 million; and
- The transfer of €20.4 million from unrecognized actuarial gains/losses (mainly due to their amortization through the income statement), which decreased the unrecognized loss from €27.6 million to €7.2 million and increased the employee benefits liabilities accordingly.

After the deduction of the deferred tax asset relating to employee benefits, which amounts to €63.6 million, the net employee benefits liability amounted to €316.2 million as of December 31, 2011, compared to €303.7 million as of December 31, 2010.

Non-current provisions

Non-current provisions increased by €0.1 million, or 0.2%, to €42.1 million as of March 31, 2013 from €42.0 million as of December 31, 2012.

Non-current provisions decreased by €37.6 million, or 47.2%, to €42.0 million as of December 31, 2012 from €79.6 million as of December 31, 2011. The decrease was mainly due to litigation and environmental provisions in the amount of €33.3 million and €7.4 million, respectively.

Non-current provisions decreased by €3.8 million, or 4.6%, to €79.6 million as of December 31, 2011 from €83.4 million as of December 31, 2010. The reversal of provisions for litigation in the amount of €12.9 million was partially offset by the increase in provisions relating to environmental liabilities in the amount of €7.9 million.

Current provisions

Current provisions decreased by €3.3 million, or 2.3%, to €137.2 million as of March 31, 2013 from €140.5 million as of December 31, 2012. The decrease was due to the reversal of miscellaneous provisions.

Current provisions decreased by €194.0 million, or 58.0%, to €140.5 million as of December 31, 2012 from €334.5 million as of December 31, 2011. The decrease was mainly due to the utilization of the provision related to the decision of the European Commission in the amount of €299.0 million, partially offset by the recording of a provision for the repayment of amounts received in 2011 and 2012 from the Belgian state in compensation for SGEIs, in the amount of €124.9 million.

Current provisions increased by €297.0 million to €334.5 million as of December 31, 2011 from €37.5 million as of December 31, 2010. The increase was mainly due to the recognition of a provision related to the decision of the European Commission in the amount of €299.0 million.

Current trade and other payables

Current trade and other payables increased by €222.4 million, or 29.2%, to €983.1 million as of March 31, 2013 from €760.7 million as of December 31, 2012. The increase was primarily due to the recognition of a payable related to the capital reduction in the amount of €144.5 million, the advance payment from the Belgian state in respect of compensation for SGEIs in the amount of €142.4 million, which was partially offset by the payment of the fine imposed by the Belgian Competition Authority in the amount of €37.4 million, and by several other accruals.

Current trade and other payables increased by €74.2 million, or 10.8%, to €760.7 million as of December 31, 2012 from €686.5 million as of December 31, 2011, driven by an evolution in other payables in the amount of €60.4 million. This evolution was mainly due to higher advances related to terminal dues transactions and the recognition as a debt of the fine imposed by the Belgian Competition Authority. Payroll and social security payables remained relatively stable while trade payables increased by €10.4 million.

Current trade and other payables decreased by €26.2 million, or 3.7%, to €686.5 million as of December 31, 2011 from €712.7 million as of December 31, 2010. The decrease was mainly due to reduced advances related to lower terminal dues transactions. Payroll and social security payables and trade payables also decreased by €6.4 million and €3.8 million, respectively.

7 Liquidity and Capital Resources

7.1 Capital Resources

bpost has historically financed its operations primarily from cash flows from operations. The Company entered into a €100 million credit facility with the European Investment Bank in 2007 to finance the construction of new sorting centers, which was drawn in full in 2007. The European Investment Bank loan matures in 2022 and bears a variable interest rate of 3-month EURIBOR minus 3.7 basis points. The loan is repayable in annual installments of €9.1 million, commencing in December 2012 and ceasing upon maturity of the loan in December 2022.

On March 25, 2011, the Company entered into a revolving credit facility agreement of €300 million with BNP Paribas Fortis SA/NV, ING Belgium SA/NV and KBC Bank SA/NV. The revolving facility is available until 2016, with an agreement in principle to extend the facility until December 2017 on the same conditions, and is currently undrawn. The revolving credit facility agreement bears interest at a rate of EURIBOR plus a margin. The margin is 65 basis points for outstanding amounts of less than €100 million and provided that the leverage ratio remains below 1.0. For outstanding amounts in excess of €100 million, the margin increases by 10 basis points up to €200 million and by 20 basis points up to €300 million. If the leverage ratio exceeds 1.0, the margin and utilization fees will be increased by 10 basis points. The maximum leverage ratio permitted under the revolving credit facility is 2.50.

The credit facility provides for the possibility of up to €150 million in ancillary facilities, which may include back-up loans for the issuance of commercial paper.

7.2 Cash flows

The following table sets forth bpost's cash flows for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010:

	Three months ended March 31,		Year ended December 31,		
	2013	2012	2012	2011	2010
			(€ millions)		
Net cash from operating activities	196.4	117.8	71.3	296.3	154.6
Net cash from investing activities	(27.1)	(18.6)	(88.1)	(70.1)	(42.2)
Net cash from financing activities[1]	(0.1)	(0.2)	(412.5)	(230.7)	(171.2)
Net increase in cash and cash equivalents[1]	169.1	99.0	(429.3)	(4.6)	(58.9)
Cash and cash equivalents and investment securities as of beginning of period[1]	712.9	1,142.1	1,142.1	1,146.7	1,205.5
Cash and cash equivalents and investment securities as of end of period[1]	881.9	1,241.1	712.8	1,142.1	1,146.8

Note:

(1) Investment securities meet the definition of cash & cash equivalents as per IAS 7.

Net cash from operating activities

Operating activities generated a net cash inflow of €196.4 million for the three months ended March 31, 2013 compared to €117.8 million for the three months ended March 31, 2012. The increase of €78.6 million was primarily due to a €186.1 million reduction in payments to the Belgian state related to the alleged overcompensation for SGEIs during the first quarter of 2013 compared to the first quarter of 2012. This positive evolution was partially offset by the deterioration in the working capital position of €100.8 million, which was in turn mainly due to the payment of the fine imposed by the Belgian Competition Authority in the amount of €37.4 million, exceptional VAT regularization of €10.4 million, lower advance payments made by the Belgian state as compensation for SGEIs of €15.9 million, exceptional timing delays in invoicing and an increase in amounts outstanding from certain clients of €12.5 million. For the three months ended March 31, 2012, working capital was favorably impacted by the payment of previously delayed terminal dues by a postal operator in the amount of €19.9 million. The remaining decrease in cash generated from operating activities was mainly due to unfavorable movements in provisions in the amount of €6.2 million.

Operating activities generated a net cash inflow of €71.3 million for the year ended December 31, 2012 compared to €296.3 million for the year ended December 31, 2011. The decrease of €225.0 million was primarily due to the payment of the alleged overcompensation found by the European Commission in the amount of €300.8 million. Excluding the alleged overcompensation payment, net cash from operating activities would have increased by €75.8 million, mainly due to a favorable evolution of operating performance, the positive evolution of terminal dues (resulting from to a positive contribution of €32.3 million in 2012 compared to a negative contribution of €26.3 million in 2011, including the payment of previously delayed terminal dues by postal operators) and the positive development of social debt and tax payable in respect of previous years, partially offset by higher tax pre-payments (an increase of €12.3 million) and a cash outflow in employee benefits mainly driven by the buy-out of sick days of statutory employees.

Operating activities generated a net cash inflow of €296.3 million for the year ended December 31, 2011, compared to €154.6 million for the year ended December 31, 2010. During 2010, bpost terminated the system of cash deposits from third parties and all outstanding balances were returned to their owners resulting in a cash outflow of €28.0 million. Also in 2010, advances received from the Belgian state to fund certain state treasury operations were repaid in the amount of €84.3 million as part of the restructuring of the relationship between bpost and the state treasury. Excluding the impact of these items, operating activities would have generated cash of €266.9 million in 2010. The increase of €29.4 million in 2011 not attributable to the clearing of deposits of third parties and the repayment of advances received was due to an improvement in financial performance, which generated a cash profit from operating activities before working capital that was €58.3 million higher than the previous year. This was partially offset by the negative evolution of the working capital position (excluding the impact of funds deposited by third parties and the repayment of advances of €28.7 million). This development resulted from a change in the balance of accounts payable and accounts receivable in respect of terminal dues (partly due to delayed payment of terminal dues by postal operators) as well as the evolution of social liabilities and taxes.

Net cash from investing activities

Investing activities used €27.1 million of cash in the three months ended March 31, 2013 compared to €18.6 million in the three months ended March 31, 2012. The increase of €8.5 million was due to the Company's contribution to the capital increase of bpost bank in the amount of €37.5 million, partially offset by the disposal of selected activities of Certipost for €15.1 million and lower capital expenditures.

Investing activities used €88.1 million of cash in the year ended December 31, 2012, compared to €70.1 million in the year ended December 31, 2011. Proceeds from the sale of property, plant and equipment decreased by €1.1 million to €10.9 million in 2012 from €12.0 million in 2011. During 2012, bpost continued to sell properties which are no longer used for its operations. Acquisitions of property, plant and equipment in 2012 decreased to €57.0 million, compared to €66.8 million in 2011. Acquisitions of intangible assets amounted to €27.2 million in 2012, compared to €11.4 million in 2011. In 2012, the acquisition of subsidiaries, net of cash acquired in the amount of €14.8 million included the acquisition of an additional 20% stake in MSI, 51% of Landmark and the remaining 24.91% of Secumail.

Investing activities used €70.1 million of cash in the year ended December 31, 2011, compared to €42.2 million in the year ended December 31, 2010. Proceeds from the sale of property, plant and equipment decreased by €14.5 million to €12.0 million in 2011 from €26.5 million in 2010. During 2011, bpost continued to sell properties which are no longer used for its operations but less cash was generated by the disposals. Acquisitions of property, plant and equipment in 2011 increased to €66.8 million, compared to €57.1 million in 2010. Acquisitions of intangible assets amounted to €11.4 million in 2011, compared to €11.2 million in 2010. In 2011, the acquisition of subsidiaries, net of cash acquired in the amount of €4.0 million included the acquisition of bpost Asia.

Net cash from financing activities

Financing activities used €0.1 million of cash in the three months ended March 31, 2013 compared to €0.2 million in the three months ended March 31, 2012.

Financing activities used €412.5 million of cash in the year ended December 31, 2012, compared to €230.7 million in the year ended December 31, 2011. The use of cash comprised the payment of dividends to the shareholders of the Company of €170.0 million and a capital and legal reserve reduction of €248.0 million.

Financing activities used €230.7 million of cash in the year ended December 31, 2011, compared to €171.2 million in the year ended December 31, 2010. The use of cash mainly comprised the payment of dividends to the shareholders of the Company in the amount of €215.9 million.

7.3 Capital expenditure

bpost's gross capital expenditure (defined as acquisition of property, plant and equipment, intangible assets and other investments) for the three months ended March 31, 2013 and 2012 was €7.8 million and €21.0 million, respectively. For the years ended December 31, 2012, 2011 and 2010, its gross capital expenditure (defined as acquisition of property, plant and equipment and intangible assets) was €84.2 million, €78.2 million and €68.3 million, respectively. Its net capital expenditure (defined as gross capital expenditure less proceeds from sale of property, plant and equipment) was €4.7 million and €18.4 million for the three months ended March 31, 2013 and 2012, respectively. For the years ended December 31, 2012, 2011 and 2010, its net capital expenditure was €73.2 million, €66.2 million and €41.8 million, respectively. For details of movements in bpost's historical capital expenditure, see "*— 6. Statement of Financial Position — 6.1 Assets — Property, plant and equipment*" and "*— Intangible assets.*"

In the past, bpost has funded a portion of its capital expenditure from the proceeds of sales of buildings (primarily buildings that have become unoccupied in connection with the logistics transformation of bpost). Management expects that it will continue to fund a portion of its future capital expenditure in this manner. The majority of capital expenditure will be funded by cash flow from operating activities. For the period from 2013 to 2015, management anticipates that bpost's gross capital expenditure will not exceed, on average, €122 million per year (exclusive of any mergers and acquisitions related activity). This includes approximately €40 million of maintenance capital expenditures per year. Over the same period, management expects that bpost will sell real estate assets in the average amount of €44 million per year. The main reason for the expected higher net capital expenditure for the period from 2013 to 2015 is the introduction of the Vision 2020 program. See "*Part VIII: Business — 7. Service Units — 7.1 Mail Service Operations*" for a description of the Vision 2020 program.

7.4 Working capital

In the opinion of the Company the working capital available to it is sufficient for the Company's present requirements, that is, for the next 12 months following the date of this Prospectus.

8 Events After the Statement of Financial Position Date

On March 25, 2013, an Extraordinary Shareholders' Meeting of the Company approved (i) a capital reduction of €144.5 million through the return of capital to the Company's existing shareholders prior to the Closing Date and (ii) a reduction in the legal reserve in the amount of €21.3 million through the transfer to available reserves to facilitate the payment of the exceptional dividend of €53.5 million from available reserves to such shareholders. The exceptional dividend is expected to be approved by an extraordinary Shareholders' Meeting to be held on or around June 7, 2013. The distribution resulting from the capital reduction of €144.5 million and the exceptional dividend in the amount of €53.5 million are expected to occur on or around June 7, 2013. The tax expense to the Company associated with the exceptional dividend is €17.6 million, including €7.3 million which was already recorded in the first quarter of 2013 and €10.3 million which will be recorded upon payment of the exceptional dividend. The effect of these transactions on the statement of financial position is shown in "*Part VI: Capitalization and Indebtedness*."

A stock split was approved at the Extraordinary Shareholders' Meeting on May 27, 2013. Following the stock split, 200,000,944 Shares are outstanding. The following table shows earnings per share reflecting the stock split for the three months ended March 31, 2013 and 2012 and the years ended December 31, 2012, 2011 and 2010.

	Three months ended March 31,		Year ended December 31,		
	2013	**2012**	**2012**	**2011**	**2010**
			(€ millions)		
Net profit attributable to ordinary equity holders of the parent for basic earnings	99.0	89.2	173.3	(57.4)	209.2
Adjustment for the effect of dilution	—	—	—	—	—
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	99.0	89.2	173.3	(57.4)	209.2
			(million)		
Weighted average number of ordinary shares for basic earnings per share	200.0	198.7	198.6	199.6	200.0
Adjustment for the effect of dilution	—	—	—	—	—
Weighted average number of ordinary shares adjusted for the effect of dilution	200.0	198.7	198.6	199.6	200.0
			(€ / share)		
Basic, profit for the first quarter attributable to ordinary equity holders of the parent	0.50	0.45	0.87	(0.29)	1.05
Diluted, profit for the first quarter attributable to ordinary equity holders of the parent	0.50	0.45	0.87	(0.29)	1.05

For additional information on recent developments, see "— *2. Recent Developments*."

9 Qualitative and Quantitative Disclosure About Market Risk

9.1 Exchange rate risk

bpost's exposure to exchange rate risk is limited and is not actively managed.

9.2 Interest rate risk

bpost's associate, bpost bank is, like any bank, subject to interest rate risk, which directly influences its margins. Interest rates likewise influence the valuation of bpost bank's bond portfolio, which is measured as an available-for-sale asset (reflected as fair value through other comprehensive income). Since bpost bank is an equity-accounted entity, 50% of the change in its equity directly influences the consolidated equity of bpost. bpost is also directly exposed to interest rate risks. The loan granted by the European Investment Bank, with a remaining outstanding balance of €91.1 million, matures in 2022 and carries a floating interest rate (3-month EURIBOR minus 3.7 basis points).

9.3 Credit risk

bpost is exposed to credit risks through its operational activities, in the investment of its liquidity and through its investment in bpost bank.

The table below presents a breakdown of credit risk by asset class as of December 31, 2012, 2011 and 2010:

	As of December 31,		
	2012	2011	2010
		(€ millions)	
Credit risk classes of financial assets			
Held to maturity financial assets	22.0	515.6	6.1
Financial assets at fair value through profit and loss, designated as such upon initial recognition	—	—	25.2
Cash and cash equivalents	691.2	626.7	1,115.5
Trade and other receivables	395.5	397.8	392.2
Total	1,108.7	1,540.0	1,539.0

Credit risk through operational activities

Credit risk by definition only concerns that portion of bpost's activities that is not paid up front in cash. bpost actively manages its exposure to credit risk by investigating the solvency of its customers. This translates into a credit rating and a credit limit. The credit rating is updated every day for all Belgian customers. For foreign customers, the credit rating is updated at contract renewal (and ad hoc in case of any change in or doubt with regard to the customer's solvency situation). The credit limit is updated on a daily basis. If the solvency investigation produces a negative result, bpost requests the customer to make up-front cash payments, to provide bank guarantees and/or to grant bpost a direct debit.

Trade and other receivables have been reviewed for indicators of impairment. Trade receivables that have been found to be impaired are set forth in the table below as of December 31, 2012, 2011 and 2010:

	As of December 31,		
	2012	2011	2010
		(€ millions)	
As of January 1	7.5	8.0	23.5
Impairments: Additions	1.1	0.8	2.1
Impairments: Utilization	(1.9)	(1.0)	(15.2)
Impairments: Reversal	(0.3)	(0.3)	(2.5)
As of December 31	6.5	7.5	8.0

Certain trade receivables are past due as of the reporting date. The aging analysis for trade receivables that are past due as of December 31, 2012, 2011 and 2010 is set forth below:

	As of December 31,		
	2012	2011	2010
		(€ millions)	
Current	307.5	325.8	318.0
<60 days	41.9	34.6	33.7
60-120 days	3.8	2.3	5.2
>120 days	1.4	1.9	2.6
Total	354.7	364.6	359.5

Credit risk through investment of liquidity

Regarding bpost's investment of its liquidity, which includes cash and cash equivalents and investment securities, the exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The changes in the fair value of the financial liabilities (see Note 6.25 to the audited consolidated financial statements) are not due to changes in credit risk. This is presented in the table below:

	As of December 31,		
	2012	2011	2010
		(€ millions)	
Carrying amount at January 1	101.9	102.4	102.6
Changes attributable to changes in credit risk	—	—	—
Reimbursement loan	(9.1)	—	—
Other changes	1.1	(0.5)	(0.2)
Carrying amount at December 31	93.8	101.9	102.4

Credit risk through bpost bank

bpost bank invests the funds that have been deposited by its customers. It has adopted a strict investment policy that determines an overall allocation of the investments across Belgian state bonds, other sovereign bonds and bonds from financial and commercial corporations. In addition, maximum concentration limits per issuer, per sector, per rating and per country have been established and are constantly monitored. bpost bank only invests in euro-denominated instruments.

9.4 Liquidity risk

bpost's current liquidity risk is limited due to the high level of cash at hand and due to the fact that a significant portion of its revenues is paid by its customers prior to bpost's performing the service.

The maturity of the liabilities as of December 31, 2012 were as follows:

	Current	Non-Current	
	Less than 1 year	Within 1 year but not later than 5 years	Later than 5 years
		(€ millions)	
Finance lease obligations	0.4	0.7	—
Trade and other payables	760.7	83.1	—
Bank loans	9.2	36.4	45.6
Total	770.3	120.2	45.6

The above contractual maturities are based on the contractual undiscounted payments, which may differ from the carrying values of the liabilities at the statement of financial position date.

Capital management policies and procedures

bpost monitors capital on the basis of the ratio of the carrying amount of equity versus net debt.

The elements composing the equity for this ratio are the same as stated in the equity reconciliation. Net debt is composed of loans less investment securities and cash and cash equivalents. The ratio is calculated as net debt/capital.

Currently, bpost has not established a formal set of upper and lower limits for this ratio, given the absence of any significant loans up until December 2012 (except the EIB loan). The main objectives for the capital management are to ensure bpost's ability to continue as a going concern and to provide an adequate return to shareholders.

The table below details the elements of the monitoring ratio:

	As of December 31,		
	2012	2011	2010
		(€ millions)	
Capital			
Issued capital/Authorized capital	508.5	783.8	783.8
Treasury shares	0.0	(14.0)	0.0
Other reserves	225.5	64.0	120.3
Retained earnings	3.7	(57.4)	209.1
Non-controlling interests	—	0.9	1.1
Total	737.7	777.3	1,114.3
Net debt/(net cash)			
Interest-bearing loans and borrowings	94.2	101.9	102.4
Non-interest bearing loans and borrowings	0.4	0.5	0.5
Investment securities	(22.0)	(515.6)	(31.3)
Cash and cash equivalents	(691.2)	(626.7)	(1,115.5)
Total	(618.6)	(1,039.9)	(1,043.8)
Net debt/(net cash) to capital ratio	(0.8)	(1.3)	(0.9)

10 Operating Leases

bpost's future minimum operating lease payments for the years ended December 31, 2012, 2011 and 2010 are set forth below:

	As of December 31,		
	2012	2011	2010
		(€ millions)	
Less than one year	56.7	58.4	48.5
Between one year and five years	138.0	128.8	130.0
More than five years	77.5	78.9	68.1
Total	272.2	266.1	246.6

The operating leases related to buildings and vehicles. Lease payments were recognized as an expense in "Services and other goods" in the amount of €65.3 million, €63.8 million and €59.0 million in 2012, 2011 and 2010, respectively. The operational lease agreements include fixed lease payments. The risks and rewards incidental to the ownership are not transferred to bpost.

bpost's future minimum operating lease income for the years ended December 31, 2012, 2011 and 2010 is as follows and relates to buildings:

	As of December 31,		
	2012	2011	2010
		(€ millions)	
Less than one year	3.4	3.7	2.7
Between one year and five years	10.8	15.0	11.4
More than five years	9.3	19.1	11.8
Total	23.5	37.8	25.9

Income relating to operational lease agreements is recognized in "Other operating income" in the amount of €3.5 million, €3.6 million and €4.1 million in 2012, 2011 and 2010, respectively.

11 Off-Balance Sheet Transactions

As of the date of this Prospectus, bpost has not entered into any material off-balance sheet transactions. For additional details of off-balance sheet transactions, see Note 6.31 to the audited consolidated financial statements.

12 Significant Accounting Policies

For a discussion of bpost's significant accounting policies, see Note 6.3 to the audited consolidated financial statements.

PART XII: MANAGEMENT AND CORPORATE GOVERNANCE

1 Overview

This section summarizes the rules and principles by which bpost's corporate governance is organized, which are contained in relevant legislation (including the 1991 Law), the Articles of Association and Corporate Governance Charter. As a limited liability company under public law pursuant to the 1991 Law, general Belgian company law applies to the Company, except to the extent that the 1991 Law or any other Belgian laws or regulations adopted pursuant thereto provide otherwise.

The Company adopted new Articles of Association at the Shareholders' Meeting held on May 27, 2013. Any changes to the Articles of Association approved by the Shareholders' Meeting of the Company must be approved by the Belgian state pursuant to the 1991 Law. It is expected that the Belgian state will adopt the Royal Decree approving the new Articles of Association prior to the Pricing Date. See "*Part II: Risk Factors — 3. Risks Relating to the Offering — If the Belgian state fails to adopt certain approvals, the effect of certain contractual arrangements entered into by the Company or changes to the Articles of Association approved by the Shareholders' Meeting may be delayed or such contractual arrangements or changes to the Articles of Association may never enter into force*." Save for the stock split and the change of the corporate purpose clause, these changes are subject to the closing of the Offering. See "*Part XIV: Description of Share Capital, Articles of Association and Group Structure*."

bpost is committed to high standards of corporate governance and relies on the Belgian Code on Corporate Governance of March 12, 2009 (the "Corporate Governance Code") as a reference code. The Corporate Governance Code is based on a "comply or explain" approach. Belgian listed companies should follow the Corporate Governance Code, but may deviate from its provisions provided they disclose the justification for any such deviation. The Board of Directors has adopted the Corporate Governance Charter, subject to the closing of the Offering. It will review the Company's corporate governance at regular intervals and adopt any changes deemed necessary and appropriate.

The Board of Directors intends to comply with the Corporate Governance Code, except for provisions 4.2, 4.6 and 4.7, which cannot be followed due to deviations imposed upon the Company by the 1991 Law. Pursuant to Article 18, §2 juncto Article 148bis/3 of the 1991 Law, the Belgian state appoints directly a certain number of directors, whereas provision 4.2 requires a company's Board of Directors to make proposals for the appointment of directors *via* the Shareholders' Meeting. Pursuant to Article 18, §3 and Article 20, §2 of the 1991 Law, the directors of the Company are appointed for six years, whereas provision 4.6 provides that mandates of directors should not exceed four years. Finally, Article 18, §5 of the 1991 Law provides that the Chairperson is appointed by the Belgian state, whereas provision 4.7 states that the Board of Directors should appoint the chairperson.

As a state-owned enterprise, the Company also aims to comply with most of the OECD Guidelines on Corporate Governance of State-owned Enterprises laid down in the OECD Code, to the extent permitted under the legal framework that applies to bpost, in particular the 1991 Law.

The Articles of Association and the Corporate Governance Charter will be made available on the Company's website (*www.bpost.be*) and can be obtained free of charge at the Company's registered office after completion of the Offering.

2 Board of Directors

2.1 Powers and responsibilities of the Board

The Board of Directors is vested with the power to perform all acts that are necessary or useful for the realization of the Company's purpose, except for those actions that are specifically reserved by law or the Articles of Association to the Shareholders' Meeting or other management bodies.

In particular, the Board is responsible for:

- defining the general policy orientations of the Company and its subsidiaries;
- deciding all major strategic, financial and operational matters of the Company;
- overseeing the management by the Chief Executive Officer (the "CEO"), the Management Committee and the Group Executive Management; and
- all other matters reserved to the Board by the Belgian Companies Code or the 1991 Law.

Certain decisions of the Board must be adopted by a special majority (see "— *2.3 Functioning of the Board of Directors*").

Within certain limits, the Board of Directors is entitled to delegate part of its powers to the Management Committee and to delegate special and limited powers to the CEO and other members of the Group Executive Management.

2.2 Composition of the Board

In accordance with the 1991 Law, the Board of Directors may be composed of a maximum of 18 members, including the CEO and any other member of the Management Committee appointed as a director. As of the date of this Prospectus, the Board of Directors comprises 10 members.

Subject to and effective as of the closing of the Offering, the Board of Directors will consist of up to 12 members, which will be appointed as follows:

- the CEO, who is appointed by the Belgian state by Royal Decree deliberated in the Council of Ministers, upon proposal of the Board of Directors acting upon a recommendation of the Remuneration and Nomination Committee;
- up to six directors, including the Chairperson of the Board and one director proposed by SFPI/FPIM, appointed by the Belgian state by Royal Decree deliberated in the Council of Ministers, after consultation with the Remuneration and Nomination Committee. These directors must be prominent members of the business or academic communities or national or international public institutions;
- three independent directors, within the meaning set out in Article 526ter of the Belgian Companies Code, elected by an electoral college consisting of all shareholders of the Company other than public institutions (meaning Belgian public institutions or entities within the meaning of Article 42 of the 1991 Law ("Public Institutions")), which encompasses the Belgian state and its affiliated entities, including SFPI/FPIM) from among candidates proposed by the Remuneration and Nomination Committee, it being understood that, for the election of these directors, no shareholder may cast votes representing in excess of 5% of total voting rights attached to the Shares;
- so long as the Selling Shareholder (alone or together with its affiliates) own 15% or more of the voting Shares, two directors shall be elected by an electoral college consisting of all shareholders of the Company other than Public Institutions upon the proposal of the Selling Shareholder. If the Selling Shareholder (alone or together with its affiliates) owns 5% or more of the voting Shares, but less than 15%, one director shall be so elected; and
- if one or no directors have been appointed upon the proposal of the Selling Shareholder in accordance with the above nomination rights, the remaining director or directors shall be elected by an electoral college consisting of all shareholders of the Company other than Public Institutions.

The directors are each appointed for a renewable term defined by the 1991 Law. The 1991 Law currently provides for a term of six years but it is agreed in the Shareholders' Agreement that, subject to legislative approval, the term of office of directors will be reduced to four years going forward.

Except for the CEO, the Board of Directors only consists of non-executive directors. The Chairperson of the Board is appointed and may be removed from his/her chairmanship by Royal Decree deliberated in the Council of Ministers. So long as the Selling Shareholder owns (alone or together with its affiliates), directly or indirectly, at least 20% of the voting Shares, the appointment and the removal of the Chairperson is subject to high level consultations with the Selling Shareholder. The CEO and the Chairperson of the Board of Directors must belong to a different language group (Dutch versus French).

The directors appointed by the Belgian state (including the CEO, the Chairperson of the Board of Directors and one director proposed by SFPI/FPIM) may be removed or replaced only by Royal Decree deliberated in the Council of Ministers. All other directors may be removed or replaced at any time by a majority of the votes cast by an electoral college consisting of all shareholders of the Company other than Public Institutions. The CEO, when removed from his/her duties, automatically ceases to be a member of the Board of Directors.

The members of the Board of Directors appointed by the Belgian state should comprise an equal number of Dutch speakers and French speakers, excluding, as the case may be, the Chairperson. Of those directors, at least one-third must be of a different gender from the other directors appointed by the Belgian state.

Directors are not allowed to hold certain public offices in Belgium, to serve as member of the European Parliament or the European Commission, or to hold certain other positions specified in the 1991 Law (and in the Articles of Association). In addition, with the exception of the CEO and other members of the

Management Committee, a director may not be an employee of the Company. Persons with interests conflicting with those of the Company or one of its subsidiaries may not be appointed as directors, and directors are required to tender their resignation if a continuing conflict of interest arises.

2.3 Functioning of the Board of Directors

In principle, the Board of Directors meets seven times a year, and in any event no fewer than five times a year. Additional meetings may be called with appropriate notice at any time to address specific needs of the business. A meeting of the Board of Directors must in any event be convened if so requested by at least two directors. In 2012, the Board met 11 times.

Quorum

The Board can only deliberate and make valid decisions if more than half of the directors are present or represented.

The quorum requirement does not apply (i) to the vote on any matter at a subsequent meeting of the Board of Directors to which such matter has been deferred for lack of quorum at a prior meeting, if said subsequent meeting is held within 30 days from such prior meeting and the notice of said subsequent meeting sets forth the proposed decision on such matter with reference to this provision, or (ii) when an unforeseen emergency arises that makes it necessary for the Board to take action that would otherwise become time-barred by law or in order to avoid imminent harm to the Company.

So long as the Selling Shareholder (alone or together with its affiliates) owns at least 20% of the voting Shares, the Board can also only deliberate and make valid decisions if more than half of the directors are present or represented but if the quorum requirement is not met, the Board of Directors can deliberate and make valid decisions during a new meeting on the items on the agenda of the previous meeting, provided that at least one-third of the directors is present or represented. In addition, certain matters that require a special majority (set out below) can only be validly adopted if the directors present or represented also include at least two directors appointed by the Belgian state (other than the CEO) and the two directors appointed upon the proposal of the Selling Shareholder. This special quorum requirement does not apply in the same circumstances as the general quorum requirement mentioned above.

Deliberation and voting

Without prejudice to the special majority requirements set forth in the 1991 Law, all decisions of the Board of Directors are adopted by a majority of the votes cast. In the case of a tie, the Chairperson has a casting vote.

For so long as the Selling Shareholder (alone or together with its affiliates) own at least 20% of the voting Shares, certain decisions of the Board listed in the Articles of Association require a majority of 75% of the votes cast: (i) the adoption or amendment of the business plan or the annual budget; (ii) the renewal or amendment of the management contract between the Belgian state and the Company; (iii) any issuance or redemption of Shares; (iv) the distribution of any interim dividend that departs from the dividend pay-out policy; (v) capital expenditure or borrowing in excess of €25 million, (vi) strategic acquisitions, divestitures or similar decisions; (vii) the entry into any new line of business or the withdrawal from an existing significant line of business; (viii) the transfer of a business in excess of €25 million; (ix) the granting of security interests over assets with a value in excess of €25 million; (x) the transfer of shares of certain subsidiaries; (xii) certain voting instructions regarding decisions to be taken at the level of certain subsidiaries; (xiii) the conclusion or amendment of any agreement between the Company and the Public Institutions or between the Company and the Selling Shareholder; (xiv) new initiatives in the human resources area involving expenditures in excess of €25 million; (xv) the approval of certain constitutional documents regarding the functioning of the Board of Directors; (xvi) (proposals for) the appointment and the remuneration of the CEO and the other members of the Management Committee; (xvii) delegation of management powers; (xviii) material changes to accounting policies; and (xix) the initiation or settlement of legal proceedings with a liability greater than €5 million. Such enhanced majority will no longer be required for certain matters (*i.e.*, the entry into any new line of business or the withdrawal from an existing significant line of business, the appointment or removal of a member of the Management Committee (other than the CEO) or decisions on the principles governing the remuneration of the members of the Management Committee) or will remain applicable for a threshold of €50 million instead of €25 million in the case of capital expenditures or borrowings, the transfer of a business or assets, granting of any security interest of assets or the implementation of new initiatives in the human resources area involving expenditures when the Selling Shareholder (alone or together with its affiliates) owns less than 25% of the voting Shares.

If and when the shareholding of the Selling Shareholder (alone or together with its affiliates) drops below 20% of the voting Shares, a more limited list of Board matters requires a majority of two-thirds of the votes cast regardless of the remaining number of voting Shares owned by the Selling Shareholder:

- approval of the management contract between the Belgian state and the Company;
- acquisitions exceeding certain thresholds;
- certain changes to the principles of staff regulations or the union statute;
- any amendment of the Corporate Governance Charter or the charter of a Board committee;
- the appointment of the CEO;
- any issuance of Shares, convertible bonds or warrants under authorized capital in case of exclusion or limitation of preferential subscription rights of existing shareholders;
- any decision to redeem Shares or to resell treasury Shares; and
- the distribution of any interim dividend that departs from the dividend pay-out policy. See "*Part V: Dividends and Dividend Policy*" for further details of the dividend policy.

In addition, the Corporate Governance Charter provides that Board decisions of strategic import, including the adoption of the business plan and the annual budget and decisions regarding strategic acquisitions, alliances and divestitures must be prepared by a standing or an ad hoc Board committee. For any such decisions, the Board shall strive to achieve broad support across its various constituencies, it being understood that, following appropriate dialogue and consultations, the Chairperson may call for a decision and the proposal shall carry if adopted by a majority of the votes cast.

2.4 Pre-Offering Board

As of the date of this Prospectus, the Board of Directors is composed of the following 10 directors, of which the CEO and five directors were appointed by the Belgian state and four were appointed from among candidates proposed by the Selling Shareholder.

Name	Age	Position	Director since	Mandate expires
Martine Durez[(1)]	61	Non-Executive Chairperson of the Board	2006	2018
Johnny Thijs[(1)]	61	CEO and Director	2000[(3)]	2014
Arthur Goethals[(1)]	67	Non-Executive Director	2006	2018
Luc Lallemand[(1)]	46	Non-Executive Director	2002	2018
Laurent Levaux[(1)]	56	Non-Executive Director	2012	2018
Caroline Ven[(1)]	41	Non-Executive Director	2012	2018
Geert Duyck[(2)]	49	Non-Executive Director	2006	2018[(4)]
K.B. Pedersen[(2)]	65	Non-Executive Director	2009	2018
Søren Vestergaard-Poulsen[(2)]	43	Non-Executive Director	2006	2018[(4)]
Bjarne Wind[(2)]	64	Non-Executive Director	2008	2018

Notes:

(1) Appointed by the Belgian state.

(2) Appointed upon the proposal of the Selling Shareholder.

(3) Appointed as CEO in 2002. On May 17, 2013 the Board of Directors, acting upon a unanimous recommendation of the Remuneration and Nomination Committee, unanimously decided to propose to the Belgian State to re-appoint Mr.Thijs for a term of 6 years following the expiry of his current term of office.

(4) The current term of these pre-Offering Board members will expire subject to and with effect as of the closing of the Offering.

The business address for all of the directors is Centre Monnaie-Muntcentrum, 1000 Brussels, Belgium.

Martine Durez, Chairperson of the Board. Ms. Durez has been Chairperson of the Board since 2006. Prior to becoming Chairperson, Ms. Durez was CFO of the Company from 1997 to 2006. She holds a degree in commercial engineering and a PhD in applied economics from the Free University of Brussels, Solvay Business School.

Johnny Thijs, CEO and director. Mr. Thijs has been CEO of the Company since 2002. Prior to joining the Company, Mr. Thijs was CEO of Ter Beke NV from 2000 to 2002 and executive vice president and CEO of Europe, Asia Pacific and Africa of Interbrew from 1991 to 2000. He holds a degree in commercial engineering from the Economische Hogeschool Limburg.

Arthur Goethals, non-executive director. Mr. Goethals has accumulated over 35 years' experience in the retail sector since joining Delhaize Group in 1971 as a store manager. In 1994 Mr. Goethals became Executive Vice President of the Delhaize Group and in 2000 became CEO of Delhaize Belux, and held those positions until his retirement in mid-2007. He holds a degree in economics from the University of Ghent and the Instituut voor Postuniversitair Onderwijs, Antwerp (now the Antwerp Management School) and a degree in advanced management from the Vlerick Leuven Gent Management School (now the Vlerick Business School).

Luc Lallemand, non-executive director. Mr. Lallemand is CEO of Infrabel SA/NV, which he joined in 2004. Prior to joining Infrabel, Mr. Lallemand was CFO and a director of SNCB (the Belgian National Railway Company) from 2002 to 2004. He holds a masters degree in commercial engineering from Francisco Ferrer College Brussels and a degree from Institut de Finance Internationale et de Cambisme (IFCA).

Laurent Levaux, non-executive director. Mr. Levaux is Executive Chairman and CEO of Aviapartner NV, which he joined in 2008. Prior to joining Aviapartner, he was CEO of ABX Logistics from 2003 to 2008, CEO of CMI from 1995 to 2003, associate and partner at McKinsey & Co. from 1985 to 1995 and CEO and co-founder of Losfeld-Fétinne SA from 1979 to 1984. He holds a degree in applied economics from Université catholique de Louvain (UCL) and an MBA from the University of Chicago.

Caroline Ven, non-executive director. Ms. Ven is Managing Director of VKW, a platform and think tank for entrepreneurs. From 2008 to 2010, she was chief of staff at the cabinet of Belgian prime ministers Yves Leterme and Herman van Rompuy. Ms. Ven started her career as an economist at the research department of Kredietbank (now KBC) and, in 1999, joined the Federation of Enterprises in Belgium and became manager for economic affairs. She holds a masters degree in applied economics from UFSIA (University of Antwerp).

Geert Duyck, non-executive director. Mr. Duyck is a Managing Partner at CVC, which he joined in 1998. Prior to joining CVC, Mr. Duyck ran the investment banking department at Banque Bruxelles Lambert (now ING Belgium). He holds a masters degree in commercial engineering from Katholieke Universiteit Leuven and an advanced management programme degree from INSEAD, Fontainebleau.

K.B. Pedersen, non-executive director. Mr. Pedersen is the CEO and managing director of Post Danmark A/S and the deputy CEO of PostNord AB, currently acting as its President and CEO. He trained at the Danish Post and Telegraph Office and joined Post Danmark in 1966, holding numerous positions including executive vice president and head of group functions operations development.

Søren Vestergaard-Poulsen, non-executive director. Mr. Vestergaard-Poulsen is a Partner at CVC. He holds a masters degree in International Business Administration from Copenhagen Business School. Mr. Vestergaard-Poulsen is also the non-executive Chairman of Matas Group, the non-executive Deputy Chairman of DC Commodities A/S, and a non-executive Board member of Ahlsell Group.

Bjarne Wind, non-executive director. Since 2008, Mr. Wind has been an independent management consultant, working mainly for CVC as Senior Industrial Advisor. Mr. Wind was CFO of Post Denmark A/S from 2002 to 2008, held various positions at the executive board level of Girobank A/S, BG Bank A/S, Real Danmark Holding A/S and Danske Bank A/S from 1991 to 2002 and was CEO of Financial Services of the Danish Post from 1986 to 1991.

2.5 Post-Offering Board

An Extraordinary Shareholders' Meeting was held on May 27, 2013 to (i) adopt new Articles of Association also increasing the total number of directors; and (ii) appoint new members of Board of Directors, each subject to and with effect as of the closing of the Offering. Two out of the four directors appointed upon the proposal of the Selling Shareholder have tendered their resignation and three new independent directors have been appointed, each subject to and with effect as of the closing of the Offering.

Prior to the Offering, the Remuneration and Nomination Committee of the Company led the search for individuals qualified to be appointed as independent directors and to serve on the Board of Directors. It conducted this search on the basis of a candidate profile that it had established in advance. The Remuneration and Nomination Committee was assisted in the selection and validation of the candidacies by an external firm with expertise in the field of executive and director searches.

The post-Offering Board of Directors shall be composed as follows:

Name	Age	Position	Director since	Mandate expires
Martine Durez[1]	61	Non-Executive Chairperson of the Board	2006	2018
Johnny Thijs[1]	61	CEO and Director	2000[3]	2014
Arthur Goethals[1]	67	Non-Executive Director	2006	2018
Luc Lallemand[1]	46	Non-Executive Director	2002	2018
Laurent Levaux[1]	56	Non-Executive Director	2012	2018
Caroline Ven[1]	41	Non-Executive Director	2012	2018
K.B. Pedersen[2]	65	Non-Executive Director	2009	2018
Bjarne Wind[2]	64	Non-Executive Director	2008	2018
François Cornelis	63	Independent Director	2013	2019
Sophie Dutordoir	50	Independent Director	2013	2019
Bruno Holthof	51	Independent Director	2013	2019

Notes:

(1) Appointed by the Belgian state.

(2) Appointed upon the proposal of the Selling Shareholder.

(3) Appointed as CEO in 2002. On May 17, 2013 the Board of Directors, acting upon a unanimous recommendation of the Remuneration and Nomination Committee, unanimously decided to propose to the Belgian state to re-appoint Mr.Thijs for a term of 6 years following the expiry of his current term of office.

The business address for all of the newly appointed directors is also Centre Monnaie-Muntcentrum, 1000 Brussels, Belgium.

François Cornelis, independent director. Mr. Cornelis joined Petrofina (which subsequently became Total) in 1974 and held various positions at the company, including CEO, President Chemicals and Managing Director Chemicals and Vice Chairman of the Executive Committee, until his retirement in 2011. He holds a masters degree in civil engineering from University of Louvain-la-Neuve. Mr. Cornelis is also a member of the board of Carmeuse.

Sophie Dutordoir, independent director. Ms. Dutordoir is Chief Executive Officer of Benelux & Germany (Electrabel), Energy Europe & International at GDF Suez, which she joined in 2009. Prior to joining GDF Suez, she was Chief Executive Officer of Fluxys from 2007 to 2009 and held various positions at Electrabel from 1990 to 2007. She holds a degree in economic sciences, finance and taxation from Ehsal and a masters degree in Romance languages from the University of Ghent. Ms. Dutordoir is also an independent member of the board of BNP Paribas Fortis and a member of the board of the Federation of Enterprises in Belgium.

Bruno Holthof, independent director. Mr. Holthof is CEO of Ziekenhuis Netwerk Antwerpen, which he joined in 2004. Prior to joining Ziekenhuis Netwerk Antwerpen, he held a number of positions at McKinsey & Company, which he joined in 1988. He holds a medical degree from Katholieke Universiteit Leuven, an MBA from Harvard Business School and a Ph.D. in health economics from Katholieke Universiteit Leuven. Mr. Holthof is also a member of the board of Barco.

2.6 Share ownership and intention of the directors to participate in the Offering

As of the date of this Prospectus, none of the directors owns Shares in the Company or stock options over such Shares.

To the extent known to the Company, no director (based on the post-Offering composition of the Board of Directors) intends to purchase Offer Shares during the Offering. Johnny Thijs intends to purchase Shares in the SPP, which is separate from the Offering. See "*Part XVIII: Information on the Employee Offering*."

2.7 General information on the directors

In relation to each of the directors (based on the post-Offering composition of the Board of Directors), the Company is not aware of (i) any convictions in relation to fraudulent offenses during the past five years,

(ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships, or partner or senior management positions during the past five years, or (iii) any official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years.

No director has any conflicts of interests between any duties the director owes to the Company and any private interests and/or other duties.

No director has a family relationship with any other director or member of executive management.

In the five years preceding the date of this Prospectus, the directors (based on the post-Offering composition of the Board of Directors) have held the following directorships (apart from their directorships of the Company and its subsidiaries) and memberships of administrative, management or supervisory bodies and/ or partnerships:

Name	Current	Past
Martine Durez	Belgacom SA; ACCOM; SA Invest Borinage-Centre; Corporate Governance Commission; Forem; Centre Emile Vandervelde; Strategic Council of University of Mons; Belgium Advisory Board of Deloitte; Fondation Mons 2015	National Bank of Belgium; Banking, Finance and Insurance Commission (supervisory board); Belfius; Belgian Governance Institute; Solvay Executive Education ASBL
Johnny Thijs	Max Green; Spadel; Fieldlink (Univeg); Carmeuse SA; Federation of Enterprises in Belgium	Fromageries Bel; Carrefour Belgique SA; Guylian SA; Quick SA
Arthur Goethals	Fieldlink (Univeg); Bouchard NV; PinguinLutosa NV; Hubisco NV (Jules Destrooper); Gault Millau Benelux NV; Matexi Groep NV	COMEOS Retail Organization; Federation of Enterprises in Belgium; Belgisch Olympisch en Interfederaal Comité (BOIC)
Luc Lallemand	TUC Rail; European Rail Infrastructure Managers (EIM); Vinçotte; Réseau Ferré de France (RFF); RATP Dev, Paris	None.
Laurent Levaux	Groupe Herstal — FN SA; Celio SA; Investsud SA; Union Wallonne des Entreprises asbl	None.
Caroline Ven	VKW Denktank vzw; VKW Ledenwerking vzw; VKW Synergia vzw; Waalse Krook vzw; Mediwe vzw; Vlaams Energiebedrijf NV; Acerta Consult CVBA; Acerta CVBA; Acerta sociaal secretariaat vzw; Acerta sud secretariat social asbl; Acerta kinderbijslagfonds vzw; Acerta sociaal verzekeringsfonds vzw; Vlerick Business School; Associatie KU Leuven vzw	None.
K.B. Pedersen	Post Danmark A/S; e-Boks A/S; Posten AB; Post Logistik AB; Posten Meddelande AB; Strälfors AB	Pan Nordic Logistics AB

Name	Current	Past
Bjarne Wind	Post Invest Europe S.à r.l.; MIE Group S.A.	e-Boks A/S
François Cornelis	Carmeuse SA; Royal Automobile Club of Belgium; Circuit de Spa-Francorchamps; LBC Corporation; EQUIS	CEFIC; Delhaize Group
Sophie Dutordoir	Hogeschool-Universiteit Brussel; BNP Paribas Fortis; Federation of Enterprises in Belgium	None.
Bruno Holthof	Barco	None.

2.8 Committees of the Board

The Board of Directors has established three Board committees, which are responsible for assisting the Board of Directors and making recommendations in specific fields: the Strategic Committee, the Audit Committee (in accordance with Article 526bis of the Belgian Companies Code) and the Remuneration and Nomination Committee (in accordance with Article 17, §4 of the 1991 Law and Article 526quater of the Belgian Companies Code). The terms of reference of these Board committees are primarily set out in the Corporate Governance Charter.

Strategic Committee

The Strategic Committee advises the Board of Directors on strategic matters and shall, in particular:

- review from time to time industry developments, the objectives and strategies of the Company and its subsidiaries and recommended corrective actions;
- review the draft of the business plan submitted each year by the Management Committee;
- review strategic transactions proposed by the Management Committee or the Group Executive Committee, including strategic acquisitions and divestitures, the formation and termination of strategic alliances or longer-term cooperation agreements, the launching of new product segments and the entry into new products or geographical markets or the withdrawal from any such product segments or geographical markets;
- monitor the implementation of such strategic projects and of the business plan; and
- monitor the implementation and the progress of the projects identified in the business plan, and advise the Board of Directors on its findings and recommendations with respect to such projects.

Johnny Thijs (Chairperson), Arthur Goethals, Laurent Levaux, K.B. Pedersen and Søren Vestergaard-Poulsen are members of the Strategic Committee as of the date of this Prospectus. The Strategic Committee met four times in 2012.

Following the closing of the Offering, the Strategic Committee shall consist of (i) the CEO, who chairs the committee, (ii) three directors appointed by the Belgian state (provided that, upon the termination of office of the first of such three directors who were designated members of this Committee as of the closing of Offering, due to expiration of its term or otherwise, such director shall be replaced, within this Committee, by another director nominated by the private shareholders) and (iii) one director appointed upon the proposal of the Selling Shareholder (if any) and, otherwise, a director nominated by the private shareholders.

Subject to and with effect as of the closing of the Offering, the following directors will form the Strategic Committee: Johnny Thijs (Chairperson), Arthur Goethals, Luc Lallemand, Laurent Levaux and K.B. Pedersen.

Audit Committee

The Audit Committee advises the Board on accounting, audit and internal control matters, and shall, in particular:

- review accounting policies and conventions;
- review the draft annual accounts and examine whether the proposed distribution of earnings and profits is consistent with the business plan and the observance of applicable solvency and debt coverage ratios;

- review the draft annual budget submitted by the Management Committee and monitor compliance with the budget in the course of the year;
- review the quality of financial information furnished to the shareholders and the market;
- monitor and oversee the internal audit process, internal controls and risk management, including for the Company and its subsidiaries as a whole;
- propose candidates for the two statutory auditors to be appointed by the Shareholders' Meeting to the Board of Auditors;
- monitor the statutory audit of the annual and consolidated accounts, including any follow-up on any questions and recommendations made by the external auditors; and
- review the external audit process and monitor the independence of the statutory auditors and any non-audit services rendered by them.

Bjarne Wind (Chairperson), Geert Duyck, Luc Lallemand and Caroline Ven are members of the Audit Committee as of the date of this Prospectus. The Audit Committee met six times in 2012.

Following the closing of the Offering, the Audit Committee shall consist of five members: (i) three independent directors; (ii) one director appointed by the Belgian state; and (iii) either (a) another director appointed by the Belgian state or (b) so long as the Selling Shareholder (alone or together with its affiliates) owns at least 15% of the voting Shares, one director appointed upon the proposal of the Selling Shareholder. The Chairperson of the Audit Committee shall be designated by the Board of Directors but shall not be the Chairperson of the Board of Directors. No executive director (including the CEO) shall be a member of the Audit Committee.

Subject to and with effect as of the closing of the Offering, the following directors will form the Audit Committee: François Cornelis (Chairperson), Sophie Dutordoir, Bruno Holthof, Caroline Ven and Bjarne Wind.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee advises the Board principally on matters regarding the appointment and remuneration of directors and senior management and shall, in particular:

- identify and nominate, for the approval of the Board, candidates to fill vacancies as they arise, taking into account the 1991 Law. In this respect, the Remuneration and Nomination Committee shall consider proposals made by relevant parties, including shareholders;
- advise on proposals for appointment originating from shareholders;
- advise the Board of Directors on its proposal to the Belgian government for the appointment of the CEO and on the CEO's proposals for the appointment of other members of the Management Committee and of the Group Executive Management;
- advise the Board of Directors on the remuneration of the CEO and the other members of the Management Committee and of the Group Executive Management and arrangements on early termination;
- review any share-based or other incentive scheme for the directors, members of the Management Committee, members of the Group Executive Management and employees;
- establish performance targets and conduct performance reviews for the CEO and other members of the Management Committee and of the Group Executive Management;
- advise the Board of Directors on the remuneration of the directors; and
- submit a remuneration report to the Board of Directors.

Martine Durez (Chairperson), Geert Duyck, Arthur Goethals and Bjarne Wind are members of the Remuneration and Nomination Committee as of the date of this Prospectus. The Remuneration and Nomination Committee met five times in 2012.

Following the closing of the Offering, the Remuneration and Nomination Committee shall consist of five members: (i) three independent directors; (ii) one non-executive director appointed by the Belgian state, who chairs the Remuneration and Nomination Committee; and (iii) either (a) another non-executive director appointed by the Belgian state or (b) so long as the Selling Shareholder (alone or together with its affiliates) owns at least 15% of the voting Shares, one director appointed upon the proposal of the Selling Shareholder. The CEO shall participate with an advisory vote in the meetings of the Remuneration and Nomination Committee when the remuneration of the other members of the Management Committee is being discussed.

Subject to and with effect as of the closing of the Offering, the following directors will form the Remuneration and Nomination Committee: Martine Durez (Chairperson), Sophie Dutordoir, François Cornelis, Bruno Holthof, and Bjarne Wind.

3 Executive Management

3.1 CEO

The CEO is appointed for a renewable term of six years by Royal Decree deliberated in the Council of Ministers. On December 21, 2007, the mandate of the current CEO, Johnny Thijs, was extended for a new term of six years, as from January 7, 2008 (which is renewable). On May 17, 2013 the Board of Directors, acting upon a unanimous recommendation of the Remuneration and Nomination Committee, unanimously decided to propose to the Belgian State to re-appoint Mr. Thijs for a term of six years following the expiry of his current term of office on January 7, 2014.

The CEO is vested with the day-to-day management of the Company. He is also entrusted with the execution of the resolutions of the Board of Directors and he represents the Company within the framework of its day-to-day management, including exercising the voting rights attached to shares and stakes held by the Company.

The CEO can only be removed by way of a Royal Decree deliberated in the Council of Ministers. For so long as the Selling Shareholder (alone or together with its affiliates) owns at least 20% of the voting rights, the Belgian state may remove the CEO or otherwise cause the CEO to step down, if, following high-level consultations between the Belgian state and the Selling Shareholder, it is confirmed that the CEO no longer has the confidence of either the Belgian state or the Selling Shareholder.

3.2 Management Committee

As required by the 1991 Law, the Board of Directors has established a Management Committee. This Management Committee is composed of the CEO, who chairs the Management Committee, and of maximum six other members.

Upon proposal of the CEO and after having received the advice of the Remuneration and Nomination Committee, the Board of Directors appoints and removes the members of the Management Committee, other than the CEO. The Board of Directors determines the term and the specific conditions of the mandate of those members, after having received the advice of the Remuneration and Nomination Committee. With regards to the Belgian members, the Management Committee should comprise an equal number of Dutch speakers and French speakers, excluding, as the case may be, the CEO. The appointment and removal of the members of the Management Committee (other than the CEO) by the Board of Directors requires a majority of 75% of the votes cast so long as the Selling Shareholder (alone or together with its affiliates) owns at least 25% of the voting rights. Subject to the same condition of owning at least 25% of the voting rights, the Selling Shareholder is entitled to have a qualified individual of its choice, endorsed by the CEO, appointed to the Management Committee.

The Management Committee acts as a collegial body and convenes at the invitation of the CEO. The Management Committee decides with a simple majority of the votes cast. In the event of a tie of the votes within the Management Committee, the CEO has the casting vote.

The Management Committee performs the powers assigned to it by the Articles of Association or the Board of Directors.

Each year, the Management Committee prepares, under direction of the CEO, a business plan assessing the medium-term purposes and strategy of the Company, which is submitted to the Board of Directors for approval. It also has the power to negotiate all renewals and amendments to the Management Contract concluded between the Belgian state and the Company (it being understood that all such renewals and amendments require the subsequent approval of the Board of Directors).

3.3 Group Executive Management

The operational management of the Company is undertaken by the Group Executive Management under the leadership of the CEO. The Group Executive Management consists of the members of the Management Committee and a maximum of four other members, who are appointed (for the duration the Board determines) and removed by the Board of Directors, upon proposal of the CEO and after having received the advice of the Remuneration and Nomination Committee.

The Group Executive Management convenes regularly at the invitation of the CEO.

The individual members of the Group Executive Management exercise the special powers delegated to them by the Board of Directors or the CEO, as the case may be.

3.4 Company Secretary

The Board of Directors, the advisory committees of the Board, the Management Committee and the Group Executive Management are assisted by the Company Secretary, Dirk Tirez, who is also the Company's General Counsel, having been appointed in October 2007.

3.5 Composition of the Management Committee and the Group Executive Management

The Management Committee consists of the following members:

Name	Function
Johnny Thijs	Chief Executive Officer
Mark Michiels	Human Resources and Organization
Pierre Winand	Chief Financial Officer, Service Operations and ICT

Together with the members of the Management Committee, the following persons form the Group Executive Management.

Name	Function
Kurt Pierloot	Mail Service Operations
Peter Somers	Parcels and International
Koen Van Gerven	Mail and Retail Solutions

The business address for all of the members of the Group Executive Management is Centre Monnaie-Muntcentrum, 1000 Brussels, Belgium. Details regarding Johnny Thijs are set forth above under "— *2. Board of Directors — 2.4 Pre-Offering Board*."

Mark Michiels, Director of Human Resources and Organization. Mr. Michiels joined the Company in 2001 as HR Director for Mail. In 2003 he became Employee and Union Relations Director and in 2007 was appointed as a member of the Company's Management Committee. Prior to joining the Company, Mr. Michiels was Deputy Chief of Staff of the Federal Vice-Minister, responsible for Public Administrations and Budget from 1999 to 2001, Deputy Chief of Staff of the Federal Minister of Transport from 1995 to 1999 and HR Director at Electrabel. He holds a degree in law, a special degree in social legislation and a degree in philosophy from Free University Brussels.

Pierre Winand, Chief Financial Officer. Mr. Winand joined the Company in 2006. Prior to joining the Company, Mr. Winand was Vice President of Finance for Western Europe of the Inbev Group. Mr. Winand has held various finance positions within the Inbev Group since joining in 1999 and was an auditor with KPMG from 1989 to 1999. He holds a degree in economic and commercial sciences from HEC Management School — University of Liège.

Peter Somers, Director of Parcels and International. Mr. Somers joined bpost in 2000 as Managing Director of DeltaMedia and held this position until 2004. Mr. Somers was also Managing Director of bpost International from 2002 to 2011 and was appointed to the Group Executive Management of the Company in 2007. Prior to joining bpost, Mr. Somers was CEO of Richard Kempers Logistics Belgium from 1996 to 2000. He holds a post graduate degree in management from Hoger Instituut voor Bedrijfsopleiding and an advanced management programme degree from INSEAD, Fontainebleau.

Kurt Pierloot, Director of Mail Service Operations. Mr. Pierloot joined the Company in 2004 as a change program manager and from 2004 to 2006 was regional mail manager. He was then appointed director of the mail network and remained in that position until being appointed to the Group Executive Management in 2008. Prior to joining the Company, Mr. Pierloot worked at McKinsey & Co in various positions from 1995 to 2004. He holds a degree in commercial engineering from the University of Brussels, Solvay Business School.

Koen Van Gerven, Director of Mail and Retail Solutions. Mr. Van Gerven joined the Company in 2006 as Director of Retail and Financial Services. From 2009 to 2012, he also acted as CIO for the Company and is also chairman of the board of bpost bank. Prior to joining the Company, Mr. Van Gerven was CEO of Acerta Group from 2001 to 2006 and held a number of executive positions at Generale Bank (now BNP Paribas Fortis) from 1982 to 2001. Mr. Van Gerven holds a degree in commercial engineering from Katholieke Universiteit Leuven (KU Leuven) and a MBA from Cornell University.

3.6 Share ownership and intention of the members of the Group Executive Management to participate in the Offering

As of the date of the Prospectus, neither the CEO nor the other members of the Management Committee nor the other members of the Group Executive Management own any Shares in the Company or stock options over such Shares.

To the extent known to the Company, no member of the Group Executive Management intends to purchase Offer Shares during the Offering. The members of the Group Executive Management (including the CEO) will be eligible to participate in the SPP, which is separate from the Offering. Johnny Thijs, Mark Michiels, Pierre Winand, Kurt Pierloot, Peter Somers and Koen Van Gerven intend to purchase Shares in the SPP. For more information, see "*Part XVIII: Information on the Employee Offering*."

3.7 General information on the members of the Group Executive Management

In relation to each of the members of the Group Executive Management, the Company is not aware of (i) any convictions in relation to fraudulent offenses during the past five years; (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships, or partner or senior management positions during the past five years; or (iii) any official public incrimination and/or sanctions of such members by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the past five years.

No member of the Group Executive Management has any conflicts of interests between any duties that he owes to the Company and any private interests and/or other duties.

No member of the Group Executive Management has a family relationship with any director or other member of Group Executive Management.

In the five years preceding the date of this Prospectus, the members of the Group Executive Management have held the following main directorships (apart from their directorships of bpost) or memberships of administrative, management or supervisory bodies and/or partnerships:

Name	Current	Past
Johnny Thijs	Max Green; Spadel; Fieldlink (Univeg); Carmeuse SA; Federation of Enterprises in Belgium	Fromageries Bel; Carrefour Belgique SA; Guylian SA; Quick SA
Mark Michiels	None.	None.
Pierre Winand	FJ Consulting; Fonds Voorzitter Verhelst SPRL; UWE.	None.
Peter Somers	EBC NV	None.
Kurt Pierloot	None.	None.
Koen Van Gerven	Voka; Antwerp Digital Mainport	None.

4 Remuneration of Directors and Members of the Group Executive Management

4.1 Board of Directors

The remuneration of the members of the Board of Directors was decided by the Shareholders' Meeting of April 25, 2000. In 2012, the gross annual remuneration was:

- €38,211.44 for the Chairperson; and
- €19,105.72 for each other director, with the exception of the CEO.

In addition, the members of the Board of Directors (with the exception of the CEO) were entitled to an attendance fee of €1,548.16 (which as result of indexation has increased to €1,600.94 per meeting effective March 1, 2012) for attendance at one of the committees established by the Board of Directors. Søren Vestergaard-Poulsen and Geert Duyck have waived their right to the remuneration and attendance fees linked to their positions as Board members.

During the financial year ending December 31, 2012, the non-executive members of the Board of Directors received the following total gross annual remuneration:

Member	Board meetings	Audit Committee	Strategic Committee	Remuneration & Nomination Committee	Total
Martine Durez	€38,211.44	Not a member	Not a member	€7,899.14	€46,110.58
Arthur Goethals	€19,105.72	Not a member	€6,403.76	€7,899.14	€33,408.62
Luc Lallemand	€19,105.72	€8,004.70	Not a member	Not a member	€27,110.42
Laurent Levaux	€18,331.64	Not a member	€3,201.88	Not a member	€21,533.52
Caroline Ven	€18,331.64	€9,605.64	Not a member	Not a member	€27.937,28
Bjarne Wind	€19,105.72	€9,605.64	Not a member	€7,899.14	€36,610.50
K.B. Pedersen	€19,105.72	Not a member	€4,802.82	Not a member	€23,908.54
Christian Leysen[(1)]	€1,548.16	Not a member	Not a member	Not a member	€1,548.16
Jean-François Robe[(1)]	€1,548.16	Not a member	Not a member	Not a member	€1,548.16
Geert Duyck	€0	€0	Not a member	€0	€0
Søren Vestergaard-Poulsen	€0	Not a member	€0	Not a member	€0

Note:

(1) Christian Leysen and Jean-François Robe were members of the Board of Directors until January 17, 2012 and therefore received an attendance fee in the financial year ending December 31, 2012.

4.2 CEO and Group Executive Management

Components of Remuneration

For the year ended December 31, 2012, remuneration of €1,123,209 was paid to the CEO (compared to €1,104,941 for the year ended December 31, 2011). This remuneration is comprised of the following elements:

- base salary (gross remuneration): €770,231;
- variable remuneration (performance-driven bonus paid in cash): €290,260 (relating to performance in 2011);
- pension and death in service and disability coverage: €59,418; and
- other compensation components (representation allowances): €3,300.

The CEO also benefits from the use of a company car, for which the leasing cost was €23,960 for the year ended December 31, 2012.

No stock options were awarded in 2012 to the CEO. During 2012, the CEO exercised 174 options granted in 2007 and 174 options granted in 2008 under the previous stock option plan approved by the Board of Directors in 2006. The Shares delivered to the CEO following the cashless exercise of the options are no longer held by the CEO and are currently owned by the Selling Shareholder.

For the year ended December 31, 2012, total remuneration of €3,258,115 was paid to the other members of the Group Executive Management (compared to €3,229,868 for the year ended December 31, 2011). This remuneration is comprised of the following elements:

- base salary: €2,209,225 paid under employment agreements, excluding social security contributions paid by the Company;
- variable remuneration (performance-driven bonus paid in cash): €838,697 (relating to performance in 2011);
- pension and death in service and disability coverage: €186,070; and
- other compensation components (representation allowances and luncheon vouchers): €24,123.

The other members of the Group Executive Management also benefit from the use a company car, the leasing cost of which was €106,929 for the year ended December 31, 2012.

No stock options were awarded in 2012 to the other members of the Group Executive Management. During 2012, the other members of the Group Executive Management exercised 293 options granted in 2008 under the previous stock option plan approved by the Board of Directors in 2006. The Shares delivered to the other

members of the Group Executive Management following the cashless exercise of the options are no longer held by the other members of the Group Executive Management and are currently owned by the Selling Shareholder.

Termination provisions

Johnny Thijs was re-appointed to serve as the CEO starting as of January 7, 2008 for a duration of six years (which is renewable). Other than in the case of termination on grounds of gross negligence, the CEO is entitled to a termination indemnity corresponding to remuneration for the remainder of his six-year term, with a maximum of two years' remuneration. No other member of the Group Executive Management is entitled to specific contractual termination arrangements.

All members of the Group Executive Management, except for Mark Michiels, are subject to non-competition clauses for a period of 12 to 24 months from the date of their resignation or termination restricting their ability to work for bpost's competitors. All such members of the Group Executive Management, except for the CEO, are entitled to receive compensation in an amount equal to 6 to 12 months' salary if these non-competition clauses are applied.

Legal constraints

By law, certain restrictions apply to the remuneration of the CEO and the members of the Group Executive Management. Provisions entitling the CEO and the members of the Group Executive Management to severance pay greater than 12 months' remuneration, or 18 months' remuneration upon recommendation by the Remuneration and Nomination Committee, require prior approval by the annual Shareholders' Meeting. This obligation applies to contracts entered into or renewed after May 3, 2010.

Variable remuneration can only be paid to the CEO and the members of the Group Executive Management if the performance criteria explicitly mentioned in the contractual or other provisions governing the relationship were met in the relevant period.

If the variable remuneration constitutes more than 25% of the total annual remuneration package, at least 25% of the variable remuneration must relate to pre-determined and objectively measurable performance criteria deferred over a minimum period of two years, and at least another 25% must relate to such criteria deferred over a minimum period of three years, except where the Articles of Association provide otherwise or the Shareholders' Meeting expressly approves an exception. The Articles of Association currently do not contain any such deviations.

In respect of share-based remuneration, shares can only vest and options or any other rights to acquire shares can only be exercisable as from three years after the grant, except where the Articles of Association provide otherwise or the Shareholders' Meeting expressly approves an exception. The Articles of Association do not currently contain any such exception. An exception was approved, insofar as necessary, at the Extraordinary Shareholders' Meeting on May 27, 2013 in relation to the SPP.

5 Conflicts of Interest

5.1 Directors' conflicts of interest

Article 523 of the Belgian Companies Code provides for a special procedure if a director of the Company directly or indirectly has a personal financial interest that conflicts with a decision or transaction that falls within the Board of Directors' powers. The director concerned must inform the other directors before any decision of the Board of Directors is taken and the Board of Auditors must also be notified. For companies that are making or have made a public call on savings (the Company will qualify as such a company after the Closing Date), the director involved in such conflict of interest may not participate in the deliberation or vote on the conflicting decision or transaction. The minutes of the meeting of the Board of Directors must set out the financial impact of the matter on the Company, and justify the decision taken. An excerpt of the minutes must be published in the Company's annual report. The report of the Board of Auditors to the annual accounts must contain a description of the financial impact on the Company of each of the Board's decisions in matters where a conflict arises.

None of the members of the Board of Directors or the Group Executive Management has a potential conflict of interest between his/her duties to the Company and his/her private interests or any other duties he or she may have, except for any matters in relation to his/her management or employment agreement with the Company or any of its subsidiaries (if any) or with any (indirect) shareholder of the Company. Article 523 of the Belgian Companies Code was complied with by Johnny Thijs as member of the Board of Directors when the Board of Directors took the decision to implement the SPP. See "*Part XVIII: Information on the Employee Offering*."

5.2 Intra-group transactions

Save for certain exempted decisions or transactions, Article 524 of the Belgian Companies Code provides for a special procedure when the decisions or transactions of a company whose shares have been admitted to trading on a regulated market concern relationships between such company on the one hand, and affiliated companies of such company on the other, with the exception of relationships between that company and its subsidiaries. The procedure must also be followed for decisions or transactions between such company's subsidiaries and affiliated companies of the subsidiaries. This provision will not apply to the relationship between the Company and the Belgian state, but will, pursuant to the Corporate Governance Charter (implementing a provision set forth in the Shareholders' Agreement that will remain in effect after the Closing Date), nevertheless be observed in respect of transactions involving the Belgian state or other Public Institutions, such as the entering into and amending of the Management Contract concluded between the Belgian state and the Company.

Prior to such decisions or transactions, the Board of Directors must appoint a special committee of three independent directors in accordance with Article 526ter of the Belgian Companies Code, supported by one or more independent experts. This committee must describe the decision or transaction and determine the commercial advantages and disadvantages of the decision or transaction for the Company and the shareholders. It must also calculate and establish the financial consequences of the decision or transaction, and determine whether or not the decision or transaction is manifestly detrimental in light of the Company's policies. If the committee does not find the decision or transaction to be manifestly detrimental, but believes it will prejudice the company, it must clarify what benefits the decision or transaction will provide in compensation for the identified prejudices. The committee's recommendation must be submitted in writing, stating each of the above elements to the Board of Directors. The Board of Directors must then make a decision, taking into account the committee's recommendation.

Any deviation from the committee's recommendation must be justified. The written recommendation of the committee and the decision of the Board of Directors must be communicated to the Board of Auditors, who must issue a separate opinion on the accuracy of the data contained in the recommendation of the committee and in the minutes of the Board of Directors. The committee's recommendation, an excerpt from the minutes of the Board of Directors and the opinion of the Board of Auditors must be included in the annual report of the Board of Directors. This special procedure is not required for decisions and transactions entered into in the ordinary course of business at usual market conditions or for decisions and transactions in value not exceeding 1% of the Company's consolidated net assets.

6 Board of Auditors

The audit of the financial condition and the unconsolidated financial statements of the Company is entrusted to a Board of Auditors composed of four members, two of which are appointed by the Shareholders' Meeting and the two others by the Court of Audit, the Belgian institution responsible for the verification of public accounts (*Cour des Comptes/Rekenhof*). The members of the Board of Auditors are appointed for renewable terms of three years. The Shareholders' Meeting determines the remuneration of the members of the Board of Auditors.

The Board of Auditors is currently composed of:

- Ernst & Young Bedrijfsrevisoren BV CVBA ("Ernst & Young"), represented by Mr. Eric Golenvaux (member of the *Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*), De Kleetlaan 2, 1831 Diegem, Belgium;
- PVMD Bedrijfsrevisoren-Reviseurs d'Entreprises SC SCRL ("PVMD"), represented by Mr. Lieven Delva (member of the *Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*), Rue de l'Yser 207, 4430 Ans, Belgium;
- Mr. Philippe Roland, Member of the Court of Audit (*Rekenhof/Cour des Comptes*) and First President of the Court of Audit, Rue de la Régence 2, 1000 Brussels, Belgium; and
- Mr. Josef Beckers, Member of the Court of Audit (*Rekenhof/Cour des Comptes*), Rue de la Régence 2, 1000 Brussels, Belgium.

The mandates of Mr. Philippe Roland and Mr. Josef Beckers will expire on 30 September 2013. The mandates of Ernst & Young and PVMD will expire at the annual Shareholders' Meeting in 2015.

Ernst & Young and PVMD are responsible for the audit of the consolidated financial statements of the Company.

For the year ended December 31, 2012 Ernst & Young and PVMD received €325,000 (excluding value-added tax) in fees for the audit of the financial statements of the Company and its subsidiaries and €27,800 (excluding value-added tax) in fees for non-audit services. The other members of the Board of Auditors received €52,560 in remuneration for their services in connection with the audit of the non-consolidated financial statements of the Company for the year ended December 31, 2012.

Belgian law limits an auditor's liability to €12.0 million for tasks reserved to auditors of listed companies by Belgian law or in accordance with Belgian law, such as auditing financial statements, except for liability resulting from the auditor's fraud or other deliberate breach of duty.

7 Government Commissioner

The Company is subject to the administrative supervision of the Belgian minister responsible for public sector enterprises, who exercises such control through a Government Commissioner. The role of the Government Commissioner is to ensure compliance with the requirements of Belgian law, the Articles of Association and the Management Contract. In addition, the Government Commissioner reports to the Minister of the Budget on all decisions of the Company having an impact on the Belgian state's budget.

The Government Commissioner is entitled to attend all meetings of the Board of Directors and the Management Committee. He or she is entitled to examine all records, correspondence, minutes and documents and may request further information and/or explanations from the CEO, the directors or other officers and employees of the Company. If the Government Commissioner considers that any decision of the Board of Directors, the CEO or the Management Committee is contrary to Belgian law, the Articles of Association or the Management Contract, he or she may, within four days, lodge an appeal against such decision with the Belgian minister responsible for public sector enterprises.

The minister has eight days in which to review the appeal, during which time the implementation of the decision concerned is suspended. If the minister decides to uphold the appeal, he may annul the decision. If the minister does not decide to uphold the appeal within the eight-day period, the decision shall become definitive. In addition, if the matter has an impact on the Belgian state's budget, the Belgian minister responsible for public sector enterprises must obtain the approval of the Minister of the Budget. If this approval is not obtained, both ministers have a period of 30 days in which to agree.

The Belgian minister responsible for public sector enterprises and the Government Commissioner may also call a meeting of the Board of Directors or Management Committee to discuss any matters determined by them if compliance with requirements of Belgian law, the Articles of Association and the Management Contract so require.

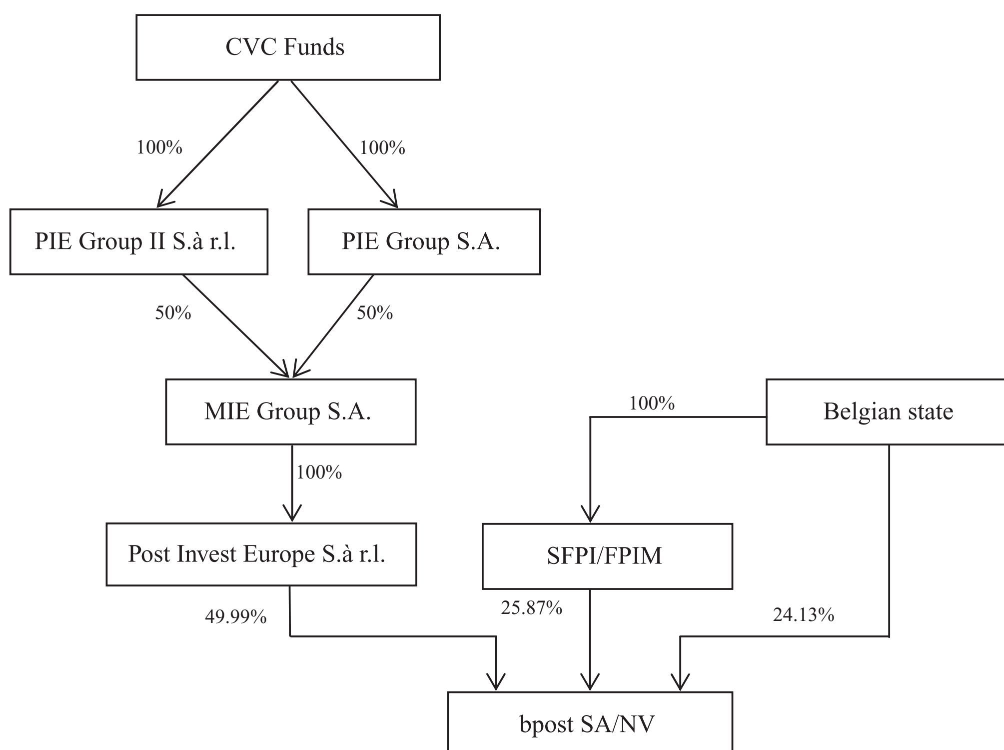
The current Government Commissioner is Mr. Luc Windmolders and his substitute is Mr. Marc Boeykens.

PART XIII: PRINCIPAL AND SELLING SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

The principal direct shareholders of the Company are (i) the Belgian state (24.13%); (ii) Société Fédérale de Participations et d'Investissement SA/Federale Participatie- en Investeringsmaatschappij NV (25.87%), which is owned by the Belgian state; and (iii) Post Invest Europe S.à r.l. (49.99%), which is owned indirectly by CVC Funds. The combined ownership of the Belgian state and SFPI/FPIM is 50% of the Company's share capital plus 488 Shares.

All Shares have the same voting rights except if they are held by the Company as treasury shares. For further details of the Company's share capital, see "*Part XIV: Description of Share Capital, Articles of Association and Group Structure*."

As of the date of this Prospectus and immediately prior to completion of the Offering, the Shares are held as follows:



The Selling Shareholder is Post Invest Europe S.à r.l., a limited liability company organized and existing under the laws of Luxembourg, having its registered office at 20, Avenue Monterey, L-2163 Luxembourg, Grand-Duchy of Luxembourg, and registered with the Luxembourg company registry under No B108964.

Shares owned prior to the Closing Date

The following table sets forth the ownership of the Shares immediately prior to the Closing Date:

	Number	% of total Shares and voting rights
Belgian state	48,263,200	24.13%[(1)]
SFPI/FPIM	51,737,760	25.87%[(1)]
Post Invest Europe S.à r.l.	99,999,008	49.99%
Employees[(2)]	976	0.00%
Public	—	0.00%
Total	200,000,944	100.00%

Notes:

(1) Jointly represents 50% plus 488 Shares.

(2) One employee of the Company owns 976 Shares as a result of options exercised under the former employee stock option plan (approved by the Board of Directors in 2006).

Shares owned following the Closing Date assuming no exercise of the Increase Option and no exercise of the Over-allotment Option

The following table sets forth the expected ownership of the Shares following the Closing Date, assuming the placement of the maximum number of Offer Shares and assuming no exercise of the Increase Option and no exercise of the Over-allotment Option and assuming that all Shares offered to employees under the SPP are sold:

	Number	% of total Shares and voting rights
Belgian state	48,263,200	24.13%[(1)]
SFPI/FPIM	51,737,760	25.87%[(1)]
Post Invest Europe S.à r.l.	47,498,982	23.75%
Employees[(2)]	5,501,002	2.75%
Public	47,000,000	23.50%
Total	200,000,944	100.00%

Notes:

(1) Jointly represents 50% plus 488 Shares.

(2) As a result of the offering of Shares to employees under the SPP (subject to lock-up). One employee of the Company also already owned 976 Shares as a result of options exercised under the former employee share option plan (approved by the Board of Directors in 2006).

Shares owned following the Closing Date assuming no exercise of the Increase Option but full exercise of the Over-allotment Option

The following table sets forth the expected ownership of the Shares following the Closing Date, assuming the placement of the maximum number of Offer Shares and assuming no exercise of the Increase Option but full exercise of the Over-allotment Option and assuming that all Shares offered under the SPP are sold:

	Number	% of total Shares and voting rights
Belgian state	48,263,200	24.13%[(1)]
SFPI/FPIM	51,737,760	25.87%[(1)]
Post Invest Europe S.à r.l.	40,448,982	20.22%
Employees[(2)]	5,501,002	2.75%
Public	54,050,000	27.02%
Total	200,000,944	100.00%

Notes:

(1) Jointly represents 50% plus 488 Shares.

(2) As a result of the offering of Shares to employees under the SPP (subject to lock-up). One employee of the Company also already owned 976 Shares as a result of options exercised under the former employee share option plan (approved by the Board of Directors in 2006).

Shares owned following the Closing Date assuming full exercise of both the Increase Option and the Over-allotment Option

The following table sets forth the expected ownership of the Shares following the Closing Date, assuming the placement of the maximum number of Offer Shares and assuming full exercise of both the Increase Option and the Over-allotment Option and assuming that all Shares offered to employees under the SPP are sold:

	Number	**% of total Shares and voting rights**
Belgian state	48,263,200	24.13%[1]
SFPI/FPIM	51,737,760	25.87%[1]
Post Invest Europe S.à r.l.	30,098,982	15.05%
Employees[2]	5,501,002	2.75%
Public	64,400,000	32.20%
Total	200,000,944	100.00%

Notes:

(1) Jointly represents 50% plus 488 Shares.

(2) As a result of the offering of Shares to employees under the SPP (subject to lock-up). One employee of the Company also already owned 976 Shares as a result of options exercised under the former employee share option plan (approved by the Board of Directors in 2006).

1 Shareholders' Agreement

On January 17, 2006, the Belgian state, SFPI/FPIM and the Selling Shareholder entered into a shareholders' agreement (as amended from time to time, the "Shareholders' Agreement"). The Shareholders' Agreement contains the terms upon which the parties wish to organize their mutual relationship as shareholders of the Company and their participation in its governance. The Shareholders' Agreement includes, among others, provisions relating to strategy, governance (composition of the Board of Directors and its committees, quorum for Shareholders' Meetings and meetings of the Board of Directors and voting majorities), share transfer restrictions, distributions to the shareholders and exit. Most of the provisions of the Shareholders' Agreement are reflected in the Articles of Association. See "*Part XII: Management and Corporate Governance*" and "*Part XIV: Description of Share Capital, Articles of Association and Group Structure*."

The applicability of the Shareholders' Agreement is generally subject to the condition that the Selling Shareholder owns at least 20% of the voting Shares.

Certain provisions of the Shareholders' Agreement, however, survive termination of the Shareholders' Agreement depending on the remaining share ownership of Public Institutions or the Selling Shareholder (alone or together with its affiliates). Subject to certain exceptions, a right of first refusal of the Belgian state or, as the case may be, the Selling Shareholder applies to transfers of Shares owned by the Selling Shareholder (alone or together with its affiliates) or the Public Institutions, respectively, as long as Public Institutions or the Selling Shareholder (alone or together with its affiliates), as the case may be, own 7.5% or more of the voting Shares of the Company. See "*Part XIV: Description of Share Capital, Articles of Association and Group Structure — 3. Share Capital and Shares — 3.3 Form and transferability of the Shares*." Certain constraints to the payment of dividends by the Company shall also continue to apply until the share ownership of Public Institutions or the Selling Shareholder (alone or together with its affiliates), as the case may be, would drop below that same threshold. See "*Part V: Dividends and Dividend Policy — 2. Dividend Policy*."

Similarly, certain arrangements relating to corporate governance (composition of the Board of Directors, enhanced quorum and majority requirements for certain Board matters and majority requirements for certain shareholders' resolutions) shall remain in effect after the termination of the Shareholders' Agreement, regardless of the remaining number of voting Shares owned by the Selling Shareholder. See "*Part XII: Management and Corporate Governance — 2. Board of Directors — 2.1 Composition of the Board*" and "*Part XIV: Description of Share Capital, Articles of Association and Group Structure — 4. Right to Attend and Vote at Shareholders' Meetings — 4.7 Quorum and majorities.*"

In the Shareholders' Agreement, the parties have agreed, subject to certain conditions, to make the following distributions to shareholders of the Company prior to the Offering: (i) an exceptional dividend in the amount of €53.5 million out of reserves; and (ii) a reduction of the Company's issued capital by an amount of €144.5 million by repayment in cash to the shareholders, without cancellation of any Shares.

As a first step, an Extraordinary Shareholders' Meeting of the Company approved on March 25, 2013 (i) the capital reduction of €144.5 million through return of capital to the Company's existing shareholders prior to the Closing Date and (ii) a reduction in the legal reserve in the amount of €21.3 million through the transfer to available reserves to facilitate the payment of the exceptional dividend of €53.5 million from available reserves to such shareholders.

This capital reduction and legal reserve reduction triggered a creditors' protection procedure under the Belgian Companies Code. Creditors of the Company whose receivables originated prior to April 5, 2013 (being the date of publication of the shareholders' resolution in respect of the aforementioned transactions in the Belgian State Gazette) but had not become due and payable as of that date may request that the Company provide collateral in respect of such receivables. Such creditors are entitled to request collateral for a period of two months following the publication of the resolution in the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*). The Company may also discharge any such creditor's request by paying the receivable at its value less any discount for early payment. If a creditor exercises its rights under the creditors' protection procedure, the Company may not make the distribution resulting from the capital reduction and pay the exceptional dividend (to the extent sourced from the legal reserve reduction) to the above shareholders until such creditor has obtained collateral or payment from the Company, unless a court, ruling in the form of summary proceedings, has denied the creditor's request for collateral on the grounds that the creditor benefits from sufficient existing collateral or that the solvency profile of the Company does not justify a request for collateral. As of the date of this Prospectus, no request for collateral has been filed with the Company.

It is expected that, on or around June 7, 2013, the distribution resulting from the capital reduction approved on March 25, 2013 will be paid out to the Company's existing shareholders prior to the Closing Date and a special Shareholders' Meeting of the Company will declare and pay the exceptional dividend of €53.5 million to those shareholders. Investors who become shareholders of the Company on or after the Closing Date will not be entitled to either the exceptional dividend or the distribution resulting from the capital reduction.

The Shareholders' Agreement also contains a hardship clause for the benefit of the Company, which shall become effective upon the date of the distribution resulting from the capital reduction and shall survive after the Offering. See "*Part IX:* "*Regulation — 8. Regulatory Stability*."

The Shareholders' Agreement provides that the Selling Shareholder will cover the costs and certain potential liabilities of the Company in connection with the Offering, including through the arrangement of a public offer of securities insurance policy.

2 Relationship with the Belgian state

2.1 The Belgian state as a shareholder

Following the Offering, the Belgian state will, directly and through SFPI/FPIM, continue to be the majority shareholder of the Company. Accordingly, it will have the power to control any decision at a meeting of the Company's shareholders requiring a simple majority vote.

The Company is a limited liability company under public law pursuant to the 1991 Law. General Belgian company law applies to the Company, except to the extent that the 1991 Law or any other Belgian laws or regulations adopted pursuant thereto provide otherwise. The 1991 Law and the Articles of Association require that the aggregate direct shareholding of the Belgian state and other Belgian Public Institutions must be at least 50% of the Company's share capital plus one share. An amendment to the Articles of Association will only take effect after approval by way of a Royal Decree deliberated in the Council of Ministers.

The Belgian state's rights pursuant to the 1991 Law exceed those of an ordinary shareholder, and include the following:

- The Belgian state directly appoints and removes a number of directors proportionate to the number of voting rights attached to its shareholding. In addition, the Belgian state appoints and removes the Chairperson of the Board of Directors and the CEO (upon proposal of the Board of Directors);
- Certain acts or decisions require ratification by Royal Decree (*e.g.*, any amendment to the Articles of Association, the adoption of a management contract or entering into a shareholders' agreement with other shareholders of the Company), the adoption of a law (*e.g.*, any dissolution or liquidation of the Company) or prior approval by Royal Decree (*e.g.*, the issuance of new Shares, convertible bonds or warrants) to become effective;

- The Belgian state appoints a Government Commissioner to supervise the management of the Company, who can initiate an appeal with the Belgian minister responsible for public sector enterprises against any decision of the Board of Directors, the CEO or the Management Committee that he or she deems contrary to Belgian law, the Articles of Association or the Management Contract and, pending the appeal decision by this minister, may suspend the implementation of any such decision. The minister responsible for public sector enterprises has the power to annul decisions against which the Government Commissioner initiates an appeal; and
- Two members of the Belgian state's Court of Audit (*Cour des Comptes/Rekenhof*) are appointed to the Company's Board of Auditors.

For further details about the Belgian state's rights, see "*Part XII: Management and Corporate Governance*" and "*Part XIV: Description of Share Capital, Articles of Association and Group Structure*."

2.2 The Belgian state as public authority

The Belgian state is, together with the European Union, the main legislator in the postal sector. The IBPT/BIPT, the national regulatory authority, is the main regulator of the postal sector in Belgium (for further details about the role of IBPT/BIPT, see "*Part IX: Regulation — 1. Key EU-driven Belgian Legislation Governing Postal Services — 1.4 Regulatory supervision*").

2.3 The Belgian state as a customer

The Belgian state is one of the Company's largest customers. In 2012, 18% of bpost's operating income was attributable to the Belgian state. bpost provides postal delivery services to a number of ministries, both on commercial terms and pursuant to the provisions of the Fifth Management Contract.

The Company provides universal postal services and SGEIs entrusted to it by the Belgian state, covering postal, financial, and other public services. The 1991 Law and the Fifth Management Contract set out the rules and conditions for carrying out the obligations that the Company assumes in execution of its universal postal services and services of general economic interest, and, where applicable, the financial compensation paid by the Belgian state. A summary of the services covered by the Fifth Management Contract is set out in "*Part IX: Regulation*."

The Company administers the cash accounts of the Belgian state and certain other public entities pursuant to the 1970 Royal Decree. The total amount of funds credited to these accounts and recorded off-balance sheet as at December 31, 2012 amounted to €18.4 billion.

3 Relationship with bpost bank and BNP Paribas Fortis

bpost bank is an associate of the Company whose other shareholder is BNP Paribas Fortis. Its banking products are offered through bpost's retail network. Several agreements and arrangements exist in this respect among the three companies, details of which are summarized in "*Part VIII: Business — 11. Subsidiaries and Associates — bpost bank.*"

The Belgian state owns a 25% stake in BNP Paribas Fortis through SFPI/FPIM. In addition, SFPI/FPIM, on behalf of the Belgian state, currently owns 10.29% of the share capital of BNP Paribas, the parent company of BNP Paribas Fortis.

4 Relationship with the Selling Shareholder

In 2006, the Board of Directors approved an employee stock option plan. This stock option plan gave the right to purchase existing Shares at a specified price. In connection with the employee stock option plan Alteris SA/NV, a wholly owned subsidiary of the Company, granted put options to beneficiaries of the plan. These put options were intended to provide beneficiaries with liquidity in the event they wished to sell the Shares they had acquired following an exercise of the stock options pursuant to the employee stock option plan. Call options were also granted to the Selling Shareholder in connection with the plan.

In 2011, Alteris SA/NV purchased 2,589 Shares at a price of €5,414 per Share, which was determined in 2011. In 2012, it purchased 1,473 Shares at a price of €4,923 per Share, which was determined in 2012. The Selling Shareholder purchased on December 7, 2012 4,062 Shares (being the total amount of Shares acquired by Alteris SA/NV during 2011 and 2012) from Alteris SA/NV pursuant to the call option exercised by the Selling Shareholder, at a price of €5,236 per Share, which reflected the weighted average exercise price of the put options for 2011 and 2012 (plus interest in respect of the period from February 28, 2012 to

December 7, 2012). Taking into account the stock split approved by the Extraordinary Shareholders' Meeting on May 27, 2013, which is subject to approval by Royal Decree (which is expected prior to the Pricing Date), the price per Share at which Alteris SA/NV purchased Shares in 2011 and 2012 was €11.09 and €10.09, respectively, and the price at which the Selling Shareholder, pursuant to its call option, acquired 4,062 Shares on December 7, 2012 was €10.73. The prices at which the Selling Shareholder and Alteris SA/NV purchased Shares in 2012 and in 2011 and 2012, respectively correspond to the exercise prices of the put and call options described above, which were determined each year by the Board of Directors based, among other sources, on a range of valuations determined by an independent international investment bank using valuation methodologies compliant with the plan rules. In addition, the Board of Directors took into account other factors such as an illiquidity discount to take into consideration the fact that the Shares were not publicly traded on an open market and other factors such as the state aid investigation by the European Commission, which was still pending at the time.

PART XIV: DESCRIPTION OF SHARE CAPITAL, ARTICLES OF ASSOCIATION AND GROUP STRUCTURE

1 General

The Company is a limited liability company incorporated in the form of a *société anonyme de droit public/ naamloze vennootschap van publiek recht* under Belgian law. It is registered with the legal entities register of Brussels under number 0214.596.464. The Company's registered office is located at Centre Monnaie-Muntcentrum, 1000 Brussels, Belgium.

This section summarizes information relating to the Company's share capital, the Articles of Association, certain material rights of its shareholders under Belgian law and the Company's group structure. The contents of this section are derived primarily from the new Articles of Association, which were adopted by the Shareholders' Meeting on May 27, 2013. It is expected that the Belgian state will adopt the Royal Decree approving the new Articles of Association prior to the Pricing Date. See "*Part II: Risk Factors — 3. Risks Relating to the Offering — If the Belgian state fails to adopt certain approvals in due time or at all, the effect of certain contractual arrangements entered into by the Company or changes to the Articles of Association approved by the Shareholders' Meeting may be delayed or such contractual arrangements or changes to the Articles of Association may never enter into force.*" Save for the stock split and the change of the corporate purpose clause, these changes are subject to the closing of the Offering.

This section provides details of certain provisions of Belgian law and, where relevant, the Shareholders' Agreement and information on the Company's group structure. The description provided hereafter is only a summary and does not purport to provide a complete overview of the Articles of Association, the relevant provisions of Belgian law or the Shareholders' Agreement.

2 Corporate Purpose

According to the Articles of Association, the Company's corporate purpose is the following:

1° the operation of postal services and financial postal services in order to steadily guarantee the universality and the confidential character of the written communications, as well as the transportation and the exchange of money and payment instruments;

2° all activities, irrespective of their nature, to directly or indirectly enhance its services or to procure the most efficient use of its infrastructure.

In particular, the foregoing includes, without limitation:

- the collection, transportation and delivery of mail, parcels and any other types of physical items and the operation of any other postal, transport and logistics services;
- the provision of paper or digital communication, certification, data, printing and document management services;
- the provision of financial postal services and of any other financial, banking and payment services;
- the operation of retail activities for the sale of goods or services of third parties; and
- all activities, including entering into new business lines, irrespective of the nature of such activities or business lines, to directly or indirectly enhance its services or, more generally, directly or indirectly contribute to the development of any of the activities referred to above or to procure the most efficient use of its infrastructure and/or of its personnel.

The Company may carry out the activities referred to above in whatever capacity, including, but not limited to, as intermediary or, with respect to transport or logistics services, as transport commission agent, and perform any ancillary services related to such activities, including, but not limited to, customs and customs clearance services.

Within this framework the Company may especially perform all public service duties assigned to it by or pursuant to the law or otherwise.

The Company may take interests by way of asset contribution, merger, subscription, equity investment, financial support or otherwise in any private or public law company, undertaking or association, in Belgium or abroad, which may directly or indirectly contribute to the fulfillment of its corporate purpose.

The Company may, in Belgium or abroad, engage in all civil, commercial, financial and industrial operations and transactions connected with its corporate purpose.

3 Share Capital and Shares

3.1 Share capital history

At the time of the Company's conversion into a limited liability company under public law organized under Belgian law on February 18, 2000, its share capital amounted to €300,000,000 represented by 100,000 Shares, each representing an identical fraction of the Company's share capital. This change to the Articles of Association was approved by Royal Decree on March 17, 2000.

On September 27, 2003, the Company's share capital was increased by a contribution in cash of €303,597,745.20 to €603,597,745.20, represented by 177,597 Shares paid up in cash, each representing an identical fraction of the Company's share capital. The issue price per share was €3,912.5. This change to the Articles of Association was approved by Royal Decree on April 12, 2004.

On December 7, 2005, the Company's share capital was increased by the incorporation of a revaluation surplus in the amount of €105,565,630.59, followed by a capital reduction in the amount of €265,383,204.59 to eliminate losses carried forward. Following these transactions, the Company's share capital amounted to €443,780,171.20 represented by 177,597 Shares, each representing an identical fraction of the Company's share capital. This change to the Articles of Association was approved by Royal Decree on December 13, 2005.

On January 17, 2006, the Company's share capital was increased by contributions in cash of €340,000,000 to €783,780,171.20, represented by 409,838 Shares, each representing an identical fraction of the Company's share capital. This capital increase was approved by Royal Decree on October 12, 2005. The issue price per share was €1,464.0.

On September 27, 2012, the Company's share capital was decreased by €55,310,601.89 by way of absorption of carried-forward losses and by €220,000,000 by way of repayment to its shareholders. Following these transactions, the Company's share capital amounted to €508,469,569.31, represented by 409,838 Shares, each representing an identical fraction of the Company's share capital. The distribution resulting from the capital reduction was paid to the shareholders in cash.

On March 25, 2013, the Company's share capital was reduced by €144,489,121 to be paid to its shareholders. Following this transaction, the Company's share capital amounts to €363,980,448.31. The change to the Articles of Association following the capital reduction is expected to be approved by Royal Decree prior to the Pricing Date. The distribution resulting from the capital reduction is expected to be paid on or around June 7, 2013 to the Company's existing shareholders prior to the Closing Date.

On May 27, 2013, the Extraordinary Shareholders' Meeting resolved to carry out a stock split with a factor of 488. It is expected that the Belgian state will adopt the Royal Decree approving this shareholders' resolution prior to the Pricing Date. See "*Part II: Risk Factors — 3. Risks Relating to the Offering — If the Belgian state fails to adopt certain approvals, the effect of certain contractual arrangements entered into by the Company or changes to the Articles of Association approved by the Shareholders' Meeting may be delayed or such changes to the Articles of Association may never enter into force.*" Following this stock split (which is not conditional upon the closing of the Offering), the Company's share capital will be represented by 200,000,944 Shares, each representing an identical fraction of the Company's share capital.

3.2 Employee stock option plan

In 2006, the Board of Directors approved an employee stock option plan. This stock option plan gave the right to purchase existing Shares at a specified price. The table below sets forth the number of options granted over, their respective exercise price and the number of outstanding options.

	As of and for the year ended December 31,						
	2012	2011	2010	2009	2008	2007	2006
Options granted during the year	–	–	–	–	2,262	1,388	1,412
Exercise price (€/Share)					2,848.0	2,539.0	1,464.0
Options exercised during the year	(1,367)	(2,240)	–	(589)	(416)	–	–
Options forfeited during the year	(22)	(50)	–	–	(40)	–	(44)
Options out due to bad leavers	–	–	(9)	(175)	(78)	–	(32)
Options outstanding as at December 31	–	1,389	3,679	3,688	4,452	2,724	1,336

In connection with the employee stock option plan Alteris SA/NV, a wholly owned subsidiary of the Company, granted put options to beneficiaries of the plan. These put options were intended to provide beneficiaries with liquidity in the event they wished to sell the Shares they had acquired following an exercise of the stock options pursuant to the employee stock option plan. Call options were also granted to the Selling Shareholder in connection with the plan. The exercise price of these put and call options is determined each year by the Board of Directors based, among other sources, on a range of valuations determined by an independent international investment bank using valuation methodologies compliant with the plan rules. In addition, the Board of Directors took into account other factors such as an illiquidity discount to take into consideration the fact that the Shares were not publicly traded on an open market and other factors such as the state aid investigation by the European Commission, which was still pending at the time.

Alteris SA/NV acquired Shares from beneficiaries of the stock options when the beneficiaries exercised the put options described above. It subsequently sold the Shares it had acquired to the Selling Shareholder upon the Selling Shareholder's exercise of its call option. In 2011, Alteris SA/NV purchased 2,589 Shares at a price of €5,414 per Share, which was determined in 2011 (these shares were deemed to be treasury shares in the amount of €14.0 million). In 2012, it purchased 1,473 Shares at a price of €4,923 per Share, which was determined in 2012. The Selling Shareholder purchased on December 7, 2012 4,062 Shares (being the total amount of Shares acquired by Alteris SA/NV during 2011 and 2012) from Alteris SA/NV pursuant to the call option exercised by the Selling Shareholder, at a price of €5,236 per Share, which reflected the weighted average exercise price of the put options for 2011 and 2012 (plus interest in respect of the period from February 28, 2012 to December 7, 2012). Taking into account the stock split approved by the Extraordinary Shareholders' Meeting on May 27, 2013, which is subject to approval by Royal Decree (which is expected prior to the Pricing Date), the price per Share at which Alteris SA/NV purchased Shares in 2011 and 2012 was €11.09 and €10.09, respectively, and the price at which the Selling Shareholder acquired, pursuant to its call option, 4,062 Shares on December 7, 2012 was €10.73. The prices at which the Selling Shareholder and Alteris SA/NV purchased Shares in 2012 and in 2011 and 2012, respectively, correspond to the exercise prices of the put and call options described above, which were determined each year by the Board of Directors in the manner described above.

The table below sets forth the price paid by Alteris SA/NV for shares acquired from the beneficiaries of the employee stock option plan and sold to the Selling Shareholder:

	Shares purchased		**Shares sold**		**Net position**
	Number	**Price**	**Number**	**Price**	
		(€)		*(€)*	*(€ millions)*
2008	141	2,848(1)	141	2,848(1)	—
2009	407	2,907(2)	407	2,907(2)	—
2010	—	—	—	—	—
2011	2,589	5,414(3)	—	—	14.0
2012	1,473	4,923(4)	4,062	5,236(5)	—

Notes:

(1) Corresponds to €5.84 per Share taking into account the stock split.

(2) Corresponds to €5.96 per Share taking into account the stock split.

(3) Corresponds to €10.09 per Share taking into account the stock split.

(4) Corresponds to €11.09 per Share taking into account the stock split.

(5) Corresponds to €10.73 per Share taking into account the stock split.

3.3 Form and transferability of the Shares

All of the Shares belong to the same class of securities and are in registered or dematerialized form. A register of registered Shares (which may be held in electronic form) is maintained at the Company's registered address. It may be consulted by any holder of registered Shares. A dematerialized security is represented by an entry on a personal account of the owner or holder, with a recognized account holder or clearing and settlement institution. Holders of Shares may elect, at any time, to have their registered Shares converted into dematerialized Shares, and vice versa, at their own expense.

The Shares are freely transferable, subject to any contractual restrictions. See "*Part XVII: Plan of Distribution — 2. Lock-up Arrangements.*"

The 1991 Law imposes certain transfer restrictions on the Belgian state and other Public Institutions. No transaction can occur that would result in the direct aggregate shareholding in bpost of all Public Institutions falling below 50% of its share capital plus one share. In addition, any transfers of the Shares by Public

Institutions other than the Belgian state must be notified to the Company by the Public Institution concerned. If, as a result of any transfer, the direct participation of all Public Institutions (including the Belgian state) in the Company's share capital would no longer exceed 50%, such transfer shall be automatically null and void, unless the aggregate participation of the Public Institutions again exceeds 50% within a period of three months following the transfer, by way of a capital increase.

Pursuant to the Shareholders' Agreement and for so long as the Public Institutions or the Selling Shareholder (alone or together with its affiliates), as the case may be, owns 7.5% or more of the voting Shares of the Company, any transfer by the Public Institutions or the Selling Shareholder (alone or together with its affiliates) of the Shares following the Offering is subject to a right of first refusal for the Selling Shareholder and the Belgian state, respectively, at a price that would be offered by third parties in good faith. The Belgian state and the Selling Shareholder are permitted to transfer their right of first refusal in respect of any particular transaction to another Public Institution or to any of PIE Group S.A. and PIE Group II S.à r.l., respectively. Parties to an agreement regarding the ownership, acquisition or transfer of voting securities such as a right of first refusal can be considered to be acting in concert for the purposes of the Belgian Law on May 2, 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions. See "*— 8. Legislation and jurisdiction — 8.1 Notification of significant shareholdings*" for more information on the obligation to make a transparency notification.

This right of first refusal does not apply in the following cases:

- a transfer of Shares between the Belgian state and any Public Institution or among Public Institutions;
- a transfer of Shares between the Selling Shareholder and any affiliate or among affiliates of the Selling Shareholder;
- a public offering or private placement of the Shares with a diversified group of institutional investors;
- the sale of Shares on a regulated market;
- the transfer of Shares to directors, managers or employees of the Company or its subsidiaries in the context of an employee stock grant, purchase or option scheme;
- the transfer of Shares by Public Institutions if, at the time of the sale, the Shares owned by the Selling Shareholder represent less than 20% of the voting rights; or
- the transfer of Shares by the Selling Shareholder, if, at the time of the sale, the Shares owned by Public Institutions represent less than 20% of the voting rights.

In the case of an overnight offering or other form of block trade by the Selling Shareholder or any of its affiliates subsequent to the Offering, no right of first refusal of the Belgian state apply but SFPI/FPIM shall in such case be offered an opportunity to bid for any of these Shares.

3.4 Preferential subscription rights

The Belgian Companies Code and the Articles of Association give shareholders preferential subscription rights to subscribe on a pro rata basis for any issue for cash of new shares, convertible bonds or warrants that are exercisable for cash. The preferential subscription rights may be exercised during a period determined by the Shareholders' Meeting, with a legal minimum of 15 days.

The Shareholders' Meeting may restrict or suppress the pre-emption rights for any capital increase or issue of convertible bonds or warrants, subject to the quorum and voting requirements applying to an amendment to the Articles of Association, and subject to special reporting requirements. Shareholders may also authorize the Board of Directors to restrict or suppress the pre-emption rights for any capital increase or issue of convertible bonds or warrants when issuing securities within the framework of the Company's authorized share capital.

On May 27, 2013, the Extraordinary Shareholders' Meeting authorized the Board of Directors, subject to and with effect as from the closing of the Offering, to increase the share capital in one or more transactions by a number of Shares, or by financial instruments giving the right to a number of Shares such as, but not limited to, convertible bonds or warrants of up to an aggregate amount of €363,980,448.31. Within the framework of the authorized capital, the Board of Directors is empowered to proceed with a capital increase in any form, including, but not limited to, a capital increase accompanied by the restriction or suppression of preferential subscription rights. This authorization includes the restriction or suppression of preferential subscription rights for the benefit of one or more specific persons (whether or not employees of the Company or its subsidiaries) and in connection with capital increases in the event of a public tender offer. See "*— 8. Legislation and Jurisdiction — 8.2 Public takeover bids.*"

The Company may issue convertible bonds or warrants (whether or not attached to bonds) either pursuant to a resolution of the Shareholders' Meeting acting under the conditions necessary for modifying the Articles of Association (the presence or representation of at least 50% of the Company's share capital and a majority of at least 75% of the votes cast) or pursuant to a resolution of the Board of Directors within the scope of the authorized capital. Any such issue requires the prior consent of the Belgian state by Royal Decree deliberated in the Council of Ministers.

Every issuance of new Shares, convertible bonds or bonds with warrants is subject to prior approval by Royal Decree in accordance with Articles 40, §1 and 147bis of the 1991 Law and may not lead to the combined shareholding of the Belgian state and Public Institutions falling below 50% plus one share.

4 Right to Attend and Vote at Shareholders' Meetings

4.1 General Shareholders' Meetings

The annual Shareholders' Meeting is held on the second Wednesday of May of each year at 10 a.m., or, if this day is a public holiday, on the first business day thereafter, Saturdays excepted. It takes place at the registered office of the Company or in one of the municipalities of the Brussels Capital Region at the place designated by the convening notice convening the Shareholders' Meeting.

The other Shareholders' Meetings shall be held on the day, at the hour and in the place designated by the convening notice. They may be held at locations other than the registered office.

The annual, special and extraordinary Shareholders' Meetings may be convened by the Board of Directors or by the Board of Auditors and must be convened at the request of shareholders representing one-fifth of the Company's share capital.

4.2 Notices convening the Shareholders' Meeting

Holders of registered Shares must receive written notice of the Shareholders' Meeting by regular mail at least 30 days prior to the meeting. The Company must also publish a notice of the meeting in the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*), in a newspaper with national distribution and in media that can be reasonably considered having effective distribution with the public in the European Economic Area and that is swiftly accessible, and in a non-discriminatory manner. The notices are published at least 30 days prior to the meeting. If a new convocation is required for lack of quorum and the date of the second meeting was mentioned in the first notice, then, in the absence of new agenda items, notices are published at least 17 days in advance of that second meeting.

As from the publication of the notice, the Company shall make the information required by law available on the Company's website (*www.bpost.be*) for a period of five years after the relevant Shareholders' Meeting.

4.3 Formalities to attend the Shareholders' Meeting

A shareholder wishing to attend and participate in the Shareholders' Meeting must:

- have the ownership of its Shares recorded in its name, as at midnight Central European Time, on the fourteenth calendar day preceding the date of the meeting (the "record date") either through registration in the shareholders' register in the case of registered Shares or through book-entry in the accounts of an authorized account holder or clearing institution in the case of dematerialized Shares; and
- notify the Company (or the person designated by the Company) by returning a signed original paper form or, if permitted by the Company in the notice convening the Shareholders' Meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), at the latest on the sixth calendar day preceding the day of the meeting, of its intention to participate in the meeting, indicating the number of Shares in respect of which they intend to do so. In addition, the holders of dematerialized Shares must, at the latest on the same day, provide the Company (or the person designated by the Company), or arrange for the Company (or the person designated by the Company) to be provided, with an original certificate issued by an authorized account holder or a clearing institution certifying the number of Shares owned on the record date by the relevant shareholder and for which it has notified its intention to participate in the meeting.

Holders of profit-sharing certificates, non-voting shares, bonds, subscription rights or other securities issued by the Company, as well as holders of certificates issued with the cooperation of the Company and representing securities issued by the latter, may participate in the Shareholders' Meeting insofar as the law or the Articles of Association entitles them to do so and, as the case may be, gives them the right to participate in voting. If they propose to participate, such holders are subject to the same formalities concerning admission and access, and forms and filing of proxies, as those imposed on shareholders.

4.4 Voting by proxy

Any shareholder with the right to vote may either personally participate in the meeting or give a proxy to another person, who need not be a shareholder, to represent him or her at the meeting. A shareholder may designate, for a given meeting, only one person as proxy holder, except in circumstances where Belgian law allows the designation of multiple proxy holders. The appointment of a proxy holder may take place in paper form or electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law), through a form which shall be made available by the Company. The signed original paper or electronic form must be received by the Company at the latest on the sixth calendar day preceding the meeting. Any appointment of a proxy holder shall comply with relevant requirements of applicable Belgian law in terms of conflicting interests, record keeping and any other applicable requirements.

4.5 Remote voting in relation to the Shareholders' Meeting

Any shareholder may vote remotely in relation to the Shareholders' Meeting, by sending a paper form or, if permitted by the Company in the notice convening the meeting, by sending a form electronically (in which case the form shall be signed by means of an electronic signature in accordance with applicable Belgian law). These forms shall be made available by the Company. The original signed paper form must be received by the Company at the latest on the sixth calendar day preceding the date of the meeting. Voting through the signed electronic form may occur until the last calendar day before the meeting.

The Company may also organize a remote vote in relation to the Shareholders' Meeting through other electronic communication methods, such as, among others, through one or several websites. The Company shall specify the practical terms of any such remote vote in the convening notice.

Shareholders voting remotely must, in order for their vote to be taken into account for the calculation of the quorum and voting majority, comply with the admission formalities.

4.6 Right to request items to be added to the agenda and ask questions at the Shareholders' Meeting

One or more shareholders that together hold at least 3% of the Company's share capital may request for items to be added to the agenda of any convened meeting and submit proposals for resolutions with regard to existing agenda items or new items to be added to the agenda, provided that (i) they prove ownership of such shareholding as at the date of their request and record their Shares representing such shareholding on the record date; and (ii) the additional items on the agenda and/or proposed resolutions have been submitted in writing by these shareholders to the Board of Directors at the latest on the twenty second day preceding the date of the relevant Shareholders' Meeting. The shareholding must be proven by a certificate evidencing the registration of the relevant Shares in the share register of the Company or by a certificate issued by the authorized account holder or the clearing organization certifying the book-entry of the relevant number of dematerialized Shares in the name of the relevant shareholder(s).

If necessary, the Company shall publish a revised agenda of the Shareholders' Meeting, at the latest on the fifteenth day preceding the Shareholders' Meeting. The right to request that items be added to the agenda or that proposed resolutions in relation to existing agenda items be submitted does not apply in case of a second Shareholders' Meeting that must be convened because the quorum was not obtained during the first Shareholders' Meeting.

Within the limits of Article 540 of the Belgian Companies Code, the directors and the members of the Board of Auditors answer, during the Shareholders' Meeting, the questions raised by shareholders. Shareholders can ask questions either during the meeting or in writing, provided that the Company receives the written question at the latest on the sixth day preceding the Shareholders' Meeting.

4.7 Quorum and majorities

In general, there is no attendance quorum requirement for a general Shareholders' Meeting, except as provided for by law in relation to decisions regarding certain matters. Decisions are taken by a majority of the votes cast, except where the law or the Articles of Association provide for a special majority.

Matters involving special legal quorum and majority requirements include, among others, amendments to the Articles of Association, issues of new Shares, convertible bonds or warrants and decisions regarding mergers and demergers, which require at least 50% of the share capital to be present or represented and the affirmative vote of the holders of at least 75% of the votes cast. If the quorum is not reached, a second meeting may be convened at which no quorum shall apply. The special majority requirements, however, remain applicable.

The 1991 Law deviates in certain respects from general Belgian company law regarding the powers of the Shareholders' Meeting. For example, directors are appointed and dismissed in accordance with a special procedure, as set out in "*Part XII: Management and Corporate Governance — 2. Board of Directors*." Amendments to the Articles of Association are subject to ratification by Royal Decree, issues of new Shares, convertible bonds or warrants must be approved in advance by Royal Decree and the Company's corporate purpose is set out in the 1991 Law.

In addition, and without prejudice to any additional quorum and special majority requirements under the Belgian Companies Code or the 1991 Law, the Shareholders' Agreement and the Articles of Association require an enhanced majority for the adoption of certain amendments to the Articles of Association. So long as the Selling Shareholder (alone or together with its affiliates) owns at least 20% of the voting Shares, the adoption of the following resolutions of the Shareholders' Meeting require a majority of the votes cast by both Public Institutions on the one hand and by the Selling Shareholder (alone or together with its affiliates) on the other hand: (i) any amendment to the Articles of Association; (ii) any suppression or limitation or preferential subscription rights of existing shareholders in respect of new shares, bonds convertible into shares or warrants to be issued by the Company; (iii) the approval of the annual accounts; (iv) any distribution of earnings and profits that departs from the dividend pay-out policy; and (v) the appointment of the statutory auditors to be elected by the Shareholders' Meeting.

Once the combined shareholding of the Selling Shareholder (alone or together with its affiliates) falls below 20% of the voting Shares, a separate and more limited set of rules comes into effect. The following amendments to the Articles of Association shall be validly adopted only if, in addition to the quorum and special majority requirements set forth in the Belgian Companies Code, they obtain a majority of the votes cast by Public Institutions and a majority of the votes cast by the other shareholders of the Company:

- any amendment to the definition of "independent director," "Strategic Partner" or "private shareholders;"
- any amendment to the composition of the Board of Directors or the manner of appointment or dismissal of directors; and
- any amendment to the quorum and majority requirements of the Board of Directors and Shareholders' Meeting.

5 Dividend Rights

All Shares participate equally in the Company's profits, if any. The Shares offered in the Offering carry the rights to participate in dividends declared, after the Closing Date, in respect of the financial year ending December 31, 2013 and future years. Investors in the Offering shall not be entitled to (i) the distribution resulting from the €144.5 million capital reduction approved by the extraordinary Shareholders' Meeting on March 25, 2013; or (ii) the €53.5 million exceptional dividend to be approved by an extraordinary Shareholders' Meeting currently expected to be held on or around June 7, 2013 and regardless of whether (i) such transactions may be declared or deemed to be declared after the Closing Date and (ii) such distributions (which are currently expected to be paid on or around June 7, 2013) may be paid after the Closing Date, and the Selling Shareholder has reserved the right to such entitlements.

In general, the Company may only pay dividends with the approval of the Shareholders' Meeting, although the Board of Directors may declare interim dividends without shareholder approval. The maximum amount of the dividend that can be paid is determined by reference to the Company's unconsolidated financial statements prepared in accordance with Belgian GAAP.

Pursuant to the 1971 Law, 5% of the Company's unconsolidated Belgian GAAP profit after tax is distributed among all employees of the Company. This withholding is not considered a distribution for the purposes of determining the availability of distributable results.

Under Belgian Law and the Articles of Association, the Company must allocate an amount of 5% of its annual net Belgian GAAP profit on an unconsolidated basis to a legal reserve in its unconsolidated financial statements until the reserve equals 10% of the Company's share capital. The Company's legal reserve currently meets this requirement and will continue to meet this requirement after the distribution resulting from the capital reduction approved by the extraordinary Shareholders' Meeting on March 25, 2013.

For more information on the dividend policy of the Company and other restrictions, see "*Part V: Dividends and Dividend Policy.*"

6 Liquidation, Bankruptcy and Limitations on Enforcement

The Company may only be liquidated by law approved by the Belgian parliament. The law must set out the procedure, as well as the terms and conditions, for the liquidation and will determine how any assets remaining after the liquidation are to be distributed.

Pursuant to the 1991 Law, the Company is not subject to Belgian bankruptcy laws and therefore cannot be declared bankrupt or be subject to the appointment of a trustee in bankruptcy for the liquidation and distribution of its assets.

The Company's properties and assets, which are entirely or partially used in, or designated for, the performance of SGEIs may not be subject to any enforcement measures by creditors.

7 Acquisition of Own Shares

In accordance with the Belgian Companies Code, the Articles of Association permit the Company to acquire, on or outside the stock market, its own Shares, profit-sharing certificates or associated certificates by resolution approved by the Shareholders' Meeting by at least 80% of the votes validly cast where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented. Prior approval by the shareholders is not required if the Company purchases the Shares in order to offer them to the Company's employees.

On May 27, 2013, the Extraordinary Shareholders' Meeting authorized the Board of Directors to purchase up to 20% of the outstanding Shares, for a price not lower than 10% below the lowest closing price in the last 30 trading days preceding the transaction and not more than 5% above the highest closing price during the last 30 trading days preceding the transaction. This authorization is valid for five years from the date of the publication of the authorization in the Annexes to the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*).

The above authorization is also valid if the acquisition is made by one of the subsidiaries directly controlled by the Company, as set out in Article 627 of the Belgian Companies Code.

The Board of Directors is also authorized to acquire for the Company's account the Company's own Shares, profit-sharing certificates or associated certificates if such acquisition is necessary to prevent a serious and imminent harm to the Company. This authorization is valid for three years as from the date of the publication of the authorization in the Annexes to the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*).

The Board of Directors is authorized to divest all of part of the Shares, profit-sharing certificates or associated certificates at a price it determines, on or outside the stock market or in the framework of its remuneration policy to employees, directors or consultants of the Company. This authorization is valid without any restriction in time. The authorization covers the divestment of the Shares, profit-sharing certificates or associated certificates by a direct subsidiary of the Company, as set out in Article 627 of the Belgian Companies Code.

The Shares, profit-sharing certificates or associated certificates can only be acquired with funds that would otherwise be available for distribution as dividend. The total nominal value or fractional value of the Shares, profit-sharing certificates or associated certificates held by the Company can at no time be more than 20% of the share capital. The voting rights attached to own Shares held by the Company are suspended.

8 Legislation and Jurisdiction

8.1 Notification of significant shareholdings

Pursuant to the Belgian Law of May 2, 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market and containing various provisions (the "Transparency Law"), a notification to the Company and to the FSMA is required by all natural and legal persons in the following circumstances:

- an acquisition or disposal of voting securities, voting rights or financial instruments that are treated as voting securities;
- the holding of voting securities upon first admission of them to trading on a regulated market;
- the passive reaching of a threshold;
- the reaching of a threshold by persons acting in concert or a change in the nature of an agreement to act in concert;
- where a previous notification concerning the voting securities is updated;

- the acquisition or disposal of the control of an entity that holds the voting securities; and
- where the Company introduces additional notification thresholds in the Articles of Association,

in each case where the percentage of voting rights attached to the securities held by such persons reaches, exceeds or falls below the legal threshold, set at 5% of the total voting rights, and 10%, 15%, 20% and so on at intervals of 5% or, as the case may be, the additional thresholds provided in the Articles of Association. The Company has provided for an additional threshold of 3% in the Articles of Association.

The notification must be made as soon as possible and at the latest within four trading days following the acquisition or disposal of the voting rights triggering the reaching of the threshold. Where the Company receives a notification of information regarding the reaching of a threshold, it has to publish such information within three trading days following receipt of the notification.

No shareholder may cast a greater number of votes at a Shareholders' Meeting than those attached to the rights or securities it has notified in accordance with the Transparency Law at least 20 days before the date of the Shareholders' Meeting, subject to certain exceptions.

8.2 Public takeover bids

Public takeover bids for shares and other securities giving access to voting rights (such as subscription rights or convertible bonds, if any) are subject to supervision by the FSMA. Public takeover bids must be extended to all of the voting securities, as well as all other securities giving access to voting rights. Prior to making a bid, a bidder must publish a prospectus which has been approved by the FSMA prior to publication.

Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of April 21, 2004) in the Belgian Law of April 1, 2007 on public takeover bids (the "Takeover Law") and the Belgian Royal Decree of April 27, 2007 on public takeover bids (the "Takeover Royal Decree"). The Takeover Law provides that a mandatory bid must be launched if a person, as a result of its own acquisition or the acquisition by persons acting in concert with it or by persons acting for their account, directly or indirectly holds more than 30% of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are traded on a regulated market or on a multilateral trading facility designated by the Takeover Royal Decree. The mere fact of exceeding the relevant threshold through the acquisition of shares will give rise to a mandatory bid, irrespective of whether the price paid in the relevant transaction exceeds the current market price. The duty to launch a mandatory bid does not apply in case of an acquisition if it can be shown that a third party exercises control over the company or that such party holds a larger stake than the person holding 30% of the voting securities. As the 1991 Law and the Articles of Association require that the aggregate direct shareholding of the Belgian state and other Public Institutions must be at least 50% of the Company's share capital plus one share, it is unlikely that a mandatory bid will need to be launched when a person, as a result of acquisitions, directly or indirectly holds more than 30% of the voting securities.

In principle, the authorization of the Board of Directors to increase the share capital of the Company through contributions in cash with cancellation or limitation of the preferential subscription rights of the existing shareholders is suspended as of the notification to the Company by the FSMA of a public takeover bid for the securities of the Company. The Shareholders' Meeting can, however, under certain conditions, expressly authorize the Board of Directors to increase the capital of the Company in such case by issuing Shares in an amount of not more than 10% of the existing Shares at the time of such a public takeover bid. Such authorization was granted to the Board of Directors of the Company on May 27, 2013. Those powers remain in effect for a period of three years from the date of the adoption of this authorization.

8.3 Squeeze-out

Pursuant to Article 513 of the Belgian Companies Code or the regulations promulgated thereunder, a person or legal entity, or different persons or legal entities acting alone or in concert, who own together with the company 95% of the securities with voting rights in a public company are entitled to acquire the totality of the securities with voting rights in that company following a squeeze-out offer. The securities that are not voluntarily tendered in response to such an offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the squeeze-out procedure, the company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value (verified by an independent expert) as to safeguard the interests of the transferring shareholders.

A squeeze-out offer is also possible upon completion of a public takeover, provided that the bidder holds 95% of the voting capital and 95% of the voting securities of the public company. In such a case, the bidder may require that all remaining shareholders sell their securities to the bidder at the offer price of the takeover bid, provided that, in case of a voluntary takeover offer, the bidder has also acquired 90% of the voting capital to which the offer relates. The shares that are not voluntarily tendered in response to any such offer are deemed to be automatically transferred to the bidder at the end of the procedure. The bidder needs to reopen his/her public takeover offer within three months following the expiration of the offer period.

8.4 Sell-out right

Within three months following the expiration of an offer period, holders of voting securities or of securities giving access to voting rights may require the offeror, acting alone or in concert, who owns 95% of the voting capital and 95% of the voting securities in a public company following a takeover bid, to buy its securities from it at the price of the bid, on the condition that, in case of a voluntary takeover offer, the offeror has acquired, through the acceptance of the bid, securities representing at least 90% of the voting capital subject to the takeover bid.

9 Subsidiaries and Associates

Certain information in relation to the Company's subsidiaries and associates as of December 31, 2012 appears below:

Name	Jurisdiction	Registered Office	Ownership[1]	Capital
Alteris SA/NV	Belgium	Centre Monnaie/ Muntcentrum, 1000 Brussels	100%	EUR 102,500,000
Belgian Post International SA/NV (BPI SA/NV)	Belgium	Centre Monnaie/ Muntcentrum, 1000 Brussels	100%	EUR 1,900,000
bpost banque / bpost bank SA/NV	Belgium	Anspachlaan 1, 1000 Brussels	50%	EUR 225,000,000[2]
bpost Hong Kong Ltd.	Hong Kong	3/F Haking (Tung Shing) Industrial Building, 34 Lee Chung Street, Chaiwan	100%	HKD 100
bpost International Logistics (Beijing) Co., Ltd.	P.R. China	Units 2604 and 2605, Building 3, No. 2 Jianguomenwai Avenue, Chaoyang District, Beijing	100%	RMB 5,248,579
bpost International (UK) Ltd.	United Kingdom	Unit A1, Parkway, Cranford Lane, Heston TW5 9QA	100%	GBP 32,497,599
bpost International US, Inc.	United States of America	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100%	USD 5,000[3]

Name	Jurisdiction	Registered Office	Ownership[1]	Capital
bpost Singapore Pte. Ltd.	Singapore	39 Changhi South Ave. 2, #04-04 Apico Industrial Building, Singapore 486352	100%	SGD 100,000
bpost US Holdings, Inc.	United States of America	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	100%	USD 5,000[3]
Certipost SA/NV	Belgium	Centre Monnaie/ Muntcentrum, 1000 Brussels	100%	EUR 18,823,546.88
Deltamedia SA/NV	Belgium	Centre Monnaie/ Muntcentrum, 1000 Brussels	100%	EUR 2,500,000
Euro-Sprinters SA/NV	Belgium	Centre Monnaie/ Muntcentrum, 1000 Brussels	100%	EUR 13,474,334.47
eXbo Services International SA/NV	Belgium	Centre Monnaie/ Muntcentrum, 1000 Brussels	100%	EUR 2,458,429.54
Landmark Global, Inc.	United States of America	212 Anacapa St., Santa Barbara, California 93101	51%	USD 1,220,341
Landmark Trade Services, Ltd	Canada	5130 Halford Drive Windsor, Ontario N9A 6J3	51%	USD 200
Mail Services, Inc.	United States of America	22446 Davis Drive, Sterling, VA 20164	80%	USD 100
Speos Belgium SA/NV	Belgium	Centre Monnaie/ Muntcentrum, 1000 Brussels	100%	EUR 4,261,082.20
2198230 Ontario Inc.	Canada	445 Admiral Boulevard, Suite 8, Mississauga, L5T 2N1	80%[4]	CAD 100

Notes:

(1) Share of voting rights.

(2) As of March 31, 2013. On March 20, 2013, bpost bank completed a €100 million capital increase, pursuant to which the Company contributed €37.5 million in cash.

(3) bpost International U.S., Inc. and bpost U.S. Holdings, Inc. were incorporated in March 2013.

(4) The Company owns 80% of Mail Services, Inc., which in turn owns 100% of 2198230 Ontario Inc.

PART XV: TAXATION

1 Belgian Taxation

The paragraphs below present a summary of certain material Belgian federal income tax consequences of the ownership and disposal of Shares by an investor that purchases such Shares in connection with this Offering. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Prospectus, all of which are subject to change, including changes that could have retroactive effect.

Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

This summary does not purport to address all tax consequences of the ownership and disposal of Shares, and does not take into account the specific circumstances of particular investors, some of which may be subject to special rules, or the tax laws of any country other than Belgium. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, collective investment undertakings, dealers in securities or currencies, persons that hold, or will hold, Shares as a position in a straddle, share-repurchase transaction, conversion transactions, synthetic security or other integrated financial transactions.

For purposes of this summary, a Belgian resident is an individual subject to Belgian personal income tax (that is, an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), a company subject to Belgian corporate income tax (that is, a corporate entity that has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium), an Organization for Financing Pensions subject to Belgian corporate income tax (*i.e.*, a Belgian pension fund incorporated under the form of an Organization for Financing Pensions), or a legal entity subject to Belgian income tax on legal entities (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its statutory seat, its main establishment, its administrative seat or seat of management in Belgium). A Belgian non-resident is any person that is not a Belgian resident.

Investors should consult their own advisors regarding the tax consequences of an investment in Shares in the light of their particular circumstances, including the effect of any state, local or other national laws.

1.1 Dividends

For Belgian income tax purposes, the gross amount of all benefits paid on or attributed to the Shares is generally treated as a dividend distribution. By way of exception, the repayment of capital carried out in accordance with the Belgian Companies Code is not treated as a dividend distribution to the extent that such repayment is imputed to fiscal capital. This fiscal capital includes, in principle, the actual paid-up statutory share capital and, subject to certain conditions, the paid-up issuance premiums and the cash amounts subscribed to at the time of the issue of profit sharing certificates.

Belgian withholding tax of 25% is normally levied on dividends, subject to such relief as may be available under applicable domestic or tax treaty provisions.

In the case of a redemption of the Shares, the redemption distribution (after deduction of the part of the fiscal capital represented by the redeemed Shares) will be treated as a dividend subject to a Belgian withholding tax of 25%, subject to such relief as may be available under applicable domestic or tax treaty provisions. No withholding tax will be triggered if this redemption is carried out on a stock exchange and meets certain conditions. In case of liquidation of the Company, any amounts distributed in excess of the fiscal capital will in principle be subject to the 10% withholding tax, subject to such relief as may be available under applicable domestic provisions.

However, please note that the Belgian government has announced in a press release dated March 30, 2013 that such 10% withholding tax rate would be increased to 25% as of October 1, 2014. No draft bill is yet available in this respect.

Belgian resident individuals

For Belgian resident individuals who acquire and hold Shares as a private investment, the Belgian dividend withholding tax fully discharges their personal income tax liability. They may nevertheless elect to report the dividends in their personal income tax return. Where the beneficiary opts to report them, dividends will normally be taxable at the lower of the generally applicable 25% withholding tax rate on dividends or at the

progressive personal income tax rates applicable to the taxpayer's overall declared income. If the beneficiary reports the dividends, the income tax due on such dividends will not be increased by local surcharges. In addition, if the dividends are reported, the dividend withholding tax levied at source may, in both cases, be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due, provided that the dividend distribution does not result in a reduction in value of or a capital loss on Shares. This condition is not applicable if the individual can demonstrate that he has held Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends.

For Belgian resident individual investors who acquire and hold Shares for professional purposes, the Belgian withholding tax does not fully discharge their income tax liability. Dividends received must be reported by the investor and will, in such a case, be taxable at the investor's personal income tax rate increased with local surcharges. Withholding tax levied at source may be credited against the personal income tax due and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own Shares in full legal ownership at the time the dividends are paid or attributed and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on Shares. The latter condition is not applicable if the investor can demonstrate that he has held the full legal ownership of Shares for an uninterrupted period of 12 months prior to the payment or attribution of the dividends.

Belgian resident companies

Corporate income tax

For Belgian resident companies, the gross dividend income (including the withholding tax) must be declared in the corporate income tax return and will be subject to a corporate income tax rate of 33.99%, unless the reduced corporate income tax rates for SMEs apply.

Belgian resident companies can generally (although subject to certain limitations) deduct up to 95% of the gross dividend received from the taxable income ("dividend received deduction"), provided that at the time of a dividend payment or attribution: (i) the Belgian resident company holds Shares representing at least 10% of the Company's share capital or a participation in the Company with an acquisition value of at least €2,500,000; (ii) the Shares have been held or will be held in full ownership for an uninterrupted period of at least one year; and (iii) the conditions relating to the taxation of the underlying distributed income, as described in Article 203 of the Belgian Income Tax Code (the "Article 203 ITC Taxation Condition") are met (together, the "Conditions for the application of the dividend received deduction regime").

The Conditions for the application of the dividend received deduction regime depend on a factual analysis and for this reason the availability of this regime should be verified upon each dividend distribution.

Any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due, subject to two conditions: (i) the taxpayer must own the Shares in full legal ownership at the time the dividends are paid or attributed and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on the Shares. The latter condition is not applicable: (i) if the company can demonstrate that it has held the Shares in full legal ownership for an uninterrupted period of 12 months prior to the payment of or attribution on the dividends or (ii) if, during that period, the Shares never belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested the Shares in a Belgian permanent establishment ("PE") in Belgium.

Withholding tax

Dividends distributed to a Belgian resident company will be exempt from Belgian withholding tax provided that the Belgian resident company holds, upon payment or attribution of the dividends, at least 10% of the Company's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year.

In order to benefit from this exemption, the investor must provide the Company or its paying agent with a certificate confirming its qualifying status and the fact that it meets the two required conditions. If the investor holds a minimum participation for less than one year, at the time the dividends are paid on or attributed to Shares, the Company will levy the withholding tax but will not transfer it to the Belgian Treasury provided that the investor certifies its qualifying status, the date from which the investor has held such minimum participation, and the investor's commitment to hold the minimum participation for an uninterrupted period of at least one year. The investor must also inform the Company or its paying agent if

the one-year period has expired or if its shareholding will drop below 10% of the Company's share capital before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the levied dividend withholding tax will be refunded to the investor.

Organizations for financing pensions

For organizations for financing pensions ("OFPs"), *i.e.*, Belgian pension funds incorporated under the form of an OFP (*organisme de financement de pensions/organisme voor de financiering van pensioenen*) within the meaning of Article 8 of the Belgian Law of October 27, 2006, the dividend income is generally tax-exempt. Subject to certain limitations, any Belgian dividend withholding tax levied at source may be credited against the corporate income tax due and is reimbursable to the extent that it exceeds the corporate income tax due.

Other taxable legal entities

For taxpayers subject to the Belgium income tax on legal entities, the Belgian dividend withholding tax in principle fully discharges their income tax liability.

Belgian non-resident individuals and companies

For non-resident individuals and companies, the dividend withholding tax will be the only tax on dividends in Belgium, unless the non-resident holds Shares in connection with a business conducted in Belgium through a fixed base in Belgium or a Belgian PE.

If Shares are acquired by a non-resident in connection with a business in Belgium, the investor must report any dividends received, which will be taxable at the applicable non-resident individual or corporate income tax rate, as appropriate. Withholding tax levied at source may be credited against non-resident individual or corporate income tax and is reimbursable to the extent that it exceeds the income tax due, subject to two conditions: (i) the taxpayer must own Shares in full legal ownership at the time the dividends are paid or attributed and (ii) the dividend distribution may not result in a reduction in value of or a capital loss on Shares. The latter condition is not applicable if (i) the non-resident individual or the non-resident company can demonstrate that Shares were held in full legal ownership for an uninterrupted period of 12 months prior to the payment or attribution of the dividends or (ii) with regard to non-resident companies only, if, during the said period, Shares have not belonged to a taxpayer other than a resident company or a non-resident company which has, in an uninterrupted manner, invested Shares in a Belgian PE.

Non-resident companies whose Shares are invested in a Belgian PE may deduct up to 95% of the gross dividends included in their taxable profits if, at the date dividends are paid or attributed, the Conditions for the application of the dividend received deduction regime are met. Application of the dividend received deduction regime depends, however, on a factual analysis to be made upon each distribution and its availability should be verified upon each distribution.

Belgian dividend withholding tax relief for non-residents

Under Belgian tax law, withholding tax is not due on dividends paid to a foreign pension fund which satisfies the following conditions: (i) to be a legal entity with fiscal residence outside of Belgium; (ii) whose corporate purpose consists solely in managing and investing funds collected in order to pay legal or complementary pensions; (iii) whose activity is limited to the investment of funds collected in the exercise of its statutory mission, without any profit making aim; (iv) which is exempt from income tax in its country of residence; and (v) provided that it is not contractually obligated to redistribute the dividends to any ultimate beneficiary of such dividends for whom it would manage the Shares, nor obligated to pay a manufactured dividend with respect to the Shares under a securities borrowing transaction. The exemption will only apply if the foreign pension fund provides a certificate confirming that it is the full legal owner or usufruct holder of the Shares and that the above conditions are satisfied. The organization must then forward that certificate to the Company or its paying agent.

Dividends distributed to non-resident companies established in a Member State of the EU or in a country with which Belgium has concluded a double tax treaty that includes a qualifying exchange of information clause and qualifying as a parent company, will be exempt from Belgian withholding tax provided that Shares held by the non-resident company, upon payment or attribution of the dividends, amount to at least 10% of the Company's share capital and such minimum participation is held or will be held during an uninterrupted period of at least one year. A company qualifies as a parent company provided that (i) for

companies established in a Member State of the EU, it has a legal form as listed in the annex to the EU Parent-Subsidiary Directive of July 23, 1990 (90/435/EC), as amended by Directive 2003/123/EC of December 22, 2003, or, for companies established in a country with which Belgium has concluded a qualifying double tax treaty it has a legal form similar to the ones listed in such annex; (ii) it is considered to be a tax resident according to the tax laws of the country where it is established and the double tax treaties concluded between such country and third countries; and (iii) it is subject to corporate income tax or a similar tax without benefiting from a tax regime that derogates from the ordinary tax regime.

In order to benefit from this exemption, the investor must provide the Company or its paying agent with a certificate confirming its qualifying status and the fact that it meets the three abovementioned conditions. If the investor holds a minimum participation for less than one year, at the time the dividends are paid on or attributed to Shares, the Company will levy the withholding tax but will not transfer it to the Belgian Treasury provided that the investor certifies its qualifying status, the date from which the investor has held such minimum participation, and the investor's commitment to hold the minimum participation for an uninterrupted period of at least one year. The investor must also inform the Company or its paying agent if the one-year period has expired or if its shareholding will drop below 10% of the Company's share capital before the end of the one-year holding period. Upon satisfying the one-year shareholding requirement, the levied dividend withholding tax will be refunded to the investor.

Belgium has concluded tax treaties with over 95 countries, reducing the dividend withholding tax rate to 20%, 15%, 10%, 5% or 0% for residents of those countries, depending on conditions, among others, related to the size of the shareholding and certain identification formalities.

Prospective holders should consult their own tax advisors as to whether they qualify for reduction in withholding tax upon payment or attribution of dividends, and as to the procedural requirements for obtaining a reduced withholding tax upon the payment of dividends or for making claims for reimbursement.

1.2 Capital gains and losses on Shares

Belgian resident individuals

In principle, Belgian resident individuals acquiring Shares as a private investment should not be subject to Belgian capital gains tax on the disposal of Shares and capital losses are not tax deductible.

However, capital gains realized by a private individual are taxable at 33% (plus local surcharges) if the capital gain is deemed to be realized outside the scope of the normal management of the individual's private estate. Capital losses are, however, not tax deductible.

Capital gains realized by Belgian resident individuals upon the redemption of Shares or upon the liquidation of the Company will generally be taxable as a dividend.

Belgian resident individuals who hold Shares for professional purposes are taxable at the ordinary progressive personal income tax rates (plus local surcharges) on any capital gains realized upon the disposal of Shares, except for Shares held for more than five years, which are taxable at a separate rate of 16.5% (plus local surcharges). Capital losses on Shares incurred by Belgian resident individuals who hold Shares for professional purposes are in principle tax deductible.

Belgian resident companies

Belgian resident companies (not being SMEs) are subject to Belgian capital gains taxation at a separate rate of 0.412% on gains realized upon the disposal of Shares provided that: (i) the Article 203 ITC Taxation Condition is met and (ii) the Shares have been held in full legal ownership for an uninterrupted period of at least one year. The 0.412% separate capital gains tax rate cannot be off-set by any tax assets (such as *e.g.* tax losses) and can moreover not be off-set by any tax credits.

Belgian resident companies qualifying as SMEs (within the meaning of Article 15 of the Belgian Companies Code) are normally not subject to Belgian capital gains taxation on gains realized upon the disposal of the Shares provided that (i) the Article 203 ITC Taxation Condition is met and (ii) the Shares have been held in full legal ownership for an uninterrupted period of at least one year.

If the one-year minimum holding period condition would not be met (but the Article 203 ITC Taxation Condition is met) then the capital gains realized upon the disposal of Shares by Belgian resident companies (both non-SMEs and SMEs) would be taxable at a separate corporate income tax rate of 25.75%.

Capital losses on Shares incurred by resident companies (both non-SMEs and SMEs) are as a general rule not tax deductible.

Shares held in the trading portfolios of qualifying credit institutions, investment enterprises and management companies of collective investment undertakings are subject to a different regime. The capital gains on such Shares are taxable at the ordinary corporate income tax rate of 33.99% and the capital losses on such Shares are tax deductible. Internal transfers to and from the trading portfolio are assimilated to a realization.

Capital gains realized by Belgian resident companies (both non-SMEs and SMEs and both ordinary Belgian resident companies and qualifying credit institutions, investment enterprises and management companies of collective investment undertakings) upon the redemption of Shares or upon the liquidation of the Company will, in principle, be subject to the same taxation regime as dividends.

Organizations for financing pensions

OFPs are, in principle, not subject to Belgian capital gains taxation realized upon the disposal of the Shares, and capital losses are not tax deductible.

Other taxable legal entities

Belgian resident legal entities subject to the legal entities income tax are, in principle, not subject to Belgian capital gains taxation on the disposal of Shares.

Capital gains realized by Belgian resident legal entities upon the redemption of Shares or upon the liquidation of the Company will in principle be taxed as dividends.

Capital losses on Shares incurred by Belgian resident legal entities are not tax deductible.

Belgian non-resident individuals

Capital gains realized on the Shares by a non-resident individual that has not acquired the Shares in connection with a business conducted in Belgium through a fixed base in Belgium or a Belgian PE are in principle not subject to taxation (subject to the reservation set out under "— *Uncertain effect of Article 228, §3 ITC for Belgian non-residents*"), unless the gain is deemed to be realized outside the scope of the normal management of the individual's private estate and the capital gain is obtained or received in Belgium. In such case the gain is subject to a final professional withholding tax of 30.28% (to the extent that Articles 90,1° and 248 ITC are applicable). However, Belgium has concluded tax treaties with more than 95 countries which generally provide for a full exemption from Belgian capital gains taxation on such gains realized by residents of those countries. Capital losses are generally not tax deductible.

Capital gains realized by Belgian non-resident individuals upon the redemption of Shares or upon the liquidation of the Company will generally be taxable as a dividend.

Capital gains will be taxable at the ordinary progressive income tax rates and capital losses will be tax deductible, if those gains or losses are realized on Shares by a non-resident individual that holds Shares in connection with a business conducted in Belgium through a fixed base in Belgium (subject to the reservation set out under "— *Uncertain effect of Article 228, §3 ITC for Belgian non-residents*").

Belgian non-resident companies or entities

Capital gains realized on the Shares by non-resident companies or non-resident entities that have not acquired the Shares in connection with a business conducted in Belgium through a Belgian PE are in principle not subject to taxation and losses are not tax deductible.

Capital gains realized by non-resident companies or other non-resident entities that hold the Shares in connection with a business conducted in Belgium through a Belgian PE are generally subject to the same regime as Belgian resident companies.

Uncertain effect of Article 228, §3 ITC for Belgian non-residents

Under a strict reading of Article 228, §3 ITC, capital gains realized on the Shares by Belgian non-residents could be subject to Belgian taxation, levied in the form of a professional withholding tax, if the following three conditions are cumulatively met: (i) the capital gain would have been taxable if the non-resident were a Belgian tax resident; (ii) the income is "borne by" a Belgian resident (including a Belgian establishment of a foreign entity) which would, in such a context, mean that the capital gain is realized upon a transfer of the

Shares to a Belgian resident (including a Belgian establishment of a foreign entity); and (iii) Belgium has the right to tax such capital gain pursuant to the applicable double tax treaty, or, if no such tax treaty applies, the non-resident does not demonstrate that the capital gain is effectively taxed in its state of residence.

However, it is unclear whether a capital gain included in the purchase price of an asset can be considered to be "borne by" the purchaser of the asset within the meaning of the second condition mentioned above. Furthermore, this tax requires that the Belgian resident purchaser is aware of (i) the identity of the Belgian non-resident (to asses the third condition mentioned above); and (ii) the amount of the capital gain realized by the Belgian non-resident (since such amount determines the amount of professional withholding tax to be levied by the Belgian purchaser). Consequently, the application of this tax on transactions with respect to the Shares occurring on the central stock exchange of Euronext Brussels will give rise to practical difficulties as the seller and purchaser typically do not know each other.

In addition to the uncertainties referred to above, the statutory history of the law that introduced Article 228, §3 ITC supports the view that the legislator did not intend for Article 228, §3 ITC to apply to a capital gain included in the purchase price of an asset. The Belgian Tax Administration is aware of the issues raised by article 228, §3 ITC in relation to its broad and imprecise scope of application. The Belgian Tax Administration has informed the Minister of Finance of these issues and has reportedly issued recommendations to the Minister of Finance in order to clarify that the scope of application of Article 228, §3 ITC does not extend to the aforementioned capital gains.

Tax on stock exchange transactions

The purchase and the sale and any other acquisition or transfer for consideration of Shares (secondary market) in Belgium through a professional intermediary is subject to the tax on stock exchange transactions (*taxe sur les opérations de bourse/taks op de beursverrichtingen*) of 0.25% of the purchase price, capped at €740 per transaction and per party. Under current Belgian tax law, this rate and this cap will reduce to 0.22% and €650, respectively, for transactions occurring as from January 1, 2015. A separate tax is due from each party to the transaction, both collected by the professional intermediary.

No tax on stock exchange transactions is due on transactions entered into by the following parties, provided they are acting for their own account: (i) professional intermediaries described in Article 2,9° and 10° of the Belgian Law of August 2, 2002; (ii) insurance companies described in Article 2, §1 of the Belgian Law of July 9, 1975; (iii) professional retirement institutions referred to in Article 2,1° of the Belgian Law of October 27, 2006 concerning the supervision on institutions for occupational pension; (iv) collective investment institutions; and (v) Belgian non-residents provided they deliver a certificate to their financial intermediary in Belgium confirming their non-resident status.

As stated above, the EU Commission adopted on February 14, 2013 the Draft Directive on an FTT. The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time.

2 Certain U.S. Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE COMPANY IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE COMPANY OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Shares that are U.S. Holders and that will hold the Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Shares by

particular investors, and does not address state, local, foreign or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly or indirectly) 10% or more of the voting stock of the Company, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar).

As used herein, the term "U.S. Holder" means a beneficial owner of Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity treated as a partnership for U.S. federal income tax purposes that holds Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities treated as partnerships for U.S. federal income tax purposes should consult their tax advisors concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Shares by the partnership.

The Company believes it is likely to be a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes. The Company's status as a PFIC will subject U.S. Holders of Shares to adverse U.S. federal income tax consequences. See "— *2.1 Passive Foreign Investment Company Considerations*."

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and Belgium (the "Treaty"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

2.1 Passive Foreign Investment Company Considerations

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. A separate determination must be made after the close of each taxable year as to whether the Company was a PFIC for that year.

Based on the composition of its income and assets, the Company believes it is likely to be a PFIC for the current taxable year and expects to remain as a PFIC for the foreseeable future. If the Company is a PFIC in any year during which a U.S. Holder owns Shares, and the U.S. Holder has not made a mark to market or qualified electing fund election (each as described below), the U.S. Holder will generally be subject to special rules (regardless of whether the Company continues to be a PFIC) with respect to (i) any "excess distribution" (generally, any distributions received by the U.S. Holder on the Shares in a taxable year that are greater than 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the Shares) and (ii) any gain realized on the sale or other disposition of Shares. Under these rules (a) the excess distribution or gain will be allocated rateably over the U.S. Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. If the

Company ceases to be a PFIC, a U.S. Holder may make an election (a "deemed sale election") to be treated for U.S. federal income tax purposes as having sold its Shares on the last day of the last taxable year of the Company during which it was a PFIC. A U.S. Holder that makes a deemed sale election will cease to be treated as owning stock in a PFIC. However, gain recognised by a U.S. Holder as a result of making the deemed sale election will be subject to the rules described above.

If the Company is a PFIC, a U.S. Holder of Shares will generally be subject to similar rules with respect to distributions to the Company by, and dispositions by the Company of the stock of, any direct or indirect subsidiaries of the Company that are also PFICs, as if such distributions were indirectly received by, and/or dispositions were indirectly carried out by, such U.S. Holder. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to any of the Company's subsidiaries.

U.S. Holders can avoid the interest charge by making a mark to market election with respect to the Shares, provided that the Shares are "marketable." Shares will be marketable if they are regularly traded on certain U.S. stock exchanges, or on a foreign stock exchange if (i) the foreign exchange is regulated or supervised by a governmental authority of the country in which the exchange is located; (ii) the foreign exchange has trading volume, listing, financial disclosure, surveillance and other requirements designed to prevent fraudulent and manipulative acts and practices, remove impediments to, and perfect the mechanism of, a free and open, fair and orderly, market, and to protect investors; (iii) the laws of the country in which the exchange is located and the rules of the exchange ensure that these requirements are actually enforced; and (iv) the rules of the exchange ensure active trading of listed stocks. For these purposes, the Shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. The Company believes that Euronext Brussels is a qualified exchange and that trading in its Shares will be sufficient for its Shares to be considered marketable stock in any year, but there can be no assurance that Euronext Brussels will continue to be a qualified exchange or that trading in the Shares will in fact be sufficiently active to qualify the Shares as marketable stock. Each U.S. Holder should consult its own tax advisor as to the whether a mark to market election is available or advisable.

A U.S. Holder that makes a mark to market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the Shares at the close of the taxable year over the U.S. Holder's adjusted basis in the Shares. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in the Shares over the fair market value of the Shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark to market gains for prior years. Gains from an actual sale or other disposition of the Shares will be treated as ordinary income, and any losses incurred on a sale or other disposition of the Shares will be treated as an ordinary loss to the extent of any net mark to market gains for prior years. Once made, the election cannot be revoked without the consent of the IRS unless the Shares cease to be marketable. If the Company is a PFIC for any year in which the U.S. Holder owns the Shares but before a mark to market election is made, the interest charge rules described above will apply to any mark to market gain recognized in the year the election is made.

However, a mark to market election generally cannot be made for equity interests in any lower-tier PFICs the Company owns, unless shares of such lower-tier PFIC are themselves "marketable." As a result, even if a U.S. Holder validly makes a mark to market election with respect to the Company, the U.S. Holder may continue to be subject to the PFIC rules (described above) with respect to its indirect interest in any investments held by the Company that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors as to the availability and desirability of a mark to market election, as well as the impact of such election on interests in any lower-tier PFICs.

In some cases, a shareholder of a PFIC can avoid the interest charge and the other adverse PFIC consequences described above by making a "qualified electing fund" ("QEF") election to be taxed currently on its share of the PFIC's undistributed income. The Company does not, however, expect to provide to U.S. Holders the information regarding this income that would be necessary in order for a U.S. Holder to make a QEF election with respect to its Shares.

A U.S. Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which the Company is classified as a PFIC may be required to file IRS Form 8621. The failure to file such form when required could result in substantial penalties. U.S. Holders should consult their tax advisors regarding any such reporting requirements.

2.2 Dividends

General

Subject to the PFIC rules discussed above, distributions paid by the Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Belgian withholding tax paid by the Company with respect thereto, will generally be taxable to a U.S. Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Company with respect to Shares will constitute ordinary dividend income.

Foreign Currency Dividends. Dividends paid in euros will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder regardless of whether the euros are converted into U.S. dollars at that time. If dividends received in euros are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

Effect of Belgian Withholding Taxes. As discussed in "*— 1. Belgian Taxation*," under current law payments of dividends by the Company to foreign investors are subject to a 25% Belgian withholding tax. The rate of withholding tax applicable to U.S. Holders that are eligible for benefits under the Treaty is reduced to a maximum of 15%. For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of Belgian taxes withheld by the Company, and as then having paid over the withheld taxes to the Belgian taxing authorities. As a result of this rule, the amount of dividend income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of dividends may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Company with respect to the payment.

A U.S. Holder will generally be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Belgian income taxes withheld by the Company. U.S. Holders that are eligible for benefits under the Treaty will not be entitled to a foreign tax credit for the amount of any Belgian taxes withheld in excess of the 15% maximum rate, and with respect to which the holder is entitled to obtain a refund from the Belgian taxing authorities.

For purposes of the foreign tax credit limitation, foreign source income is classified in one of two "baskets," and the credit for foreign taxes on income in any basket is limited to U.S. federal income tax allocable to that income. Dividends paid by the Company generally will constitute foreign source income in the "passive category income" basket. In certain circumstances, a U.S. Holder may be unable to claim foreign tax credits (and may instead be allowed deductions) for foreign taxes imposed on a dividend if the U.S. Holder has not held the Shares for at least 16 days in the 31-day period beginning 15 days before the ex dividend date.

U.S. Holders that are accrual basis taxpayers, and who do not otherwise elect, must translate Belgian taxes into U.S. dollars at a rate equal to the average exchange rate for the taxable year in which the taxes accrue, while all U.S. Holders must translate taxable dividend income into U.S. dollars at the spot rate on the date received. This difference in exchange rates may reduce the U.S. dollar value of the credits for Belgian taxes relative to the U.S. Holder's U.S. federal income tax liability attributable to a dividend. However, cash basis and electing accrual basis U.S. Holders may translate Belgian taxes into U.S. dollars using the exchange rate in effect on the day the taxes were paid. Any such election by an accrual basis U.S. Holder will apply for the taxable year in which it is made and all subsequent taxable years, unless revoked with the consent of the IRS.

Prospective purchasers should consult their tax advisors concerning the foreign tax credit implications of the payment of Belgian taxes.

2.3 Sale or other Disposition

Subject to the PFIC rules discussed above, upon a sale or other disposition of Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realized on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Shares. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Shares exceeds one year.

Any gain or loss will generally be U.S. source. Therefore, a U.S. Holder may have insufficient foreign source income to utilise foreign tax credits attributable to any Belgian withholding tax imposed on a sale or disposition. Prospective purchasers should consult their tax advisors as to the availability of and limitations on any foreign tax credit attributable to this Belgian withholding tax.

A U.S. Holder's tax basis in a Share will generally be its U.S. dollar cost. The U.S. dollar cost of a Share purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Shares traded on an established securities market, within the meaning of the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. The amount realized on a sale or other disposition of Shares for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or disposition. On the settlement date, the U.S. Holder will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of Shares traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realized will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

Disposition of Foreign Currency

Foreign currency received on the sale or other disposition of a Share will have a tax basis equal to its U.S. dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Shares or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

2.4 Backup Withholding and Information Reporting

Payments of dividends and other proceeds with respect to Shares by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

2.5 Foreign Financial Asset Reporting

Legislation enacted in 2010 imposes reporting requirements on the holding of certain foreign financial assets, including equity of foreign entities, if the aggregate value of all of these assets exceeds $50,000 at the end of the taxable year or $75,000 at any time during the taxable year. The thresholds are higher for individuals living outside of the United States and married couples filing jointly. The Shares are expected to constitute foreign financial assets subject to these requirements unless the Shares are held in an account at a financial institution (in which case the account may be reportable if maintained by a foreign financial institution). U.S. Holders should consult their tax advisors regarding the application of this legislation.

PART XVI: THE OFFERING

Certain key dates in connection with the Offering are summarized in the following table. These are all anticipated dates, which are subject to any unforeseen circumstances and to early closing of the Offering Period. Certain of these dates will not apply to the Japanese Public Offering.

Date	Event
June 6, 2013	Expected start of Offering Period
June 19, 2013 (T-1)	Expected end of Offering Period
June 20, 2013 (T)	Expected Allocation Date
June 20, 2013 (T)	Expected publication of Offer Price and results of the Offering
June 21, 2013 (T+1)	Expected Listing Date (listing and start of trading)
June 25, 2013 (T+3)	Expected Closing Date (Payment, Settlement and Delivery)

1 Conditions and Nature of the Offering

The Offering is an offering by the Selling Shareholder of up to 47,000,000 Offer Shares which can be increased by up to 9,000,000 Offer Shares in the case of oversubscription (excluding any Over-allotment Shares). The Offering consists of (i) the Belgian Offering; (ii) the Japanese Public Offering; (iii) a private placement in the United States to persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" in reliance on Rule 144A; and (iv) private placements to institutional investors in the rest of the world. The Offering outside the United States will be made in compliance with Regulation S. The offering to investors referred to in (iii) and (iv) above shall be referred to as the "International Institutional Offering."

The Joint Global Coordinators are J.P. Morgan Securities plc, Nomura International plc and BNP Paribas Fortis SA/NV. The Joint International Bookrunners are J.P. Morgan Securities plc, Nomura International plc, Morgan Stanley & Co. International plc and UBS Limited. The Joint Belgian Bookrunners are BNP Paribas Fortis SA/NV, ING Belgium SA/NV and KBC Securities SA/NV. The International Joint Lead Manager is RBC Europe Limited (together with the Joint Global Coordinators and the Joint International Bookrunners, the "Institutional Underwriters") and the Belgian Joint Lead Manager is Belfius Bank SA/NV (together with the Joint Belgian Bookrunners, the "Retail Underwriters"). The Co-Lead Managers are Bank Degroof SA/NV and Petercam SA/NV (together with the Institutional Underwriters and the Retail Underwriters, the "Underwriters"). See "*Part XVII: Plan of Distribution*." Nomura International plc is the underwriter for the Japanese Public Offering and Nomura Securities Co., Ltd. is acting as the sole selling agent of Nomura International plc and sole bookrunner of the Japanese Public Offering (the "Japanese Public Offering Bookrunner").

The actual number of Offer Shares to be sold by the Selling Shareholder in the Offering (including any decision by the Selling Shareholder to exercise the Increase Option) will only be determined after the Offering Period and will be published in the Belgian financial press, simultaneously with the publication of the Offer Price and the allocation to retail investors, which is currently expected to take place on or about June 20, 2013 and in any event no later than the first business day after the end of the Offering Period.

The Selling Shareholder reserves the right to withdraw the Offering or to reduce the maximum number of Offer Shares at any time prior to the allocation of the Offer Shares. Any withdrawal of the Offering or reduction of the number of Offer Shares will be published in the Belgian financial press, through electronic information services such as Reuters or Bloomberg, and in a supplement to the Prospectus. Any changes to the maximum number of Offer Shares or any extension or shortening of the Offering Period will not void purchase orders that have already been submitted, except in the Japanese Public Offering. Closing of the Japanese Public Offering is subject to the registration made under the Japanese Securities Registration Statement having been declared effective by Kanto Local Finance Bureau of the Ministry of Finance of Japan, which occurred on June 4, 2013 and subject to the closing of the Belgian Offering and the International Institutional Offering. Closing of the Belgian Offering and the International Institutional Offering is not conditional upon closing of the Japanese Public Offering.

2 Offer Price

The Offer Price will be a single price in euro, exclusive of the Belgian tax on stock exchange transactions, and costs charged by financial intermediaries for the submission of applications, if any, that will apply to all investors, whether retail or institutional. See "*Part XV: Taxation — 1. Belgian Taxation*."

The Offer Price will be determined on the basis of a book-building process in which only institutional investors can participate, taking into account various relevant qualitative and quantitative elements, including but not limited to the number of Offer Shares requested, the size of purchase orders received, the quality of the investors submitting such purchase orders and the prices at which the purchase orders were made, as well as market conditions at that time.

The Price Range has been determined by the Selling Shareholder following recommendations from the Joint Global Coordinators, taking into account market conditions and factors including but not limited to:

- the condition of the financial markets;
- the Company's financial position;
- qualitative assessment of the demand for the Offer Shares; and
- all other factors deemed relevant.

The Price Range is an indicative price range. The Selling Shareholder reserves the right to increase or decrease the lower limit of the Price Range or to decrease the upper limit of the Price Range. If the Price Range is modified, the change will be published in the Belgian financial press, by means of an announcement through electronic information services such as Reuters or Bloomberg and in a supplement to the Prospectus. Investors who have submitted purchase orders will not be notified individually. Any changes to the Price Range will not void purchase orders that have already been submitted but investors will be entitled to withdraw their application in the event that a supplement to the Prospectus is published. The Offer Price for investors shall not, however, exceed the higher end of the Price Range.

Retail investors in Belgium can only acquire the Offer Shares at the Offer Price and are legally bound to purchase the number of Shares indicated in their purchase order at the Offer Price.

3 Offering Period

The Offering Period will begin on June 6, 2013 and is expected to close no later than 4:00 pm (CET) on June 19, 2013, subject to the possibility of an early closing, provided that the Offering Period will in any event be open for at least six business days from the availability of this Prospectus. Certain of these dates will not apply to the Japanese Public Offering. Any early closing of the Offering Period will be published in the Belgian financial press, and the dates for each of pricing, allocation, publication of the Offer Price and the results of the Offering, conditional trading and closing of the Offering will in such case be adjusted accordingly. The Offering Period for retail and institutional investors will be the same. The Offering Period, including any early closing of the Offering Period, for all Underwriters will be the same. In the event the Offering Period is extended, this will be published in the Belgian financial press. Prospective investors can submit their purchase orders during the Offering Period. Taking into account the fact that the Offering Period may be closed early, investors are invited to submit their applications as promptly as possible.

Share applications by retail investors may be submitted at the counters of BNP Paribas Fortis, ING Belgium, KBC Bank, KBC Securities, CBC Banque, Belfius Bank, Bank Degroof, Petercam and their affiliates at no cost to the investor. Applications are not binding upon the Selling Shareholder or the Underwriters as long as they have not been accepted in accordance with the allocation rules described below under "— *4. Allocation*."

Investors wishing to place purchase orders for the Offer Shares through intermediaries other than BNP Paribas Fortis, ING Belgium, KBC Bank, KBC Securities, CBC Banque, Belfius Bank, Bank Degroof, Petercam and their affiliates should request details of the costs which these intermediaries may charge, which they will have to pay themselves.

To be valid, purchase orders must be submitted, at the latest, by 4:00 pm (CET) on the final day of the Offering Period, unless the Offering Period is closed earlier.

3.1 Retail investors in Belgium

A retail investor shall mean (i) an individual person resident in Belgium or (ii) a legal entity located in Belgium that applies for Offer Shares in an amount of €250,000 or less.

Retail investors must indicate in their purchase orders the number of Offer Shares they are committing to purchase. Only one application per retail investor will be accepted. If the Underwriters determine, or have reason to believe, that a single retail investor has submitted several purchase orders, through one or more intermediaries, they may disregard such purchase orders. There is no minimum or maximum amount of Offer Shares that may be purchased in one purchase order.

Only in the event a supplement to the Prospectus is published shall investors have the right to withdraw their purchase orders made prior to the publication of the supplement. Such withdrawal must be done within the time limits set forth in the supplement (which shall not be shorter than two business days after publication of the supplement).

3.2 Institutional investors

Institutional investors must indicate in their purchase orders the number of Offer Shares they are committing to purchase, and the prices at which they are making such purchase orders during the book-building period. Only institutional investors can participate in the book-building process during the Offering Period.

4 Allocation

The number of Offer Shares allotted to investors will be determined at the end of the Offering Period by the Selling Shareholder in consultation with the Joint Global Coordinators on the basis of the respective demand of both retail and institutional investors and on the quantitative and, for institutional investors only, the qualitative analysis of the order book, and in accordance with Belgian regulations relating to allocation to retail and institutional investors as set forth below.

In accordance with Belgian regulations, a minimum of 10% of the Offer Shares must be allocated to retail investors in Belgium, subject to sufficient retail demand. It is intended that approximately 20% of the Offer Shares effectively allocated will be allocated to retail investors in Belgium, subject to sufficient retail demand. The proportion of the Offer Shares allocated to retail investors in Belgium may, however, be more or less than 20% depending on relative demand from institutional and retail investors.

A total of 6,400,000 Offer Shares will be offered in the Japanese Public Offering. In the event that the Japanese Public Offering is not effected, the Offer Shares contemplated to be sold in the Japanese Public Offering may be reallocated among the Retail Underwriters and the Institutional Underwriters, subject to the consent of the Company, the Selling Shareholder and the Japanese Public Offering Bookrunner.

The Selling Shareholder retains the right to change the allocation of the Offer Shares among the Belgian Offering and the International Institutional Offering, on one hand, and the Japanese Public Offering, on the other hand, at any time prior to the allocation of the Offer Shares. See "— *1. Conditions and Nature of the Offering.*"

In case of over-subscription of the Offer Shares reserved for retail investors, the allocation to retail investors will be made on the basis of objective allocation criteria. Such criteria will include, among others, preferential treatment of applications received from retail investors before 6:00 p.m. (CET) on June 13, 2013 or applications submitted by retail investors at the counters of the Retail Underwriters, the Co-Lead Managers and their affiliates.

The results of the Offering, the allocation for retail investors and the Offer Price will be published in the Belgian financial press, which is currently expected to take place on or about June 20, 2013 and in any event no later than the first business day after the end of the Offering Period.

5 Payment and Taxes

The Offer Price must be paid by the investors in full, in euro, together with any applicable stock exchange taxes and costs. For further information about applicable taxes, see "*Part XV: Taxation — 1. Belgian Taxation.*"

The Closing Date is expected to be June 25, 2013, which is three business days after the allocation date (the "Allocation Date"), unless the Offering Period is closed earlier. The Offer Price must be paid by investors upon submission of the purchase orders or, alternatively, by authorizing their financial institutions to debit their bank accounts with such amount for value on the Closing Date.

6 Form of the Offer Shares and Delivery

The Offer Shares and the Over-allotment Shares will have the same rights and benefits attached to them as the other Shares, including the right to dividends for the fiscal year ending December 31, 2013 as well as all subsequent fiscal years. Investors in the Offering shall not be entitled to (i) the distribution in connection with the €144.5 million capital reduction approved by the extraordinary Shareholders' Meeting on March 25, 2013 or (ii) the €53.5 million exceptional dividend. For a further description of the Shares and the rights and benefits attached thereto, see "*Part XIV: Description of Share Capital, Articles of Association and Group Structure.*"

All Offer Shares will be delivered in book-entry form only, and will be credited on or around the Closing Date to investors' securities accounts *via* Euroclear Belgium, the Belgian central securities depository.

Investors who, after delivery, wish to have their shares registered, should request that the Company record the Shares in the Company's share register.

Holders of registered shares may request that their registered shares be converted into dematerialized shares and vice versa. Any costs incurred in connection with the conversion of Shares into another form will be borne by the shareholder.

All Offer Shares and Over-allotment Shares will be fully paid-up upon their delivery and freely transferable, subject to what is set forth under "*Part XVII: Plan of Distribution*."

7 Trading and Listing on Euronext Brussels

An application has been made for the listing and admission to trading on Euronext Brussels of all Shares, including the Offer Shares and the Over-allotment Shares. The Shares are expected to be listed under the symbol "BPOST" with an ISIN code of BE0974268972, Common Code of 093804660 and national code of 974268.97.

Trading is expected to commence on or about June 21, 2013 (unless early closing of the Offering Period occurs), being the first business day following the Allocation Date, but at the latest on the Closing Date, when the Offer Shares are delivered to investors.

As of the Listing Date until the Closing Date and delivery of the Offer Shares, the Shares will be traded on Euronext Brussels on an "as-if-and-when delivered" basis. Investors that wish to enter into transactions in shares of the Company prior to the Closing Date, whether such transactions are effected on Euronext Brussels or otherwise, should be aware that the delivery of the Offer Shares may not take place on the expected Closing Date, or at all, if certain conditions or events referred to in the underwriting agreement are not satisfied or waived or do not occur on or prior to such date. Euronext Brussels has indicated that it will annul all transactions effected in the shares of the Company if the Offer Shares are not delivered on the Closing Date. Euronext Brussels cannot be held liable for any damage arising from the listing and trading on an "if-and-when-delivered" basis as of the Listing Date until the envisaged Closing Date.

Prior to the listing of the shares, no public market existed for the shares issued by the Company.

8 Share Lending Agreement

The Selling Shareholder has agreed with the Joint Global Coordinators that the Selling Shareholder will make available up to 15% of the number of Offer Shares sold in the Offering (including pursuant to any exercise of the Increase Option) for the purpose of delivery of the Over-allotment Shares to investors in connection with the Over-allotment Option. See "*Part XVII: Plan of Distribution*."

9 Jurisdiction and Competent Courts

As far as the Offering in Belgium is concerned, the Offering is subject to Belgian law and the courts of Brussels are exclusively competent to adjudicate any and all disputes with investors concerning the Offering.

PART XVII: PLAN OF DISTRIBUTION

1 Underwriting

The Company, the Selling Shareholder and the Underwriters named below are expected to enter into an underwriting agreement on or about June 20, 2013 (the "Underwriting Agreement") with respect to the offer and sale of the Offer Shares in the Belgian Offering, the International Institutional Offering and the Japanese Public Offering. Subject to certain conditions set forth in the Underwriting Agreement, the Selling Shareholder has agreed to sell to the purchasers procured by the Underwriters or, failing which, to the Underwriters themselves, and each of the Underwriters, severally but not jointly, is expected agree to procure purchasers for, or failing which, to purchase from the Selling Shareholder the percentage of Offer Shares in the Belgian Offering and the International Institutional Offering set forth opposite such Underwriter's name below.

Underwriters	Percentage of Offer Shares to be sold in the Belgian Offering and the International Institutional Offering(1)
J.P. Morgan Securities plc	19.125%
Nomura International plc	17.000%
BNP Paribas Fortis SA/NV	10.125%
Morgan Stanley & Co. International plc	14.625%
UBS Limited	11.625%
KBC Securities SA/NV	10.125%
ING Belgium SA/NV	8.125%
RBC Europe Limited	4.250%
Belfius Bank SA/NV	3.000%
Bank Degroof SA/NV	1.000%
Petercam SA/NV	1.000%
Total percentage of Offer Shares to be sold in the Belgian Offering and the International Institutional Offering(1)	100.0%

Note:

(1) Excludes the Japanese Public Offering.

Assuming that the Increase Option is not exercised but that the Over-allotment Option is exercised in full, the number of Offer Shares sold in the Belgian Offering and the International Institutional Offering is expected to equal 88.2% of the Offer Shares.

In addition, subject to certain conditions, the Selling Shareholder is expected to agree to sell to the purchasers procured by the Japanese Public Offering Bookrunner or, failing which, to Nomura International plc, and the Japanese Public Offering Bookrunner is expected to agree to procure purchasers for, or failing which, Nomura International plc will purchase from the Selling Shareholder 6,400,000 Offer Shares, which will represent 11.8% of the Offer Shares assuming that the Increase Option is not exercised but that the Over-allotment Option is exercised in full. In the event that the Japanese Public Offering is not effected, the Offer Shares contemplated to be sold in the Japanese Public Offering may be reallocated among the Retail Underwriters and the Institutional Underwriters, subject to the consent of the Company, the Selling Shareholders and the Japanese Public Offering Bookrunner.

The Underwriting Agreement is expected to provide that the obligations of the Underwriters to procure purchasers for, or failing which, to purchase, the Offer Shares to be offered in the Offering are subject to certain conditions, including, among others, the accuracy of the representations and warranties in the Underwriting Agreement and the receipt of opinions on certain legal matters from counsel. Until the Closing Date, the Underwriters may elect to terminate their several commitments under the Underwriting Agreement in certain circumstances, following consultation in advance with the Company and the Selling Shareholder. The Company is expected to agree to indemnify the Underwriters against certain losses and liabilities arising out of or in connection with the Offering, including liabilities under the U.S. Securities Act.

The actual number of Offer Shares to be sold by the Selling Shareholder in the Offering (including any decision by the Selling Shareholder to exercise the Increase Option) will only be determined after the Offering Period and will be published in the Belgian financial press, simultaneously with the publication of the Offer Price and the allocation to retail investors, which are currently expected to take place on or about June 20, 2013 and in any event no later than the first business day after the end of the Offering Period. The

indicative Price Range set forth on the cover page of this Prospectus is subject to change as a result of market conditions and other factors. There can be no assurance that an active trading market will develop for the Shares or that the Shares will trade in the public market after the Offering at or above the Offer Price.

The Underwriters and the Japanese Public Offering Bookrunner will offer the Offer Shares at the Offer Price. Assuming placement of the maximum number of Offer Shares and that the Offer Price is at the mid-point of the Price Range and assuming that the Increase Option is not exercised but that the Over-allotment Option is exercised in full, the underwriting fees will be €14.3 million. This does not include any incentive fees which may be paid at the discretion of the Company and the Selling Shareholder. The underwriting fees, including any incentive fees, will be paid by the Selling Shareholder. The Selling Shareholder has also agreed to reimburse the Underwriters for certain expenses incurred by them in connection with the Offering.

Pursuant to the Underwriting Agreement, the Selling Shareholder has granted to the Stabilization Manager, on behalf of itself and the other the Underwriters, the Over-allotment Option to purchase up to 15% of the Offer Shares sold in the Offering (including pursuant to any exercise of the Increase Option) at the Offer Price from the Selling Shareholder to cover over-allotments or short positions, if any, exercisable for a period of 30 calendar days after the first day of trading in the Shares. If any Offer Shares are agreed to be purchased under the Over-allotment Option, each Underwriter will be obligated, subject to certain conditions contained in the Underwriting Agreement, to purchase a number of Offer Shares in proportion to the percentage of Offer Shares that Underwriters will be obligated to procure purchasers, or failing which to purchase (as reflected in the table above), and the Selling Shareholder will be obligated to sell such number of Offer Shares to such Stabilization Manager on behalf of the Underwriters.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares may be offered and sold: (i) in the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. Any offer or sale of Offer Shares in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act will be made by broker dealers who are registered as such under the U.S. Exchange Act. Terms used in this paragraph have the meanings given to them by Regulation S and Rule 144A under the U.S. Securities Act.

As part of the Offering, it is expected that the Japanese Public Offering will be made in Japan pursuant to a Japanese Offering Document. All of the Shares offered in the Japanese Public Offering will be offered by the Japanese Public Offering Bookrunner in Japan.

The Selling Shareholder retains the right to change the allocation of the Offer Shares among the Belgian Offering and the International Institutional Offering, on one hand, and the Japanese Public Offering, on the other hand, at any time prior to the allocation of the Offer Shares. See "*Part XVI: The Offering — 1. Conditions and Nature of the Offering*."

2 Lock-up Arrangements

The Company is expected to agree with the Underwriters that it will not, and will procure that none of its subsidiaries will, for a period of 180 days from the first day of trading in the Shares, without the prior written consent of the Joint Global Coordinators, acting on behalf of the Underwriters: (i) issue, offer, sell, contract to sell or otherwise transfer, dispose of, lend (or publicly announce such action), directly or indirectly, any shares or securities of the Company that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, shares of the Company or any such substantially similar securities; (ii) purchase or sell any option or other guaranty or enter into any swap, hedge or other arrangement that transfers to any other person or entity, in whole or in part the economic consequences of its ownership of shares, whether any such transaction is to be settled by delivery of Shares or such other securities, or cash or otherwise; or (iii) submit to its shareholders or any other body a proposal to effect any of the foregoing.

The Selling Shareholder is expected to agree with the Underwriters that it will not, except as set forth below, for a period of 180 days after the first day of trading of the Shares, without the prior written consent of a majority of the Joint Bookrunners: (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company or request or demand that the Company file any registration statement under the U.S. Securities Act or any

similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares or other shares of the Company, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise; (iii) publicly announce such an intention to effect any such transaction; or (iv) submit to the Company's shareholders or any other body of the Company a proposal to effect any of the foregoing. The foregoing shall not apply to: (i) the sale of the Shares in the Offering; (ii) the lending of Shares to the Joint Global Coordinators pursuant to the stock lending agreement expected to be dated June 20, 2013; (iii) any transfer of Shares to any legal successors following a merger, liquidation, demerger or similar transaction; (iv) any transfer of Shares following the acceptance of a public takeover bid in respect of the Shares; or (v) any transfer of Ordinary Shares by the Selling Shareholder to its direct and indirect shareholders, provided that each such transferee shall continue to be bound by the foregoing restrictions for the remainder of the lock-up period.

Each of the Belgian State and SFPI/FPIM is expected to agree with the Underwriters that, except as set forth below, it will not, for a period of 180 days after the first day of trading of the Shares, without the prior written consent of the Joint Global Coordinators, acting on behalf of the Underwriters: (i) offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company or request or demand that the Company file any registration statement under the U.S. Securities Act or any similar document with any other securities regulator, stock exchange or listing authority with respect to any of the foregoing; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, the economic consequence of ownership of any Shares or other shares of the Company, whether any such transaction is to be settled by delivery of Shares or such other securities, in cash or otherwise. The foregoing shall not apply to: (i) any transfer of Shares to any legal successors following a merger, liquidation, demerger or similar transaction; or (ii) any transfer of Shares following the acceptance of a public takeover bid in respect of the Shares.

3 Price Stabilization and Short Positions

In connection with the Offering, J.P. Morgan Securities plc or its affiliates will act as stabilization manager on behalf of the Underwriters and may engage in transactions that stabilize, maintain or otherwise affect the price of the Shares for up to 30 calendar days from the first day of trading in the Shares on Euronext Brussels. Specifically, the Underwriters, the Selling Shareholder and the Company have agreed that the Underwriters may over-allot Offer Shares by accepting offers to purchase a greater number of Offer Shares than for which they are obligated to procure purchasers under the Underwriting Agreement, creating a short position. A short sale is covered if the short position is no greater than the number of Offer Shares available for purchase by the Underwriters under the Over-allotment Option. The Underwriters can close out a covered short sale by exercising the Over-allotment Option or purchasing Shares in the open market. In determining the source of Shares to close out a covered short sale, the Underwriters will consider, among other things, the open market price of Shares compared to the price available under the Over-allotment Option. The Underwriters, subject to prior consent by the Company and the Selling Shareholder, may also sell Shares in excess of the Over-allotment Option, creating a naked short position. The Underwriters must close out any naked short position by purchasing Shares in the open market. A naked short position is more likely to be created if the stabilization manager is concerned that there may be downward pressure on the price of the Shares in the open market after pricing that could adversely affect investors who purchase in the Offering. Any naked short position will not exceed an amount equal to 5% of the original number of Offer Shares offered.

As an additional means of facilitating the Offering, the stabilization manager or its agents may effect transactions to stabilize the price of the Shares. These activities may support the market price of the Shares at a level higher than that which might otherwise prevail. Stabilization will not be executed above the Offer Price. Such transactions may be effected on Euronext Brussels, in the over-the-counter markets or otherwise. The stabilization manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the stabilization manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above.

Within five business days of the end of the Stabilization Period, the following information will be published in accordance with Article 5, § 2 of the Royal Decree of May 17, 2007 on primary markets practices: (i) whether or not stabilization was undertaken; (ii) the date at which stabilization started; (iii) the date on

which stabilization last occurred; (iv) the price range within which stabilization was carried out, for each of the dates on which stabilization transactions were carried out; and (v) the final size of the Offering, including the result of the stabilization and the exercise of the Over-allotment Option, if any.

4 Other Relationships with the Underwriters

Certain of the Underwriters and their respective affiliates have from time to time provided, and may in the future provide, commercial banking, investment banking and financial advisory or other services to the Company (see "*Part XI: Operating and Financial Review and Prospects — 7. Liquidity and Capital Resources — 7.1 Capital Resources*."), the Selling Shareholder and/or the Belgian state in the ordinary course of their respective businesses. The Underwriters have received and will receive customary fees and commissions for these transactions and services. In the ordinary course of their various business activities, certain of the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve the Company's securities and instruments.

Prior to and concurrent with its role as Joint International Bookrunner, UBS Limited provided financial advice to the Belgian state and SFPI/FPIM.

In addition to being an Underwriter, BNP Paribas Fortis is the other shareholder of bpost bank, which is an associate of the Company. Several agreements and arrangements exist among the three companies, details of which are summarized in "*Part VIII: Business — 11. Subsidiaries and Associates — bpost bank.*"

5 No Public Offering Outside Belgium and Japan

No action has been or will be taken in any jurisdiction other than Belgium and Japan that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Prospectus and the Japanese Offering Document or any other material relating to the Offer Shares, in any jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Prospectus and the Japanese Offering Document nor any other offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Purchasers of the Offer Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Offer Price.

6 Selling Restrictions

6.1 General

No public offer is being made and no one has taken any action that would, or is intended to, permit a public offering in any country or jurisdiction, other than Belgium and Japan, where any such action for such purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Prospectus and the Japanese Offering Document nor any other offering material or advertisement in connection with the Offer Shares may be distributed or published in any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction. For the avoidance of doubt, the Japanese Offering Document may only be distributed or published in Japan.

Persons into whose hands this Prospectus comes are required by the Company, the Selling Shareholder and the Underwriters to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Offer Shares or have in their possession or distribute such offering material, in all cases at their own expense. Neither the Company, the Selling Shareholder or the Underwriters accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the Offer Shares, of any such restrictions.

6.2 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any state securities regulatory authority for offer or sale as part of their distribution and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

The Offer Shares may only be resold: (i) in the United States to QIBs in reliance on Rule 144A under the U.S. Securities Act or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and in accordance with applicable law. Any offer or sale of Shares in reliance on Rule 144A or pursuant to another exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act will be made by broker dealers who are registered as such under the U.S. Exchange Act. Terms used above shall have the meanings given to them by Regulation S and Rule 144A under the U.S. Securities Act.

6.3 European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each a "Relevant Member State") an offer to the public of any Offer Shares may not be made in that Relevant Member State unless the Prospectus has been approved by the competent authority in such Relevant Member State or passported and published in accordance with the Prospectus Directive as implemented in such Relevant Member State, except that the Offer Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- by the Underwriters to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company, the Selling Shareholder or any Manager of a Prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires Offer Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Underwriters and the Company that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression "an offer of Offer Shares to the public" in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression "Prospectus Directive" means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The Company, the Selling Shareholder, the Underwriters and their affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement, and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Underwriters of such fact in writing may, with the consent of the Underwriters, be permitted to purchase Offer Shares in the Offering.

6.4 United Kingdom

Any offer or sale of the Offer Shares may only be made to persons in the United Kingdom who are "qualified investors" or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the U.K. Financial Services and Markets Act 2000. Any investment or investment activity to which this Prospectus relates is available only to, and will be engaged in only with, investment professionals falling within Article 19(5), or falling within section 49(2)(a) to (d) ("high net worth; unincorporated associations, etc."), of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available (together, "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this Prospectus and should not act or rely on it.

6.5 Japan

As part of the Offering, it is expected that a Japanese Public Offering will be made in Japan. No Offer Shares have been or will be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except in accordance with the terms and conditions of a Japanese Public Offering, as stated in the securities registration statement filed on June 4, 2013, as amended, with the Japanese authority under, or pursuant to any exemption from the registration requirements and from the requirements to deliver a prospectus under, the Financial Instruments and Exchange Law of Japan and otherwise in compliance with any applicable laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person residing in Japan, including any corporations or other entities organized under the laws of Japan.

PART XVIII: INFORMATION ON THE EMPLOYEE OFFERING

Concurrently with the Offering, the Company will implement the SPP, which will be subject to the closing of the Offering.

Statutory and contractual personnel of the Company and its consolidated Belgian subsidiaries will be eligible to participate in the SPP.

Eligible participants will be able to purchase a fixed number of Shares from the Selling Shareholder at a price representing a discount of 16.67% to the Offer Price. Such discount will be borne by the Selling Shareholder up to a maximum of 0.5% of the Shares, with the Company bearing the cost of providing such discount in respect of all Shares sold in connection with the SPP above this amount. Assuming that the Offer Price is at the mid-point of the Price Range and that all Shares offered to employees under the SPP are sold, the cost of the SPP is estimated at €13.6 million, of which €2.3 million will be borne by the Selling Shareholder and €11.3 million will be borne by the Company.

A total of 5,500,026 Shares will be offered under the SPP.

The Shares offered under the SPP are Shares held by the Selling Shareholder, giving the same rights as the Offer Shares, except that Shares purchased under the SPP will be subject to a transfer restriction for a period of two years.

The offer under the SPP does not form part of the Offering but the application made to list the Shares on Euronext Brussels will extend to the Shares offered under the SPP.

PART XIX: TRANSFER RESTRICTIONS

The Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each purchaser of the Offer Shares outside the United States in compliance with Regulation S will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;

(3) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States;

(4) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;

(5) the Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;

(6) the purchaser acknowledges that the Company shall not recognize any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions;

(7) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(8) the purchaser acknowledges that the Company, the Selling Shareholder, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States purchasing pursuant to an exemption from the registration requirements of the U.S. Securities Act will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(3) the purchaser: (i) is a qualified institutional buyer (as defined in Rule 144A under the U.S. Securities Act); (ii) is aware that the sale to it is being made pursuant to an exemption from the registration requirements of the U.S. Securities Act; and (iii) is acquiring such Offer Shares for its own account or for the account of a qualified institutional buyer;

(4) the purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;

(5) if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only: (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; (ii) in compliance with Regulation S under the U.S. Securities Act; or (iii) in accordance with Rule 144 under the U.S. Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

(6) the purchaser acknowledges that the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares;

(7) the purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(8) the purchaser acknowledges that the Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;

(9) if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and

(10) the purchaser acknowledges that the Company, the Selling Shareholder, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each person in a Relevant Member State, other than persons receiving offers contemplated in the Prospectus in Belgium, who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Underwriters, the Selling Shareholder and the Company that:

(1) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(2) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in other circumstances falling within Article 3(2) of the Prospectus Directive and the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer" in relation to any of the Offer Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

PART XX: LEGAL MATTERS

Certain legal matters in connection with this Offering have been passed upon for the Company by Linklaters LLP, with respect to the laws of the United States and Belgium. Certain legal matters in connection with this Offering have been passed upon for the Underwriters by Latham & Watkins (London) LLP, with respect to the laws of the United States, and by Eubelius CVBA, with respect to the laws of Belgium. Certain legal matters in connection with this Offering have been passed upon for the Selling Shareholder by Allen & Overy LLP, with respect to the laws of Luxembourg. Certain legal matters in connection with this Offering have been passed upon for the Belgian state and SFPI/FPIM by Cleary Gottlieb Steen & Hamilton LLP, with respect to the laws of Belgium.

PART XXI: INDEPENDENT AUDITORS

The audited consolidated financial statements of the Company have been audited by Ernst & Young Bedrijfsrevisoren BV CVBA (member of the *Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*), whose address is at De Kleetlaan 2, 1831 Diegem, Belgium, and PVMD Bedrijfsrevisoren-Reviseurs d'Entreprises SC SCRL (member of the *Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren*), whose address is at Rue de l'Yser 207, 4430 Ans, Belgium.

For more information on the audit of the unconsolidated financial statements of the Company by the Board of Auditors, see "*Part XII: Management and Corporate Governance — 6. Board of Auditors*."

GLOSSARY OF SELECTED TERMS

The following explanations are intended to assist the general reader to understand certain terms used in this Prospectus.

1970 Royal Decree	Royal Decree of January 12, 1970 regulating the postal service, as amended pursuant to the Royal Decree of April 30, 2007 regulating postal financial services
1971 Law	Law of July 6, 1971 relating to the creation of bpost and to certain postal services
1991 Law	Law of March 21, 1991 on the reform of certain economic state-owned companies, as amended
Ad hoc SGEIs	SGEIs that by their nature are provided without any recurrence, including the social role of the postman, the "Please Postman" service, the distribution of information to the public, the delivery of voting paper packages, the delivery of addressed and unaddressed election printed items, the delivery at a special price of postal items sent by associations, the delivery of letter post items falling within the freepost system, the payment of attendance fees during elections, the financial and administrative processing of fines, the printing and sale of fishing permits and the sale of post stamps
Administrative mail	letter mail that is mass, industrially processed and conditioned according to operational requirements set by bpost (including invoices, bank account statements and general communication without commercial intent)
B2B	business to business
B2C	business to consumer
Belgian Full Market Opening Law	the Law of December 13, 2010 amending the 1991 Law and implementing the Third Postal Directive in Belgium, which contains, *inter alia*, licensing conditions that a new entrant providing letter mail services that fall within universal services would be required to comply with
Belgian GAAP	the applicable accounting framework in Belgium
Belgian state	the Kingdom of Belgium and the federal government of the Kingdom of Belgium
BIZ	Business, the business unit of bpost that previously managed all commercial relations with large customers, the self-employed and small businesses (BIZ is now subsumed within the MRS business unit)
Company	bpost SA/NV, a limited liability company under public law (*société anonyme de droit public/naamloze vennootschap van publiek recht*) organized under the laws of Belgium
C2C	customer to customer
C2X	customer to all parties
CMR Convention	Convention of May 19, 1956 on the contract for the international carriage goods by road
CVC	CVC Capital Partners SICAV-FIS S.A. and its subsidiaries and affiliates

CVC Funds	certain funds managed and advised by CVC
D+1, D+2, etc.	D+1 represents delivery the day following posting (or delivery to bpost) of the letter or parcel; D+2 represents delivery two days following posting (or delivery to bpost) of the letter or parcel
Daily mail	letter mail generally produced individually or in small quantities, franked using stamps, franking machines or labels as well as post-payment methods (such as PP and UV/RD)
Day-to-day SGEIs	SGEIs related to day-to-day operations, such as early distribution of newspapers, distribution of periodicals, provision of financial services (including, cash deposits on postal accounts and payments, cash deposits on any account and domestic postal money orders) and home delivery of pensions
Direct mail	addressed communications that are sent to a significant number of customers or prospective customers with the aim of persuading them to purchase a particular product or service
Distributable results	distributable results are the profit (loss) to be appropriated for a given period plus or minus the profit (loss) to be carried forward from prior periods, to the extent positive
EBIT	defined in bpost's consolidated income statement as profit from operating activities
EBITDA	EBIT plus depreciation and amortization
EC	European Commission
EU	European Union
EU Law on Postal Services	EU law on postal services consisting of three postal directives: Directive 97/67/EC of December 15, 1997, as amended by Directive 2002/39/EC of June 10, 2002 and Directive 2008/6/EC of February 20, 2008
Ex ante regulation	regulation which defines certain standards in advance (*e.g.*, universal service standards or technical standards) with which operators must comply. In the postal sector, this is typically the case for licensing regimes, as the regulator needs to determine under which conditions an operator receives or must give up a license or authorization
Fifth Management Contract	contract relating to services of general economic interest and the arrangements on how they are to be carried out expected to be entered into on or around June 7, 2013 between the Company and the Belgian state that has been approved by Royal Decree, which is expected to enter into force prior to the Pricing Date
Fourth Management Contract	contract relating to services of general economic interest and the arrangements on how they are to be carried out dated December 2, 2005 between the Company and the Belgian state and extended until the start of the Fifth Management Contract
FSMA	Financial Services and Market Authority, which succeeded the Belgian Banking, Finance and Insurance Commission as the financial regulatory agency for Belgium on April 1, 2011
IBPT/BIPT	Belgian Institute for Postal Services and Telecommunications (*Institut Belge des Services Postaux et des Télécommunications/Belgisch Instituut voor Postdiensten en Telecommunicatie*), the national postal regulatory authority

ICT	information and communication technology
IFRS	International Financial Reporting Standards, as adopted by the EU
IOPS	International Operations and Parcels Services service unit, which comprises the operations of the European Mail Center, which is located at Brussels Airport and serves as a hub for international mail and parcels
Joint Committee	committee formed under the 1991 Law composed of representatives of the Company and labor unions
MassPost center	centers co-located with sorting center or distribution offices that serve as drop-off points for customers making large mail deposits directly
Member States	member states of the European Union
MSO	Mail Services Operations service unit of bpost that handles the collection, possible franking, sorting, transport and delivery of letters, printed matter, newspapers, magazines, unaddressed mailings and parcels, as well as limited financial services at home
MRS	Mail and Retail Solutions business unit, which manages relationships with business and residential customers
NAC	"net avoided cost" methodology, which provides that compensation shall be based upon the difference between the net cost to the provider of operating with the SGEI and the net cost or profit to the same provider of operating without the SGEI
Normalized EBIT	normalized EBIT represents profit from operating activities excluding the impact of non-recurring items and is not audited. See "*Part X: Selected Consolidated Financial Information and Operating Data — Reconciliations of Normalized Financial Measures*" for a reconciliation of profit from operating activities to normalized EBIT
Normalized EBITDA	normalized EBITDA represents EBITDA excluding the impact of non-recurring items and is not audited. See "*Part X: Selected Consolidated Financial Information and Operating Data — Reconciliations of Normalized Financial Measures*" for a reconciliation of EBITDA to normalized EBITDA
Normalized Profit	normalized profit for the period represents profit for the period excluding the impact of non-recurring items and is not audited. See "*Part X: Selected Consolidated Financial Information and Operating Data — Reconciliations of Normalized Financial Measures*" for a reconciliation of profit for the period to normalized profit for the period
Normalized operating free cash flow	normalized operating free cash flow in 2010 and 2012 excludes the impact of the unwinding of the cash management arrangements that existed between bpost and the Belgian state treasury until 2010. This unwinding translated into the repayment of advances received from the Belgian state and of deposits received from third parties under the quasi cash pool. Normalized operating free cash flow in 2012 and for the three months ended March 31, 2013 and 2012 also excludes the repayment of the alleged overcompensation for the SGEIs following the decision of the European Commission of January 25, 2012. Normalized operating free cash flow is not audited. See "*Part X: Selected Consolidated Financial Information and Operating Data — Reconciliations of Normalized Financial Measures*" for a reconciliation of operating free cash flow to normalized operating free cash flow

Normalized total operating income — normalized total operating income represents total operating income excluding the impact of non-recurring items and is not audited. See "*Part X: Selected Consolidated Financial Information and Operating Data — Reconciliations of Normalized Financial Measures*" for a reconciliation of total operating income to normalized total operating income

Normalized total operating expenses excluding depreciation, amortization — normalized total operating expenses excluding depreciation, amortization represents total operating expenses excluding the impact of non-recurring items and is not audited. See "*Part X: Selected Consolidated Financial Information and Operating Data — Reconciliations of Normalized Financial Measures*" for a reconciliation of total operating expenses excluding depreciation, amortization to normalized total operating expenses excluding depreciation, amortization

Operating free cash flow — represents net cash from operating activities less net cash used in investing activities and is not audited

P&I — Parcels & International unit, which specializes in parcels (domestic and international) and international mail and e-commerce logistics solutions (including fulfillment, handling, delivery and return management)

"Please Postman" service — service aimed at providing services to people, such as the disabled or elderly or those living alone, who have difficulty travelling to a post office or a mailbox. These people, by placing a sticker on their mailbox, can receive a basic range of services (such as the sale of a limited number of stamps or posting of a letter) from the postman at their doorstep

Post offices — outlets that carry the full range of postal, banking and insurance products and services offered by bpost

PostPoints — points of sale within the framework of an alliance with private or public partners

Prospectus Directive — Directive 2003/71/EC of the European Parliament and of the Council of the European Union (as amended, including by Directive 2010/73/EU)

Qualified Institutional Buyers or **QIBs** — qualified institutional buyers as defined in Rule 144A

Regulation S — Regulation S under the U.S. Securities Act

REIMS V — terminal dues agreement entered into force January 1, 2012 and signed by 21 European postal operators, which provides the parties with appropriate compensation for the delivery of cross-border mail and aims to further improve the quality of service for the cross-border mail

Reserved sector — the sector of the Belgian mail market that, prior to January 1, 2011, was reserved for bpost in compensation for the cost to bpost of fulfilling the USO

RSS — the commercial division of bpost that previously marketed products to residential customers through the management and development of "mass channels" (RSS is now subsumed within the MRS business unit)

Rule 144A — Rule 144A under the U.S. Securities Act

Selling Shareholder	Post Invest Europe S.à r.l.
SGEIs	certain services of general economic interest provided by bpost, including the service related to the maintenance of the retail network, the day-to-day SGEIs, and the ad hoc SGEIs
small user basket	includes domestic single piece mail weighing up to 2kg (including mail stamped at the "prior" and "non-prior" tariffs), domestic single piece registered mail weighing up to 2kg, inbound priority cross-border single piece mail weighing up to 2kg and domestic single piece parcels (including parcels delivered on a D+1 and D+2 basis)
Takeover Law	Belgian Law of April 1, 2007 on public takeover bids
Takeover Royal Decree	Belgian Royal Decree of April 27, 2007 on public takeover bids
terminal dues	remuneration paid by the postal operator that collects the letter (in the country of origin) to the postal operator that delivers the letter (in the country of destination)
Third Postal Directive	Directive 2008/6/EC of February 20, 2008
Transparency Law	the Law of May 2, 2007 on the disclosure of significant shareholdings in issuers whose securities are admitted to trading on a regulated market
Unaddressed mail	mail that is delivered to all mailboxes within a particular area (unless there is a DoNotMailMe sticker on the addressee's post box)
Universal service obligation or **USO**	the obligation of bpost to provide the following services: • collection, sorting, transport and distribution of postal items weighing up to 2kg; • collection, sorting, transport and distribution of postal packages weighing up to 10kg (domestic); • distribution in Belgium of postal packages from Member States weighing up to 20kg; and • provision of services for registered items and insured items.
UPU	Universal Postal Union
UPU Convention	the international treaty governing the relationship between postal administrators and Member States
U.S. Securities Act	the U.S. Securities Act of 1933, as amended

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REPORT OF THE JOINT AUDITORS TO THE SHAREHOLDERS OF BPOST SA/NV, A COMPANY DE DROIT PUBLIC / VAN PUBLIEK RECHT, ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2013 AND FOR THE THREE MONTH PERIOD THEN ENDED

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of bpost SA/NV, a company de droit public/van publiek recht, and its subsidiaries (collectively referred to as "the Group") as at 31 March 2013 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the three-month period then ended, and explanatory notes which show a consolidated balance sheet total of €2.446,7 millions and a consolidated profit for the three month period of €99,4 millions. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard *IAS 34 Interim Financial Reporting* ("IAS 34") as adopted for use in the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review ("revue limitée/beperkt nazicht" as defined by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren") in accordance with the recommendation of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" and in accordance with the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards of the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren" and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects the financial position of the Group as at March 31, 2013, and of its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34.

Brussels, 27 May 2013

The Joint Auditors

Ernst & Young Bedrijfsrevisoren BCVBA
Represented by

Eric Golenvaux
Partner

PVMD Bedrijfsrevisoren BCVBA
Represented by

Lieven Delva
Partner

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1 Interim consolidated income statement

	NOTES	Three months ended 31 March 2013 Unaudited	2012 Unaudited
		In million EUR	
Turnover	6.6	613.6	612.1
Other operating income	6.7	19.1	4.4
Total operating income		**632.7**	**616.5**
Materials cost		(7.8)	(8.4)
Services and other goods		(149.8)	(136.5)
Payroll costs		(306.4)	(307.0)
Other operating expenses		5.6	(6.1)
Depreciation, amortization		(20.7)	(21.3)
Total operating expenses		**(479.1)**	**(479.2)**
Profit from operating activities (EBIT)		**153.5**	**137.3**
Financial income		0.8	2.6
Financial cost		(2.4)	(9.5)
Share of profit of associates		2.5	3.0
Profit before tax		**154.4**	**133.4**
Income tax expense	6.8	(55.0)	(43.9)
Profit for the year		**99.4**	**89.6**
Attributable to:			
Owners of the Parent		99.0	89.2
Non-controlling interests		0.4	0.4

	2013	2012
	IN EUR	
Earnings per share		
▶basic, profit for the first quarter attributable to ordinary equity holders of the parent	241.56	219.03
▶diluted, profit for the first quarter attributable to ordinary equity holders of the parent	241.56	219.03

In May 2013, the shareholders' meeting decided to split the shares. The total number of shares amounts to 200,000,944 shares post stock split (before stock split 409,838 shares). Calculated with the new number of shares, earnings per share for the first quarter of 2013 and 2012 would have been:

	2013	2012
	IN EUR	
Earnings per share		
▶basic, profit for the first quarter attributable to ordinary equity holders of the parent	0.50	0.45
▶diluted, profit for the first quarter attributable to ordinary equity holders of the parent	0.50	0.45

2 Interim consolidated statement of comprehensive income

	Three months ended 31 March		
	2013 unaudited	**2012 restated**	**2012 unaudited**
	In million EUR		
Profit for period	**99.4**	**89.6**	**89.6**
Fair value for financial assets available for sale by associates	(10.5)	96.4	96.4
(Loss)gain on available for sale financial assets	(15.9)	146.1	146.1
Income tax effect	5.4	(49.6)	(49.6)
Fair value of actuarial results on defined benefit plans	0.1	(4.8)	
Actuarial losses on defined benefit plans	0.2	(7.2)	
Income tax effect	(0.1)	2.4	
Non-controlling interests	0.0	0.0	0.0
Other comprehensive income for the year, net of tax	**(10.3)**	**91.7**	**96.4**
Total comprehensive income for the year, net of tax	**89.1**	**174.0**	**186.0**
Attributable to:			
Owners of the Parent	88.6	173.6	185.6
Non-controlling interest	0.4	0.4	0.4

3 Interim consolidated statement of financial position

	NOTES	31 March 2013 Unaudited	31 December 2012 Restated[1]	31 December 2012 Audited
			In million EUR	
Assets				
Non-current assets				
Property, plant and equipment		576.9	588.5	588.5
Intangible assets		95.3	95.5	95.5
Investment securities		0.0	0.0	0.0
Investments in associates	6.9	393.7	351.6	351.6
Investment properties		15.3	15.2	15.2
Deferred tax assets		57.9	64.2	61.0
Trade and other receivables		0.9	0.9	0.9
		1,140.0	**1,115.9**	**1,112.8**
Current assets				
Assets held for sale		0.0	0.3	0.3
Investment securities		333.0	22.0	22.0
Inventories		7.3	7.0	7.0
Income tax receivable		0.4	0.1	0.1
Trade and other receivables		415.1	394.6	394.6
Cash and cash equivalents		550.9	691.2	691.2
		1,306.7	**1,115.3**	**1,115.3**
Total assets		**2,446.7**	**2,231.2**	**2,228.1**
Equity and liabilities				
Equity attributable to equity holders of the Parent				
Issued capital		364.0	508.5	508.5
Treasury shares		0.0	0.0	0.0
Reserves		220.4	214.6	225.5
Retained earnings		99.4	3.7	3.7
		683.8	**726.8**	**737.7**
Non-controlling interests		(0.0)	(0.0)	(0.0)
Total equity		**683.8**	**726.8**	**737.7**
Non-current liabilities				
Interest-bearing loans and borrowings		82.7	82.7	82.7
Employee benefits	6.10	370.1	378.1	364.1
Trade and other payables		83.0	83.1	83.1
Provisions		42.1	42.0	42.0
Deferred tax liabilities		1.3	1.3	1.3
		579.2	**587.1**	**573.1**
Current liabilities				
Interest-bearing loans and borrowings		9.5	11.2	11.2
Bank overdrafts		2.0	0.3	0.3
Provisions		137.2	140.5	140.5
Income tax payable		52.1	4.6	4.6
Trade and other payables		983.1	760.7	760.7
		1,183.8	**917.3**	**917.3**
Total liabilities		**1,762.9**	**1,504.4**	**1,490.4**
Total Equity and liabilities		**2,446.7**	**2,231.2**	**2,228.1**

[1] Restated for IAS19R

4 Interim consolidated statement of changes in equity

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT						
	AUTHORIZED & ISSUED CAPITAL	TREASURY SHARES	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
			In Million EUR				
As per 1 January 2012	**783.8**	**(14.0)**	**64.0**	**(57.4)**	**776.4**	**0.8**	**777.3**
Profit for the period				89.2	89.2	0.4	89.6
Other comprehensive income[2]			33.9	57.8	91.7		91.7
Total comprehensive income	**0.0**	**0.0**	**33.9**	**147.0**	**180.9**	**0.4**	**181.2**
Dividends (Pay-out)					0.0		0.0
Treasury shares					0.0		0.0
At 31 March 2012	**783.8**	**(14.0)**	**97.9**	**89.6**	**957.3**	**1.2**	**958.5**

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT						
	AUTHORIZED & ISSUED CAPITAL	TREASURY SHARES	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
			In Million EUR				
As per 1 January 2013[3]	**508.5**	**0.0**	**214.6**	**3.7**	**726.8**	**0.0**	**726.8**
Profit for the period				99.0	99.0	0.4	99.4
Other comprehensive income			(6.6)	(3.7)	(10.3)		(10.3)
Total comprehensive income	**0.0**	**0.0**	**(6.6)**	**95.3**	**88.6**	**0.4**	**89.1**
Capital Decrease	(144.5)				(144.5)		(144.5)
Dividends (Pay-out)					0.0	(0.1)	(0.1)
Treasury shares					0.0		0.0
Other			12.4	0.4	12.8	(0.3)	12.5
At 31 March 2013	**364.0**	**0.0**	**220.4**	**99.4**	**683.8**	**0.0**	**683.8**

2 Restated for IAS 19R

3 idem

5 Interim consolidated statement of cash flows

	Three months ended 31 March	
	2013 Unaudited	**2012 Unaudited**
	In million EUR	
Operating activities		
Profit from operating activities (EBIT)	153.5	137.3
Depreciation and amortization	20.7	21.7
Impairment on bad debts	(0.4)	0.4
Gain on sale of property, plant and equipment	(2.4)	(1.1)
Gain on the sale of Certipost activities	(14.6)	
Change in employee benefit obligations	(8.8)	(12.1)
Interest received	0.8	2.6
Interests paid	(1.3)	(1.3)
Dividends received	0.0	0.0
Income tax paid	(0.9)	(0.2)
Cash flow from operating activities before changes in working capital and provisions	**146.5**	**147.2**
Decrease/(increase) in trade and other receivables	70.4	82.2
Decrease/(increase) in inventories	(0.2)	0.5
Increase/(decrease) in trade and other payables	71.9	160.1
Deposits received from third parties	(0.0)	(0.1)
Repayment of SGEI overcompensation	(88.9)	(275)
Increase/(decrease) in provision related to the SGEI overcompensation	0.0	0.0
Increase/(decrease) in provisions	(3.3)	2.9
Net Cash from operating activities	**196.4**	**117.8**
Investing activities		
Proceeds from sale of property, plant and equipment	3.1	2.6
Proceeds from sale of investments	—	—
Disposal of subsidiaries, net of cash disposed of	15.1	0.0
Acquisition of property, plant and equipment	(6.4)	(12.7)
Acquisition of intangible assets	(1.4)	(8.3)
Acquisition of other investments	(0.0)	(0.1)
Capital increase bpost bank	(37.5)	0.0
Net cash used in investing activities	**(27.1)**	**(18.6)**
Financing activities		
Proceeds from the issue of share capital	—	—
Proceeds from borrowings	—	—
Repayment of borrowings	—	—
Payment of financing lease liabilities	(0.0)	(0.2)
Dividends paid to equity holders of the Parent	(0.1)	0.0
Net Cash from financing activities	**(0.1)**	**(0.2)**
Net increase in cash and cash equivalents	**169.1**	**99.0**
Cash and cash equivalent less bank overdraft as of 1st January	690.9	626.5
Investment securities as of 1st January	22.0	515.6
Cash and cash equivalents and Investment securities[4] as of 1st January	**712.9**	**1,142.1**
Cash and cash equivalent less bank overdraft as of 31st March	548.9	891.8
Investment securities as of 31st March	333.0	349.3
Cash and cash equivalents and Investment securities as of 31st March	**881.9**	**1,241.1**
Movements between 1st January and 31st March	**169.1**	**99.0**

4 Investment securities meet the definition of cash and cash equivalents as per IAS7.

6 Notes to the interim condensed consolidated financial statements

6.1 Corporate information

The interim condensed consolidated financial statements of bpost for the first three months ended 31 March 2013 were authorized for issue in accordance with a resolution of the Board on May 27th, 2013.

Business activities

bpost and its subsidiaries (hereafter referred as 'bpost') provide national and international mail services comprising the collection, transport, sorting and distribution of mail, printed documents, newspapers as well as addressed and non-addressed documents.

bpost, through its subsidiaries and business units, also sells a range of other products and services, including postal, banking and financial products, express delivery services, document management and related activities. bpost also carries out public-interest activities on behalf of the State.

Legal status

bpost is a limited-liability company under public law of Belgium. bpost has its registered office at the Muntcentrum-Centre Monnaie, 1000 Brussels.

6.2 Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the three months ended 31 March 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the bpost's annual financial statements as at 31 December 2012.

The interim condensed consolidated financial statements of bpost for the first three months ended 31 March 2013 are prepared under the assumption that the 5th management contract will be approved.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the bpost's annual financial statements for the year ended 31 December 2012, except for the adoption of new standards and interpretations effective as from 1 January 2013.

IAS 19 Revised includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss. Other amendments don't have an impact on bpost or simply include new disclosures, such as, quantitative sensitivity disclosures.

In case of bpost, the transition to IAS19 Revised had an impact on the net post-employment benefit obligations due to the recognition of actuarial gains and losses (for these which occur as from 1 January 2013 and for these unrecognised at 31 December 2012) in total in other comprehensive income. bpost previously recognised only the cumulative actuarial gains and losses, which exceeded 10% of the greater of the defined benefit obligation and the fair value of the plan assets, over two years. The effect of the adoption of IAS 19 Revised is explained in Note 6.9.

Following new standards and amendments, entered into force as from 1 January 2013, don't have any effect on the presentation, the financial performance or position of bpost:

- **IFRS 13** — Fair value Measurement
- **IFRS 7** — Financial Instruments: Disclosures — Offsetting of financial assets and financial liabilities
- **IFRIC 20** — Stripping costs in the production phase of a surface mine

Standards and Interpretations not yet applied by bpost

The following new IFRS Standards and IFRIC Interpretations, which are yet to become mandatory, have not been applied by bpost for the preparation of its interim condensed consolidated financial statements.

Standard or interpretation	**Effective for in reporting periods starting on or after**
IFRS 9 — Financial Instruments — Classification and Measurement	1 January 2015
IFRS 10 — Consolidated Financial Statements	1 January 2014
IFRS 11 — Joint Arrangements	1 January 2014
IFRS 12 — Disclosure of Interests in Other Entities	1 January 2014
IAS 27 — Amendment to IAS 27	1 January 2014
IAS 28 — Amendment to IAS 28	1 January 2014
IAS 32 — Financial Instruments: Presentation — Offsetting of financial assets and financial liabilities	1 January 2014
Various — Annual improvements to IFRS	na

Standards and Interpretations applied by bpost

As at 31 March 2013, the accounting policies of bpost are in compliance with the IAS / IFRS Standards and Interpretations SIC / IFRIC listed below:

International Financial Reporting Standards (IFRS)

- **IFRS 2** — Share-based Payment
- **IFRS 3** — Business Combinations (issued in 2004) for acquisition completed before 1 January 2010
- **IFRS 3** — Business Combinations (Revised in 2008)
- **IFRS 5** — Non-current Assets Held for Sale and Discontinued Operations
- **IFRS 7** — Financial Instruments: Disclosures
- **IFRS 8** — Operating segments

International Accounting Standards (IAS)

- **IAS 1** — Presentation of Financial Statements
- **IAS 2** — Inventories
- **IAS 7** — Statement of Cash Flows
- **IAS 8** — Accounting Policies, Changes in Accounting Estimates and Errors
- **IAS 10** — Events after the Reporting Period
- **IAS 12** — Income Taxes
- **IAS 16** — Property, Plant and Equipment
- **IAS 17** — Leases
- **IAS 18** — Revenue
- **IAS 19** — Employee Benefits
- **IAS 21** — The Effects of Changes in Foreign Exchange Rates
- **IAS 23** — Borrowing costs
- **IAS 24** — Related Party Disclosures
- **IAS 27** — Consolidated and Separate Financial Statements (Revised in 2008)
- **IAS 28** — Investments in Associates

- **IAS 32** — Financial Instruments: Presentation
- **IAS 33** — Earnings per share
- **IAS 34** — Interim Financial Reporting
- **IAS 36** — Impairment of Assets
- **IAS 37** — Provisions, Contingent Liabilities and Contingent Assets
- **IAS 38** — Intangible Assets
- **IAS 39** — Financial Instruments: Recognition and Measurement
- **IAS 40** — Investment Property

Interpretations SIC / IFRIC

- **IFRIC 1** — Changes in Existing Decommissioning, Restoration and Similar Liabilities
- **IFRIC 4** — Determining whether an Arrangement contains a Lease
- **IFRIC 10** — Interim Financial Reporting and Impairment
- **SIC 12** — Consolidation — Special Purpose Entities

The other standards currently endorsed by the EU and effective for the preparation of the 2013 interim condensed consolidated financial statements are not applicable in the context of bpost.

bpost has not early adopted any other standard, interpretation, or amendment that was issued but is not yet effective.

6.3 Seasonality of operations

Pursuant to the Fifth Management Contract, bpost will continue to be the provider of certain SGEIs[5] through December 31, 2015. These services include, among others, the operation of the retail network, the distribution of newspapers and periodicals, the distribution of electoral materials, the acceptance of cash deposits at post offices and the home delivery of state pensions and social allowances. bpost is compensated for providing these services based on a net avoided cost ("NAC") methodology.

Compensation on SGEI is equally distributed over the four quarters. During the year calculations are made according to the Net Avoided Cost methodology to ensure the remuneration is in line with the amounts recorded. This methodology provides that compensation shall be based upon the difference between the net cost of the provider of operating with the SGEI and the net cost or profit of the same provider of operating without the SGEI. The compensation for providing the SGEIs is subject to a cap, which will be adjusted to the extent the Belgian consumer price index exceeds 2.2% in a given year. The exact impact on the results of this computation is only known at the end of the year.

6.4 Summary of significant accounting policies

The accounting policies and methods of bpost are consistent with those applied in the 31 December 2012 consolidated financial statements.

6.5 Operating segments

The table below presents revenue information about bpost's operating segments for the three months ended 31 March 2013 and 2012:

AS AT 31 MARCH	2013	2012
	IN MILLION EUR	
MRS	520.0	519.5
P&I	98.3	82.3
Total operating income of operating segments	**618.3**	**601.8**
Corporate (Reconciling category)	14.4	14.7
Total operating income	**632.7**	**616.5**

[5] SGEI: Services of General Economic Interest

There is no inter-segment sales nor internal operating income.

Excluding the remuneration received to provide the services as described in the Management Contract (see note 6.6), no single external customers exceeds 10% of bpost's operating income.

The following table introduces the revenues from external customers attributed to Belgium and to all foreign countries in total from which bpost derives its revenues. The allocation of the revenues of the external customers is based on their location.

AS AT 31 MARCH	2013	2012
	IN MILLION EUR	
Belgium	579.2	581.9
RoW	53.4	34.6
Total operating income	**632.7**	**616.5**

The following tables present EBIT[6] and EAT[7] information about bpost's operating segments for the period ended 31 March 2013 and 2012, calculated on a comparable basis operating income:

AS AT 31 MARCH	2013	2012
	IN MILLION EUR	
MRS	145.8	132.4
P&I	4.3	6.4
EBIT of operating segments	**150.1**	**138.8**
Corporate (Reconciling category)	3.4	(1.6)
EBIT	**153.5**	**137.3**

AS AT 31 MARCH	2013	2012
	IN MILLION EUR	
MRS	145.8	132.4
P&I	4.3	6.4
EAT of operating segments	**150.1**	**138.8**
Corporate (Reconciling category)	(50.7)	(49.3)
EAT	**99.4**	**89.6**

EBIT attributable to the P&I operating segment decreased by €2.1 million, or 32.8%, to €4.3 million for the three months ended March 31, 2013 from €6.4 million for the three months ended March 31, 2012. The decrease was primarily due to costs associated with the start-up of the Shop & Deliver project, which had an impact of €1.1 million. The remaining decrease was mainly due to an increase in transport costs related to the international mail product line and exceptional one-off costs related to MSI. EBIT attributable to the parcels product line increased by €1.0 million, or 30.3%, to €4.3 million for the three months ended March 31, 2013 from €3.3 million for the three months ended March 31, 2012. The increase was due to the consolidation of Landmark Global in the three months ended March 31, 2013 as well as a 14.5% increase in volumes. Costs moved in line with the growth of operating income. EBIT attributable to the international product line decreased by €2.7 million, or 57.4%, to €2.0 million for the three months ended March 31, 2013 from €4.7 million for the three months ended March 31, 2012. The decrease was primarily due to transport costs increasing at a higher rate than operating income and to exceptional one-off costs related to MSI.

Financial income, financial costs, share of profit of associates and income tax expenses are all included in the reconciling category "Corporate".

[6] EBIT: Earnings before interests and taxes
[7] EAT: Earnings after taxes

The following table provides detailed information on the reconciling category "Corporate":

AS AT 31 MARCH	2013	2012
	IN MILLION EUR	
Operating Income	**14.4**	**14.7**
Central departments (Finance, Legal, Internal Audit, CEO, …)	(17.4)	(15.1)
Other reconciliation items	6.5	(1.2)
Operating expenses	**(10.9)**	**(16.3)**
EBIT Corporate (Reconciling category)	**3.4**	**(1.6)**
Share of profit of associates	2.5	3.0
Financial Results	(1.6)	(6.8)
Income Tax expense	(55.0)	(43.9)
EAT Corporate (Reconciling category)	**(50.7)**	**(49.3)**

Profit from operating activities (EBIT) attributable to the Corporate operating segment increased by €5.0 million to €3.4 million for the three months ended March 31, 2013 from negative €1.6 million for the three months ended March 31, 2012. The increase was primarily due to changes in provisions in the amount of €3.0 million and variances in revenue recognition, which had an impact of €0.7 million.

Assets and liabilities are not reported per segment in the company.

6.6 Turnover

THREE MONTHS ENDED 31 MARCH	2013	2012
	IN MILLION EUR	
Turnover excluding the SGEI remuneration	537.7	532.4
SGEI remuneration	75.9	79.7
	613.6	**612.1**

6.7 Other operating income

In October 2012, the company has reached an agreement with the Finnish group Basware on the sale of the activity of electronics document exchange as of January 2013. This transaction generated a cash inflow of 15.1 million EUR and a gain of 14.6 million EUR in the first quarter of 2013.

6.8 Income tax

On 25 March 2013, an extraordinary shareholders' meeting of the Company approved a reduction in the legal reserve in the amount of 21.3 million EUR through the transfer to available reserves. Due to this transfer, and in accordance with the tax legislation, bpost provisioned an additional income tax to be paid of 7.3 million EUR.

6.9 Share of investment in an associate

On 20 March 2013, bpost banque/bpost bank completed an equity increase in the amount of 100 million EUR in order for bpost banque/bpost bank's equity to satisfy regulatory and prudential requirements (including Basel III capital requirements). bpost and BNPP Fortis contributed to this capital increase for 37.5 million EUR each. In the framework of the renewal of the contractual agreement between bpost and BNPP Fortis, the latter paid an additional amount of 25 million EUR as issue premium. As proportional ownership of bpost remained unchanged, the fair value of the investment in bpost banque/bpost bank increased by 12.5 million EUR.

6.10 Employee benefits

IAS19R has been applied as from 1 January 2013. As a result, bpost recognizes all actuarial gains and losses related to the post-employment benefits directly in Other Comprehensive Income when they occur.

Until 2012, bpost has opted, in case of post-employment benefits, not to recognize actuarial gains and losses that remain within the corridor of 10% of the higher of the following amounts: the amount of the IAS 19 obligation and the fair value of the plan assets. The unrecognized actuarial losses cumulated at 31 December 2012 related to the post-employment benefits amounted to 14 million EUR (at 31 December 2011, 7.2 million EUR).

Impact of transition to IAS19R:

Impact on interim condensed consolidated statement of financial position:

	Three months ended 31 March		
	2013 Unaudited	**2012 Restated**	**2012 Unaudited**
	IN MILLION EUR		
Increase in the defined benefit plan obligation (non-current)	0.2	(7.2)	—
Increase in deferred tax assets (non-current)	(0.1)	2.4	—
Net impact on equity	0.1	(4.8)	—
Equity holders of the parent	0.1	(4.8)	—
Non-controlling interest	—	—	—

Impact on interim condensed consolidated income statement:

	Three months ended 31 March		
	2013 Unaudited	**2012 Restated**	**2012 Unaudited**
	IN MILLION EUR		
Increase in actuarial movements in OCI	0.2	7.2	—
Increase in tax effect on actuarial movements in OCI	(0.1)	(2.4)	—
Net increase in OCI, net of tax	0.1	4.8	—
Net increase in total comprehensive income	0.1	4.8	—
Attributable to equity holders of parent	0.1	4.8	—
Non-controlling interest	—	—	—

6.11 Contingent liabilities and contingent assets

At March 31st 2013, the Company is not aware of any contingent assets and liabilities.

6.12 Events after the reporting period

On 7 March 2013, the 5th Management Contract between the Belgian State and the Company was notified to the European Commission and was approved by the European Commission on 2 May 2013. The 5th Management Contract sets forth the terms and conditions pursuant to which bpost must fulfill certain SGEIs for the period from 1 January 2013 to 31 December 2015. The 5th Management Contract also provides certain additional terms and conditions relating to the performance by bpost of the USO. The 5th Management Contract is expected to be approved by Royal Decree during the first half of 2013. Once approved, it will be effective as of 1 January 2013, and will replace the 4th Management Contract dated 2 December 2005.

On 25 March 2013, an extraordinary shareholders' meeting of the Company approved (i) the share capital reduction of 144.5 million EUR through return of capital to the shareholders of the Company prior to closing of the Offering and (ii) a reduction in the legal reserve in the amount of 21.3 million EUR through the transfer to available reserves to facilitate the payment of the exceptional dividend of 53.5 million EUR from available reserves and retained earnings to such shareholders following the approval from the European Commission of the 5th Management Contract. The interim financial statements reflect the consequences of this decision, with the exception of the actual disbursement. It is expected that the amount of capital decrease will be paid out to the shareholders of the Company and a special shareholders' meeting of the Company will declare the exceptional dividend of 53.5 million EUR to those shareholders on June 10, 2013.

Pursuant to Addendum III, bpost also agreed to withdraw the appeal made on 17 September 2012 related to the European Commission's decision of 25 January 2012 that found that bpost has received incompatible State aid of 416.5 million EUR and ordered recovery.

The shareholders' meeting in May 2013 will approve a stock split of 1/488 which will result in a share capital composed of 200,000,944 shares. The current number of shares amounts to 409,838 shares.

Report of the Joint Auditors to the General Meeting of shareholders of bpost SA de droit public / bpost NV van publiek recht on the consolidated financial statements for the years ended 31 December 2012, 31 December 2011 and 31 December 2010

In accordance with legal requirements, we report to you on the performance of our audit mandate of Joint Auditors. This report contains our opinion on the consolidated financial statements as well as the required additional comments and information.

As further explained in Note 6, these consolidated financial statements, as of and for the years ended 31 December 2012 have been enhanced with both the 31 December 2011 and 31 December 2010 consolidated financial statements in order to create a comprehensive set with comparative data covering three years.

Unqualified opinion on the consolidated financial statements for the years ended 31 December 2012, 31 December 2011 and 31 December 2010, with an separate emphasis of matter paragraph as of and for the years ended 31 December 2011 and 31 December 2010

We have audited the consolidated financial statements of bpost SA de droit public/bpost NV van publiek recht and its subsidiaries (collectively referred to as «the Group») for the years ended 31 December 2012, respectively 31 December 2011 and 31 December 2010, prepared in accordance with International Financial Reporting Standards («IFRS») as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2012, respectively 31 December 2011 and 31 December 2010 and the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and cash flow for the years then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows as at 31 December 2012 total assets of €2.228,1 million (2011: €2.402,9 million; 2010: €2.473,5 million) and the consolidated income statement shows a profit for the year ended 31 December 2012, attributable to the Group, of €173,3 million (2011: loss of €57,4 million; 2010: profit of €209,2 million).

Responsibility of the Board of Directors for the preparation and fair presentation of the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Joint Auditors

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the auditing standards applicable in Belgium, as issued by the Institute of Company Auditors ("Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren"), International Standards on Auditing and applicable legal requirements. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Group and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from the Board of Directors and the Group's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2012, respectively 31 December 2011 and 31 December 2010 give a true and fair view of the Group's financial position as at

31 December 2012, 31 December 2011 and 31 December 2010 and of the results of its operations and its cash flows in accordance with IFRS as adopted for use by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Without qualifying our opinion for the year ended 31 December 2011 expressed above we supplement our opinion for that year with an emphasis of matter paragraph by drawing the attention to Note 8.27 to the consolidated financial statements regarding the decision of 25 January 2012 taken by the European Commission on aid received by bpost from the Belgian State over the period 1992-2010. At the date of the issuance of the 31 December 2011 consolidated financial statements, the European Commission had not opened a formal investigation procedure for the period after 2010. Therefore bpost did not record a provision in its 2011 consolidated financial statements since the outcome of such a potential formal investigation by the European Commission was uncertain at the date of issuance of the 2011 consolidated financial statements and the amount of the obligation, if any, could not be measured sufficiently reliable at that time.

Without qualifying our opinion for the year ended 31 December 2010 expressed above we supplement our opinion for that year with an emphasis of matter paragraph by drawing the attention to Note 8.27 to the consolidated financial statements. At the date of the issuance of the 31 December 2010 consolidated financial statements, the European Commission was investigating if State Aid had been received by the Group in the past. This investigation was pending and the ultimate outcome of this matter could not be determined at that time. No provision for any liability, that could result from this investigation, was made in the consolidated financial statements.

Additional comments

The preparation and the assessment of the information that should be included in the annual report on the consolidated financial statements are the responsibility of the Board of Directors.

Our responsibility is to include in our report the following additional comments and information, which do not modify the scope of our opinion on the consolidated financial statements:

- The annual report on the consolidated financial statements deals with the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the entities included in the consolidation are facing, and on their situation, their foreseeable evolution or the significant influence of certain facts on their future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, Belgium,

17 March 2011, for the consolidated financial statement as of 31 December 2010;
5 June 2012, for the consolidated financial statement as of 31 December 2011;
27 May 2013, for the consolidated financial statement as of 31 December 2012,

The Joint Auditors

Ernst & Young Bedrijfsrevisoren BCVBA
Represented by[1]
Eric Golenvaux

Partner

PVMD Bedrijfsrevisoren BCVBA
Represented by
Lieven Delva

Partner

[1] As at and for the year ended 31 December 2010 Ernst & Young Bedrijfsrevisoren was the statutory auditor represented by Pierre Anciaux.

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1. Consolidated income statement

FOR THE YEAR ENDED 31 DECEMBER	NOTES	2012	2011	2010
			IN MILLION EUR	
Turnover	6.8	2,396.0	2,342.3	2,279.0
Other operating income	6.9	19.8	22.3	38.7
Total operating income		**2,415.7**	**2,364.6**	**2,317.8**
Materials cost		(34.6)	(32.0)	(27.3)
Services and other goods		(602.8)	(570.4)	(545.1)
Payroll costs	6.11	(1,238.5)	(1,288.1)	(1,314.5)
Other operating expenses	6.10	(118.9)	(313.5)	6.6
Depreciation, amortization		(98.0)	(91.3)	(115.0)
Total operating expenses		**(2,092.8)**	**(2,295.3)**	**(1,995.4)**
Profit from operating activities (EBIT)		**323.0**	**69.2**	**322.4**
Financial income	6.12	6.8	14.4	11.1
Financial cost	6.12	(60.6)	(19.7)	(31.7)
Share of profit of associates		3.5	2.2	13.3
Profit before tax		**272.7**	**66.0**	**315.0**
Income tax expense	6.13	(98.5)	(123.4)	(105.4)
Profit from continuing operations		**174.2**	**(57.4)**	**209.6**
Profit from discontinued operations		—	—	—
Profit for the year		**174.2**	**(57.4)**	**209.6**
Attributable to:				
Owners of the Parent		173.3	(57.4)	209.2
Non-controlling interests		0.9	0.0	0.4

	2012	2011	2010
		IN EUR	
Earnings per share			
▶ basic, profit for the year attributable to ordinary equity holders of the parent	425.78	(140.34)	510.45
▶ diluted, profit for the year attributable to ordinary equity holders of the parent	425.78	(140.34)	510.45

In May 2013, the shareholders' meeting decided to split the number of shares. The total number of shares post stock split amounts to 200,000,944 shares (before stock split 409,838 shares). Calculated with the new number of shares, earnings per share for the period 2010-2012 would have been:

	2012	2011	2010
		IN EUR	
Earnings per share			
▶ basic, profit for the year attributable to ordinary equity holders of the parent	0.87	(0.29)	1.05
▶ diluted, profit for the year attributable to ordinary equity holders of the parent	0.87	(0.29)	1.05

2. Consolidated statement of comprehensive income

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Profit for the year	**174.2**	**(57.4)**	**209.6**
Fair value for financial assets available for sale by associates	263.8	(49.4)	(57.1)
(Loss) gain on available for sale financial assets	399.6	(74.8)	(86.6)
Income tax effect	(135.8)	25.4	29.4
Non-controlling interests	0.0	0.0	0.1
Other comprehensive income for the year, net of tax	**263.8**	**(49.4)**	**(57.0)**
Total comprehensive income for the year, net of tax	**438.0**	**(106.9)**	**152.6**
Attributable to:			
Owners of the Parent	437.1	(106.9)	152.1
Non-controlling interest	0.9	0.0	0.5

3. Consolidated statement of financial position

AS AT 31 DECEMBER	NOTES	2012	2011	2010
		IN MILLION EUR		
Assets				
Non-current assets				
Property, plant and equipment	6.15	588.5	608.8	622.8
Intangible assets	6.18	95.5	70.0	69.3
Investment securities	6.20	0.0	0.0	0.0
Investments in associates	6.21	351.6	84.3	131.2
Investment properties	6.16	15.2	18.2	19.5
Deferred tax assets	6.13	61.0	72.4	81.9
Trade and other receivables	6.22	0.9	0.8	0.9
		1,112.8	**854.5**	**925.7**
Current assets				
Assets held for sale	6.17	0.3	0.5	1.6
Investment securities	6.20	22.0	515.6	31.3
Inventories	6.23	7.0	8.2	7.7
Income tax receivable	6.13	0.1	0.4	0.4
Trade and other receivables	6.22	394.6	397.0	391.3
Cash and cash equivalents	6.24	691.2	626.7	1,115.5
		1,115.3	**1,548.4**	**1,547.8**
Total assets		**2,228.1**	**2,402.9**	**2,473.5**
Equity and liabilities				
Equity attributable to equity holders of the Parent				
Issued capital		508.5	783.8	783.8
Treasury shares		0.0	(14.0)	—
Reserves		225.5	64.0	120.3
Retained earnings		3.7	(57.4)	209.1
		737.7	**776.4**	**1,113.2**
Non-controlling interests		(0.0)	0.9	1.1
Total equity	4	**737.7**	**777.3**	**1,114.3**
Non-current liabilities				
Interest-bearing loans and borrowings	6.25	82.7	92.2	101.6
Employee benefits	6.26	364.1	379.8	378.8
Trade and other payables	6.28	83.1	13.0	14.3
Provisions	6.29	42.0	79.6	83.4
Deferred tax liabilities	6.13	1.3	0.4	0.5
		573.1	**565.0**	**578.6**
Current liabilities				
Interest-bearing loans and borrowings	6.25	11.2	9.7	0.8
Bank overdrafts		0.3	0.2	0.1
Provisions	6.29	140.5	334.5	37.5
Income tax payable	6.13	4.6	29.6	29.4
Trade and other payables	6.28	760.7	686.5	712.7
		917.3	**1,060.5**	**780.6**
Total liabilities		**1,490.4**	**1,625.5**	**1,359.2**
Total Equity and liabilities		**2,228.1**	**2,402.9**	**2,473.5**

4. Consolidated statement of changes in equity

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT AUTHORIZED & ISSUED CAPITAL	TREASURY SHARES	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
			IN MILLION EUR				
As per 1 January 2010	**783.8**	**—**	**57.3**	**290.9**	**1,131.8**	**0.7**	**1,132.5**
Profit for the year 2010	—	—		209.2	209.2	0.4	209.6
Other comprehensive income	—	—	233.8	(290.9)	(57.1)	0.1	(57.0)
Total comprehensive income	**—**	**—**	**233.8**	**(81.7)**	**152.1**	**0.5**	**152.6**
Dividends (Pay-out)	—	—	(170.8)		(170.8)	(0.1)	(170.9)
As per 31 December 2010	**783.8**	**—**	**120.3**	**209.1**	**1,113.2**	**1.1**	**1,114.3**
Profit for the year 2011				(57.4)	(57.4)		(57.4)
Other comprehensive income			159.6	(209.1)	(49.4)		(49.4)
Total comprehensive income			**159.6**	**(266.5)**	**(106.9)**	**0.0**	**(106.9)**
Dividends (Pay-out)			(215.9)		(215.9)	(0.3)	(216.2)
Treasury shares		(14.0)		0.0	(14.0)		(14.0)
As per 31 December 2011	**783.8**	**(14.0)**	**64.0**	**(57.4)**	**776.4**	**0.8**	**777.3**
Profit for the year 2012				173.3	173.3	0.9	174.2
Other comprehensive income			206.4	57.4	263.8		263.8
Total comprehensive income	**0.0**	**0.0**	**206.4**	**230.7**	**437.1**	**0.9**	**438.0**
Capital Decrease	(275.3)		55.3		(220.0)		(220.0)
Exceptional dividend			(28.0)		(28.0)		(28.0)
Dividends (Pay-out)				(170.0)	(170.0)	(0.4)	(170.4)
Treasury shares		14.0			14.0		14.0
Other			(72.3)	0.4	(72.0)	(1.3)	(73.2)
As per 31 December 2012	**508.5**	**0.0**	**225.5**	**3.7**	**737.7**	**0.0**	**737.7**

As of December 31, 2012 and for the year then ended:

Other reserves per 31 December 2012 (225.5 million EUR) are composed of group reserves amounting to 123.0 million EUR, legal reserves of 72.2 million EUR and 30.3 million EUR of tax free reserves.

The amount under "Other comprehensive income" relates mainly to the unrealized gains and losses on the bond portfolio of bpost bank. See also section 6.21 for more details.

PIE exercised its call option on the treasury shares in 2012. The 14.0 million EUR in treasury shares, held by Alteris NV-SA, acquired as part of the 2011 Employee Stock Option Plan exercise window ("ESOP"), were therefore sold.

The main elements in "Other" are deductions from equity for MSI and Landmark, the two US subsidiaries. The re-evaluations of the financial liabilities for MSI resulted in a deduction of 9.3 million EUR. As the fair value of Landmark, taking into account the put option, exceeds the amount of the non-controlling interest, the difference was recorded, as determined in note 6.4 — significant accounting judgements/goodwill and negative acquisition differences, as a deduction from equity (63.4 million EUR). The fair value of the put option, as well as the contingent consideration, is booked as debt.

	TOTAL NUMBER OF SHARES	SHARE CLASS A NUMBER OF SHARES	SHARE CLASS B NUMBER OF SHARES	SHARE CLASS C NUMBER OF SHARES
As per 1 January 2011	**409,838.0**	**204,920.0**	**204,461.0**	**457.0**
Changes during the year	—	—	(2,240.0)	2,240.0
As per 31 December 2011	**409,838.0**	**204,920.0**	**202,221.0**	**2,697.0**
Changes during the year			2,695.0	(2,695.0)
As per 31 December 2012	**409,838.0**	**204,920.0**	**204,916.0**	**2.0**

The shares have no nominal value and are fully paid up.

At 31 December 2011, Alteris NV-SA held 2,589 shares of bpost considered as Treasury Shares in the bpost equity. In 2012, PIE exercised its call option and repurchased these 2,589 shares of bpost which resulted in a transfer from class C to class B.

As at 31 December 2012, Management owns 2 shares acquired through the exercise of options received under the Employee Stock Option Plan ("ESOP"). During 2012, 106 shares have been sold to PIE and thus transferred from class C to class B.

As of December 31, 2011 and for the year then ended:

Other reserves per 31 December 2011 (64.0 million EUR) are composed of 100.2 million EUR of legal reserves, 28.8 million EUR of tax free reserves, 23 million EUR of earnings of prior years and -88.0 million EUR of consolidation reserves.

The amount under "Other comprehensive income" relates mainly to the unrealized gains and losses on the bond portfolio of BPO. See also section 6.21 for more details.

The 14.0 million EUR in treasury shares are held by Alteris NV-SA, and have acquired as part of the 2011 Employee Stock Option Plan exercise window ("ESOP").

	TOTAL	SHARE CLASS A		SHARE CLASS B		SHARE CLASS C	
	NUMBER OF SHARES	NUMBER OF SHARES	MILLION EURO	NUMBER OF SHARES	MILLION EURO	NUMBER OF SHARES	MILLION EURO
As per 1 January 2010	**409,838.0**	**204,920.0**	**483.8**	**204,461.0**	**299.3**	**457.0**	**0.7**
Changes during the year	—	—	—	—	—	—	—
As per 31 December 2010	**409,838.0**	**204,920.0**	**483.8**	**204,461.0**	**299.3**	**457.0**	**0.7**
Changes during the year	—	—	—	(2,240.0)	(3.2)	2,240.0	3.2
As per 31 December 2011	**409,838.0**	**204,920.0**	**483.8**	**202,221.0**	**296.1**	**2,697.0**	**3.9**

The shares have no nominal value and are fully paid up.

The class C shares are composed as follows:

- As at 31 December 2011, Management owns 108 shares acquired through the exercise of options received under the Employee Stock Option Plan ("ESOP").
- As a consequence of the "ESOP" exercise window opened in 2011, Alteris NV-SA holds 2,589 shares of bpost considered as Treasury Shares in the bpost equity.

The class C shares are entitled to the same dividend rights as the A and B class shares and carry full voting rights.

As of December 31, 2010 and for the year then ended:

Other reserves per 31 December 2010 (120.3 million EUR) are composed of 100.2 million EUR of the legal reserve, 28.8 million EUR of tax free reserve, 20.8 million EUR of Earnings of prior years and -29.6 million EUR of the consolidation reserve.

The amount under "Other comprehensive income" concerns mainly the unrealized gains and losses on the bond portfolio of BPO. See also section 6.21 for more details.

	TOTAL	SHARE CLASS A		SHARE CLASS B		SHARE CLASS C	
	NUMBER OF SHARES	NUMBER OF SHARES	MILLION EUR	NUMBER OF SHARES	MILLION EUR	NUMBER OF SHARES	MILLION EUR
As per 1 January 2009	**409,838.0**	**204,920.0**	**483.8**	**204,643.0**	**299.6**	**275.0**	**0.4**
Changes during the year	—	—	—	(182.0)	(0.3)	182.0	0.3
As per 31 December 2009	**409,838.0**	**204,920.0**	**483.8**	**204,461.0**	**299.3**	**457.0**	**0.7**
Changes during the year	—	—	—	—	—	—	—
As per 31 December 2010	**409,838.0**	**204,920.0**	**483.8**	**204,461.0**	**299.3**	**457.0**	**0.7**

The shares have no nominal value and are fully paid up.

5. Consolidated statement of cash flows

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Operating activities			
Profit from operating activities (EBIT)	323.0	69.2	322.4
Depreciation and amortization	98.0	91.3	115.0
Impairment on bad debts	0.4	0.6	(2.2)
Gain on sale of property, plant and equipment	(8.5)	(8.8)	(21.8)
Change in employee benefit obligations	(68.9)	(10.9)	(19.1)
Interest received	6.8	14.4	11.1
Interests paid	(7.5)	(7.8)	(4.9)
Dividends received	0.0	—	—
Income tax paid	(114.6)	(102.3)	(110.3)
Cash flow from operating activities before changes in working capital and provisions	**228.7**	**45.7**	**290.1**
Decrease/(increase) in trade and other receivables	10.4	10.1	(20.0)
Decrease/(increase) in inventories	1.6	0.3	0.8
Increase/(decrease) in trade and other payables	62.3	(52.9)	(78.9)
Deposits received from third parties	(0.1)	0.0	(28.0)
Repayment of SGEI overcompensation	(300.8)	0.0	0.0
Increase/(decrease) in provision related to the SGEI overcompensation	124.9	299.0	0.0
Increase/(decrease) in other provisions	(55.7)	(5.8)	(9.5)
Net Cash from operating activities	**71.3**	**296.3**	**154.6**
Investing activities			
Proceeds from sale of property, plant and equipment	10.9	12.0	26.5
Acquisition of property, plant and equipment	(56.9)	(66.8)	(57.1)
Acquisition of intangible assets	(27.2)	(11.4)	(11.2)
Acquisition of other investments	(0.2)	0.1	—
Acquisition of subsidiaries, net of cash acquired	(14.8)	(4.0)	(0.4)
Net cash used in investing activities	**(88.1)**	**(70.1)**	**(42.2)**
Financing activities			
Treasury shares	14.0	(14.0)	—
Payment of borrowings and financing lease liabilities	(8.0)	(0.5)	(0.3)
Dividends paid to equity holders of the Parent		(216.2)	(170.9)
Capital decrease	(220.0)		
Exceptional dividend	(28.0)		
Interim dividend paid to shareholders	(170.4)		
Net Cash from financing activities	**(412.5)**	**(230.7)**	**(171.2)**
Net increase in cash and cash equivalents	**(429.3)**	**(4.6)**	**(58.9)**
Cash and cash equivalent less bank overdraft as of 1st January	626.5	1,115.4	1,080.3
Investment securities as of 1st January	515.6	31.3	125.3
Cash and cash equivalents and Investment securities[1] as of 1st January	**1,142.1**	**1,146.7**	**1,205.5**
Cash and cash equivalent less bank overdraft as of 31st December	690.9	626.5	1,115.5
Investment securities as of 31st December	22.0	515.6	31.3
Cash and cash equivalents and Investment securities as of 31st December	**712.8**	**1,142.1**	**1,146.8**
Movements between 1st January and 31st December	**(429.3)**	**(4.6)**	**(58.9)**

[1] Investment securities meet the definition of cash & cash equivalents as per IAS 7.

6. Notes to the consolidated financial statements

These consolidated financial statements, as of and for the years ended December 31, 2012 have been enhanced with both the December 31, 2011 and 2010 financial statements in order to create a comprehensive set with comparative data covering three years as required under the prospectus directive. The existing historical consolidated financial statements as approved by the Board of Directors on May 27, 2013, June 5, 2012 and March 17, 2011 for the each of the respective years and inserted into this full set have not been amended or otherwise updated other than combining these in this comprehensive set, except for the omission of the note 6.29.D on Relations with the Directors and Management previously included in the consolidated financial statements of December 31, 2010 for which the required information under the prospectus directive is now included in the section "Management and Corporate Governance" of the prospectus.

6.1 General information

Business activities

bpost and its subsidiaries (hereinafter referred to as 'bpost') provide national and international mail services comprising the collection, transport, sorting and distribution of mail, printed documents, newspapers as well as addressed and non-addressed documents.

bpost, through its subsidiaries and business units, also sells a range of other products and services, including postal, banking and financial products, express delivery services, document management and related activities. bpost also carries out public-interest activities on behalf of the Belgian State.

Legal status

bpost is a limited-liability company under public law. bpost has its registered office at the Muntcentrum-Centre Monnaie, 1000 Brussels.

6.2 Change in accounting

As of December 31, 2012 and for the year then ended:

The accounting policies adopted are consistent with those of the previous financial year.

As at 31 December 2012 and for the first time, bpost applies the two following standards:

- **IAS 33** — Earnings per share
- **IFRS 8** — Operating segments

The adoption of these standards doesn't have any effect on the financial performance or position of bpost but requests to include specific disclosures in the Annual Financial Report.

The following new or revised accounting standards and interpretations entered into force in 2012, but they did not have any effect on the presentation, the financial performance or position of bpost:

- **IAS 1** — Statement of Comprehensive income
- **IAS 12** — Income Taxes – Deferred taxes: Recovery of Tax assets
- **IFRS 7** — Enhanced Derecognition Disclosure requirements

Standards and Interpretations not yet applied by bpost

The following new IFRS Standards and IFRIC Interpretations, which are yet to become mandatory, have not been applied by bpost for the preparation of its 2012 financial statements.

Standard or interpretation	Effective for in reporting periods starting on or after
IFRS 10 — Consolidated Financial Statements	1 January 2013
IFRS 11 — Joint Arrangements	1 January 2013
IFRS 12 — Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 — Fair value Measurement	1 January 2013
IAS 19 — Amendment to IAS 19	1 January 2013
IAS 27 — Amendment to IAS 27	1 January 2013
IAS 28 — Amendment to IAS 28	1 January 2013
IFRS 7 — Financial Instruments: Disclosures — Offsetting of financial assets and financial liabilities	1 January 2013
IFRIC 20 — Stripping costs in the production phase of a surface mine	1 January 2013
IAS 32 — Financial Instruments: Presentation — Offsetting of financial assets and financial liabilities	1 January 2014
Various — Annual improvements to IFRS	N/A

Standards and Interpretations applied by bpost

As at 31 December 2012, the accounting policies of bpost are in compliance with the IAS / IFRS Standards and Interpretations SIC / IFRIC listed below:

International Financial Reporting Standards (IFRS)

- **IFRS 2** — Share-based Payment
- **IFRS 3** — Business Combinations (issued in 2004) for acquisition completed before 1 January 2010
- **IFRS 3** — Business Combinations (Revised in 2008)
- **IFRS 5** — Non-current Assets Held for Sale and Discontinued Operations
- **IFRS 7** — Financial Instruments: Disclosures
- **IFRS 8** — Operating segments

International Accounting Standards (IAS)

- **IAS 1** — Presentation of Financial Statements
- **IAS 2** — Inventories
- **IAS 7** — Statement of Cash Flows
- **IAS 8** — Accounting Policies, Changes in Accounting Estimates and Errors
- **IAS 10** — Events after the Reporting Period
- **IAS 12** — Income Taxes
- **IAS 16** — Property, Plant and Equipment
- **IAS 17** — Leases
- **IAS 18** — Revenue
- **IAS 19** — Employee Benefits
- **IAS 21** — The Effects of Changes in Foreign Exchange Rates

- **IAS 23** — Borrowing costs
- **IAS 24** — Related Party Disclosures
- **IAS 27** — Consolidated and Separate Financial Statements (Revised in 2008)
- **IAS 28** — Investments in Associates
- **IAS 32** — Financial Instruments: Presentation
- **IAS 33** — Earnings per share
- **IAS 34** — Interim Financial Reporting
- **IAS 36** — Impairment of Assets
- **IAS 37** — Provisions, Contingent Liabilities and Contingent Assets
- **IAS 38** — Intangible Assets
- **IAS 39** — Financial Instruments: Recognition and Measurement
- **IAS 40** — Investment Property

Interpretations SIC / IFRIC

- **IFRIC 1** — Changes in Existing Decommissioning, Restoration and Similar Liabilities
- **IFRIC 4** — Determining whether an Arrangement contains a Lease
- **IFRIC 10** — Interim Financial Reporting and Impairment
- **SIC 12** — Consolidation — Special Purpose Entities

The other standards and interpretations currently endorsed by the EU and effective for the preparation of the 2012 financial statements are not applicable in the context of bpost.

bpost has not early adopted any other standard, interpretation, or amendment that was issued, but is not yet effective.

As of December 31, 2011 and for the year then ended:

The accounting policies adopted are consistent with those of the previous financial year.

The following new or revised accounting standards and interpretations entered into force in 2011 but they did not have any effect on the presentation, the financial performance or position of bpost because not applicable in the case of bpost:

- **IAS 24** — Related Party disclosure (revised)
- **IAS 32** — Financial Instruments: Presentation — Classification of Rights Issues
- **IFRS 1** — First-time adoption of International Financial reporting Standards (Amendment) — Severe hyperinflation and Removal of fixed dates for first-time adopters
- **IFRS 7** — Financial instruments: Disclosures — Amendment to disclosure
- **IFRIC 14-IAS 19** — Amendments: Prepayments of a Minimum Funding requirement
- **Improvements to international Financial Reporting Standards (issued 2010)**

Standards and Interpretations not yet applied by bpost

The following new IFRS Standards and IFRIC Interpretations, which are yet to become mandatory, have not been applied by bpost for the preparation of its 2011 financial statements.

Standard or interpretation	Effective for in reporting periods starting on or after
IFRS 9 — Financial Instruments — Classification and Measurement	1 January 2015
IFRS 10 — Consolidated Financial Statements	1 January 2013
IFRS 11 — Joint Arrangements	1 January 2013
IFRS 12 — Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 — Fair value Measurement	1 January 2013
IAS 1 — Statement of Comprehensive income	1 July 2012
IAS 12 — Income Taxes — Deferred Taxes: Recovery of Tax assets	1 July 2012
IAS 19 — Amendment to IAS 19	1 July 2013
Various — Annual improvements to IFRS	N/A

Standards and Interpretations applied by bpost

As at 31 December 2011, the accounting policies of bpost are in compliance with the IAS / IFRS Standards and Interpretations SIC / IFRIC listed below:

International Financial Reporting Standards (IFRS)

- **IFRS 2** — Share-based Payment
- **IFRS 3** — Business Combinations (issued in 2004) for acquisition completed before 1 January 2010
- **IFRS 3** — Business Combinations (Revised in 2008)
- **IFRS 5** — Non-current Assets Held for Sale and Discontinued Operations

International Accounting Standards (IAS)

- **IAS 1** — Presentation of Financial Statements
- **IAS 2** — Inventories
- **IAS 7** — Statement of Cash Flows
- **IAS 8** — Accounting Policies, Changes in Accounting Estimates and Errors
- **IAS 10** — Events after the Reporting Period
- **IAS 12** — Income Taxes
- **IAS 16** — Property, Plant and Equipment
- **IAS 17** — Leases
- **IAS 18** — Revenue
- **IAS 19** — Employee Benefits
- **IAS 24** — Related Party Disclosures
- **IAS 27** — Consolidated and Separate Financial Statements (Revised in 2008)
- **IAS 28** — Investments in Associates
- **IAS 32** — Financial Instruments: Presentation
- **IAS 34** — Interim Financial Reporting
- **IAS 36** — Impairment of Assets
- **IAS 37** — Provisions, Contingent Liabilities and Contingent Assets

- **IAS 38** — Intangible Assets
- **IAS 40** — Investment Property

Interpretations SIC / IFRIC

- **IFRIC 1** — Changes in Existing Decommissioning, Restoration and Similar Liabilities
- **IFRIC 4** — Determining whether an Arrangement contains a Lease
- **IFRIC 10** — Interim Financial Reporting and Impairment
- **SIC 12** — Consolidation — Special Purpose Entities

The other standards and interpretations currently endorsed by the EU and effective for the preparation of the 2011 financial statements are not applicable in the context of bpost.

bpost has not early adopted any other standard, interpretation, or amendment that was issued but is not yet effective.

As of December 31, 2010 and for the year then ended:

The accounting policies adopted are consistent with those of the previous financial year except as follows.

During the year for the first time as at 30 June 2010, bpost has decided to apply the standard **IAS 34 — Interim Financial Reporting**.

The following new or revised accounting standards and interpretations entered into force in 2010 but they did not have any effect on the presentation, the financial performance or position of bpost because not applicable in the case of bpost:

- IAS 32 — Financial Instruments: Presentation — Classification of Rights Issues
- IFRS 2 — Amendments to IFRS 2 Share-based Payments: Group Cash-settled Share-based Payment Transactions
- IFRS 1 — Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards — Additional exemptions for First-time Adopters
- IFRS 1 — Amendment to IFRS 1 — Limited exemption from comparative IFRS 7 disclosures for First-time adopters
- IAS 39 — Amendments to IAS 39 Financial instruments: Recognition and Measurement — Eligible Hedge Items
- IFRIC 15 — Agreements for the Construction of Real Estate
- IFRIC 16 — Hedges of a Net Investment in a Foreign Operation
- IFRIC 17 — Distributions of Non-cash Assets to Owners
- IFRIC 19 — Extinguishing Financial Liabilities with Equity Instruments

Standards and Interpretations not yet applied by bpost

The following new IFRS Standards and IFRIC Interpretations, which are yet to become mandatory, have not been applied by bpost for the preparation of its 2010 financial statements.

Standard or interpretation	Effective for in reporting periods starting on or after
IFRS 9 — Financial Instruments	1 January 2013
IAS 12 — Income Taxes — Recovery of Tax assets	1 January 2012
IFRS 7 — Financial Instruments: Disclosures — Amendment to disclosure	1 July 2011
IAS 24 — Related Party Disclosure (revised)	1 January 2011
IFRIC 14 — IAS 19 — Amendments: Prepayments of a Minimum Funding Requirements	1 January 2011
Various — Annual improvements to IFRS 2010 (cycle 2008-2010)	1 January 2011 unless stated otherwise

Standards and Interpretations applied by bpost

As at 31 December 2010, the accounting policies of bpost are in compliance with the IAS / IFRS Standards and Interpretations SIC / IFRIC listed below:

International Financial Reporting Standards (IFRS)

- **IFRS 2** — Share-based Payment
- **IFRS 3** — Business Combinations (issued in 2004) for acquisition completed before 1 January 2010
- **IFRS 3** — Business Combinations (Revised in 2008)
- **IFRS 5** — Non-current Assets Held for Sale and Discontinued Operations

International Accounting Standards (IAS)

- **IAS 1** — Presentation of Financial Statements
- **IAS 2** — Inventories
- **IAS 7** — Statement of Cash Flows
- **IAS 8** — Accounting Policies, Changes in Accounting Estimates and Errors
- **IAS 10** — Events after the Reporting Period
- **IAS 12** — Income Taxes
- **IAS 16** — Property, Plant and Equipment
- **IAS 17** — Leases
- **IAS 18** — Revenue
- **IAS 19** — Employee Benefits
- **IAS 24** — Related Party Disclosures
- **IAS 27** — Consolidated and Separate Financial Statements (Revised in 2008)
- **IAS 28** — Investments in Associates
- **IAS 32** — Financial Instruments: Presentation
- **IAS 34** — Interim Financial Reporting
- **IAS 36** — Impairment of Assets
- **IAS 37** — Provisions, Contingent Liabilities and Contingent Assets
- **IAS 38** — Intangible Assets
- **IAS 40** — Investment Property

Interpretations SIC / IFRIC

- **IFRIC 1** — Changes in Existing Decommissioning, Restoration and Similar Liabilities
- **IFRIC 4** — Determining whether an Arrangement contains a Lease
- **IFRIC 10** — Interim Financial Reporting and Impairment
- **SIC 12** — Consolidation — Special Purpose Entities

The other standards and interpretations currently endorsed by the EU and effective for the preparation of the 2010 financial statements are not applicable in the context of bpost.

6.3 Significant accounting judgments and estimates

A series of significant accounting judgments underlie the preparation of IFRS compliant consolidated financial statements. These impact the value of assets and liabilities. Estimates and assumptions are made concerning the

future. These are re-assessed on a continuous basis and are based on historically established patterns and expectations with regards to future events that appear reasonable under the existing circumstances.

As of December 31, 2012 and for the year then ended:

- **Employee Benefits — IAS 19**

The key assumptions, inherent to the valuation of employee benefit liabilities and the determination of the pension cost, include employee turnover, mortality rates and retirement ages, discount rates, expected long term returns on plan assets, benefit increases and future wage increases, which are updated on an annual basis. Given the increase of the reference database with each year of historical data that is added, the data become ever more stable and reliable. Actual circumstances may vary from these assumptions, giving rise to different employee benefit liabilities, which would be reflected as an additional profit or cost in the income statement.

Regarding the Accumulated Compensated Absences benefit, as at 31 December 2012, the consumption pattern of the illness days was derived from the statistics of the consumption average over the years 2007 to 2011. The number of days of illness depends on the age, identified per segment of the statutory population. Since 2010, the rate of guaranteed salary has been set at 75% in case of long-term illness. Thus, the percentage of the guaranteed salary used for determining the cost of days accumulated in the notional account is fixed to 25%.

Under the Collective Labor Agreement for the years 2012-2013 signed in March 2012, the balance of the cumulated un-used sickness days for civil servants is now limited to a maximum of 63 days instead of 300 days previously.

For most benefits, an average cost per inactive member is used for the valuation of the benefits. This average cost has been estimated by dividing the annual cost for inactive members by the number of inactive beneficiaries based on the reference data received from the pensions' administration.

The discount rates have been determined by reference to market yields at the statement of financial position date. Since 2010, bpost used the Towers Watson tool for the determination of the discount rates, considering a mix of financial and non financial AA corporate bonds.

As of December 31, 2011 and for the year then ended:

- **Employee Stock Option Plan (ESOP)**

In accordance with IFRS 2, the ESOP impact is measured using the Binomial Option Pricing Model and the price thus calculated is recognized in the income statement under personnel costs and spread over the term of the options. The various input parameters are summarized hereafter:

  - Volatility of share price: 39.59%
  - Dividend yield: 9.71%
  - Expected life: NA

- **Employee Benefits — IAS 19**

The key assumptions, inherent to the valuation of employee benefit liabilities and the determination of the pension cost, include employee turnover, mortality rates and retirement ages, discount rates, benefit increases and future wage increases, which are updated on an annual basis. Given the increase of the reference database with each year of historical data that is added, the data become ever more stable and reliable. Actual circumstances may vary from these assumptions, giving rise to different employee benefit liabilities, which would be reflected as an additional profit or cost in the income statement.

Regarding the Accumulated Compensated Absences benefit, the consumption pattern of the illness days was derived from the statistics over the twelve months of 2011. The number of days of illness depends on the age, identified per segment of the statutory population. Since 2010, the rate of guaranteed salary has been set at 75% in case of long-term illness. Thus, the percentage of the guaranteed salary used for determining the cost of days accumulated in the notional account is 25% (in 2011 and 2010) (2009: 29%).

For most benefits, an average cost per inactive member is used for the valuation of the benefits. This average cost has been estimated by dividing the annual cost for inactive members by the number of inactive beneficiaries based on the reference data received from the pensions' administration.

The discount rates have been determined by reference to market yields at the statement of financial position date. bpost used the Towers Watson tool for the determination of the discount rates, which is based on a mix of financial and non financial AA corporate bonds.

As of December 31, 2010 and for the year then ended:

- **Employee Stock Option Plan (ESOP)**

In accordance with IFRS 2, the ESOP impact is measured using the Binomial Option Pricing Model and the price thus calculated is recognized in the income statement under personnel costs and spread over the term of the options. The various input parameters are summarized hereafter:

  - Volatility of share price: 40.46%
  - Dividend yield: 9.69%
  - Expected life: NA

- **Employee Benefits — IAS 19**

The key assumptions, inherent to the valuation of employee benefit liabilities and the determination of the pension cost, include employee turnover, mortality rates and retirement ages, discount rates, expected long term returns on plan assets, benefit increases and future wage increases, which are updated on an annual basis. Given the increase of the reference database with each year of historical data that is added, the data become ever more stable and reliable. Actual circumstances may vary from these assumptions, giving rise to different employee benefit liabilities, which would be reflected as an additional profit or cost in the income statement.

Regarding the Accumulated Compensated Absences benefit, the consumption pattern of the illness days was derived from the statistics over the first eleven months of 2010 projected on 12 months. The number of days of illness depends on the age, identified per segment of the statutory population. Since 2010, the rate of guaranteed salary has been set at 75% in case of long-term illness. Until 2010, the guaranteed salary varied depending on a number of factors. As a result of the change, the percentage of the guaranteed salary used for determining the cost of days accumulated in the notional account is 25% in 2010 instead of 29% last year.

For most benefits, an average cost per inactive member is used for the valuation of the benefits. This average cost has been estimated by dividing the annual cost for inactive members by the number of inactive beneficiaries based on the reference data received from the pensions' administration.

The discount rates have been determined by reference to market yields at the statement of financial position date. This year, bpost used the Towers Watson tool for the determination of the discount rates, which is based on the usual approach, i.e. considering a mix of financial and non financial AA corporate bonds.

6.4 Summary of significant accounting policies

As of December 31, 2012 and for the year then ended:

The consolidated financial statements still need to be approved by the Board of Directors on 27 May 2013 and have been prepared using the measurement basis specified by the International Financial Reporting Standards (IFRS). The measurement bases are more fully described in the accounting policies below.

The consolidated financial statements are presented in Euros (EUR) and all values are rounded to the nearest million except when otherwise indicated.

All accounting estimates and assumptions that are used in preparing the financial statements are consistent with bpost's latest approved budget / long-term plan projections, where applicable. Judgments are based on the information available on each statement of financial position date. Although these estimates are based on the best information available to the management, actual results may ultimately differ from those estimates.

As of December 31, 2011 and for the year then ended:

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in Euros (EUR) and all values are rounded to the nearest million except when otherwise indicated.

The consolidated financial statements have been approved by the Board of Directors on 5 June 2012 and have been prepared using the measurement basis specified by the International Financial Reporting Standards (IFRS). The measurement bases are more fully described in the accounting policies below.

All accounting estimates and assumptions that are used in preparing the financial statements are consistent with bpost's latest approved budget / long-term plan projections, where applicable. Judgments are based on the information available on each statement of financial position date. Although these estimates are based on the best information available to the management, actual results may ultimately differ from those estimates.

As of December 31, 2010 and for the year then ended:

The consolidated financial statements have been prepared on a historical cost basis, except for investment securities that are measured at fair value. The consolidated financial statements are presented in euro (EUR) and all values are rounded to the nearest million except when otherwise indicated.

The consolidated financial statements have been approved by the Board of Directors on 17 March 2011 and have been prepared using the measurement basis specified by the International Financial Reporting Standards (IFRS). The measurement bases are more fully described in the accounting policies below.

All accounting estimates and assumptions that are used in preparing the financial statements are consistent with bpost's latest approved budget / long-term plan projection, where applicable. Judgments are based on the information available on each statement of financial position date. Although these estimates are based on the best information available to the management, actual results may ultimately differ from those estimates.

Consolidation

The parent company and all the subsidiaries it controls are included in the consolidation. No exception is permitted.

Subsidiaries

As of December 31, 2012 and for the year then ended:

Assets and liabilities, rights and commitments, income and charges of the parent and the subsidiaries fully controlled are consolidated in full. Control is the power to govern the financial and operating policies of an entity in order to obtain benefits from its activities. Control is assumed to exist when bpost holds at least 50%, plus one share of the entity's voting power; these assumptions may be rebutted if there is clear evidence to the contrary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether bpost controls an entity.

Consolidation of a subsidiary takes place from the date of acquisition, which is the date on which control of the net assets and operations of the acquiree is effectively transferred to the acquirer. From the date of acquisition, the parent (the acquirer) incorporates into the consolidated income statement the financial performance of the acquiree and recognizes in the consolidated statement of financial position the acquired assets and liabilities (at fair value), including any goodwill arising on the acquisition. Subsidiaries are de-consolidated from the date on which control ceases. Intragroup balances and transactions, as well as unrealized gains and losses on transactions between group companies are eliminated in full.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

As of December 31, 2011 and for the year then ended:

Assets and liabilities, rights and commitments, income and charges of the parent and the subsidiaries fully controlled are consolidated in full. Control is the power to govern the financial and operating policies of an entity

so as to obtain benefits from its activities. It is assumed to exist when bpost holds at least 50%, plus one share of the entity's voting power; these assumptions may be rebutted if there is clear evidence to the contrary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether bpost controls an entity.

Consolidation of a subsidiary takes place from the date of acquisition, which is the date on which control of the net assets and operations of the acquiree is effectively transferred to the acquirer. From the date of acquisition, the parent (the acquirer) incorporates into the consolidated income statement the financial performance of the acquiree and recognizes in the consolidated statement of financial position the acquired assets and liabilities (at fair value), including any goodwill arising on the acquisition. Subsidiaries are de-consolidated from the date on which control ceases. Intragroup balances and transactions, as well as unrealized gains and losses on transactions between group companies are eliminated in full.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

As of December 31, 2010 and for the year then ended:

Assets and liabilities, rights and commitments, income and charges of the parent and its subsidiaries that it controls exclusively are consolidated in full. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. It is presumed to exist when bpost holds at least 50%, plus one share of the entity's voting power; these presumptions may be rebutted if there is clear evidence to the contrary. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether bpost controls an entity.

Consolidation of a subsidiary takes place from the date of acquisition, which is the date on which control of the net assets and operations of the acquiree is effectively transferred to the acquirer. From the date of acquisition, the parent (the acquirer) incorporates into the consolidated income statement the financial performance of the acquiree and recognizes in the consolidated statement of financial position the acquired assets and liabilities (at fair value), including any goodwill arising on the acquisition. Subsidiaries are de-consolidated from the date on which control ceases. Intragroup balances and transactions, as well as unrealized gains and losses on transactions between group companies are eliminated in full.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Associates

As of December 31, 2012 and for the year then ended:

An associate is an entity in which bpost has significant influence, but which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not to control those policies. It is assumed to exist when bpost holds at least 20% of the investee's voting power but not to exist when less than 20% is held; these assumptions may be rebutted if there is clear evidence to the contrary.

Consistent accounting policies are applied throughout the whole group, including associates.

All associates are accounted for using the equity method: the participating interests are separately included in the consolidated statement of financial position (under the caption "Investments in associates") at the closing date at an amount corresponding to the proportion of the associate's equity (as restated under IFRS), including the result for the period. Dividends received from an investee reduce the carrying amount of the investment.

The portion of the result of associates attributable to bpost is included separately in the consolidated income statement under the caption "Share of result of associates (equity method)".

Unrealized profits and losses resulting from transactions between an investor (or its consolidated subsidiaries) and associates are eliminated to the extent of the investor's interest in the associate.

bpost bank is an associate and is accounted for using the equity method as bpost has significant influence but does not control the Management of the company.

The bond portfolio of bpost bank is classified as “Available-for-sale financial assets”. They include:

- Fixed income securities (bonds, negotiable debt instruments, sovereign loans in the form of securities, etc.);
- Variable income securities (shares, investments, etc.);
- Fixed and/or variable income securities containing embedded derivatives (which are accounted for separately if necessary).

Securities classified in “Available-for-sale financial assets” are measured at fair value and changes in fair value are recorded in other comprehensive income under a specific heading “Unrealized or deferred gains or losses.”

For fixed income securities, interest is recognized in the income statement using the effective interest rate method. For variable income securities, revenues are recorded in profit or loss as soon as the shareholders general meeting confirms the distribution of a dividend.

As of December 31, 2011 and for the year then ended:

An associate is an entity in which bpost has significant influence, but which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not to control those policies. It is presumed to exist when bpost holds at least 20% of the investee’s voting power but not to exist when less than 20% is held; these presumptions may be rebutted if there is clear evidence to the contrary.

All associates are accounted for using the equity method: the participating interests are separately included in the consolidated statement of financial position (under the caption “Investments in associates”) at the closing date at an amount corresponding to the proportion of the associate’s equity (as restated under IFRS), including the result for the period. Dividends received from an investee reduce the carrying amount of the investment.

The portion of the result of associates attributable to bpost is included separately in the consolidated income statement under the caption “Share of result of associates (equity method)”.

Unrealized profits and losses resulting from transactions between an investor (or its consolidated subsidiaries) and associates are eliminated to the extent of the investor’s interest in the associate.

As of December 31, 2010 and for the year then ended:

An associate is an entity in which bpost has significant influence, but which is neither a subsidiary nor a joint venture (see below) of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not to control those policies. It is presumed to exist when bpost holds at least 20% of the investee’s voting power but not to exist when less than 20% is held; these presumptions may be rebutted if there is clear evidence to the contrary.

All associates are accounted for using the equity method: the participating interests are separately included in the consolidated statement of financial position (under the caption “Investments in associates”) at the closing date at an amount corresponding to the proportion of the associate’s equity (as restated under IFRS), including the result for the period. Dividends received from an investee reduce the carrying amount of the investment.

The portion of the result of associates attributable to bpost is included separately in the consolidated income statement under the caption “Share of result of associates (equity method).”

Unrealized profits and losses resulting from transactions between an investor (or its consolidated subsidiaries) and associates are eliminated to the extent of the investor’s interest in the associate.

Goodwill and negative acquisition differences

As of December 31, 2012 and for the year then ended:

Where an entity is acquired, the difference recorded on the date of acquisition between the acquisition cost of the investment and the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill (if the difference is positive) or directly as a profit in the income statement (if the difference is negative).

Contingent consideration, if any, is measured at fair value at the time of the business combination and included in the consideration transferred (i.e. recognized within goodwill). If the amount of contingent consideration changes as a result of a post-acquisition event (such as meeting an earnings target), the change in fair value is recognized in profit or loss.

Goodwill is not amortized, but is tested for impairment annually.

As of December 31, 2011 and for the year then ended:

Where an entity is acquired, the difference recorded on the date of acquisition between the acquisition cost of the investment and the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill (if the difference is positive) or directly as a profit in the income statement (if the difference is negative).

Goodwill is not amortized, but is tested for impairment annually.

As of December 31, 2010 and for the year then ended:

Where an entity is acquired, the difference recorded on the date of acquisition between the acquisition cost of the investment and the fair value of the identifiable assets, liabilities and contingent liabilities acquired is accounted for as goodwill (if the difference is positive) or directly as a profit in the income statement (if the difference is negative).

Goodwill is not amortized, but is tested for impairment annually.

Intangible assets

As of December 31, 2012 and for the year then ended:

An intangible asset is recognized on the consolidated statement of financial position sheet when the following conditions are met:

(1) the asset is identifiable, i.e. either separable (if it can be sold, transferred, licensed) or it results from contractual or legal rights;

(2) it is probable that the expected future economic benefits that are attributable to the asset will flow to bpost;

(3) bpost can control the resource; and

(4) the cost of the asset can be measured reliably.

Intangible fixed assets are carried at acquisition cost (including the costs directly attributable to the transaction, but not indirect overheads) less any accumulated amortization and less any accumulated impairment loss. The expenses in relation to the research phase are charged to the income statement. The expenses in relation to the development phase are capitalized. Within bpost, internally generated intangible assets represent mainly IT projects.

Intangible assets are amortized on a systematic basis over their useful life, using the straight-line method. The applicable useful lives are:

Intangible assets	Useful life
IT development costs	5 years maximum
Licenses for minor software	3 years
Concessions, patents, customers, know- how, trade marks and other similar rights	To be determined on a case by case basis
Goodwill	N/A, but annual impairment test

As of December 31, 2011 and for the year then ended:

An intangible asset is recognized on the consolidated statement of financial position sheet when the following conditions are met: (1) the asset is identifiable, i.e. either separable (if it can be sold, transferred, licensed) or it results from contractual or legal rights; (2) it is probable that the expected future economic benefits that are attributable to the asset will flow to bpost; (3) bpost can control the resource; and (4) the cost of the asset can be measured reliably.

Intangible fixed assets are carried at acquisition cost (including the costs directly attributable to the transaction, but not indirect overheads) less any accumulated amortization and less any accumulated impairment loss. The expenses in relation to the research phase are charged to the income statement. The expenses in relation to the development phase are capitalized. Within bpost, internally generated intangible assets represent mainly IT projects.

Intangible assets are amortized on a systematic basis over their useful life, using the straight-line method. The applicable useful lives are:

Intangible assets	Useful life
IT development costs	5 years maximum
Licenses for minor software	3 years
Concessions, patents, customers, know- how, trade marks and other similar rights	To be determined on a case by case basis
Goodwill	N/A, but annual impairment test

As of December 31, 2010 and for the year then ended:

An intangible asset is recognized on the consolidated statement of financial position sheet where the following conditions are met: (1) the asset is identifiable, i.e. either separable (if it can be sold, transferred, licensed) or it results from contractual or legal rights; (2) it is probable that the expected future economic benefits that are attributable to the asset will flow to bpost; (3) bpost can control the resource; and (4) the cost of the asset can be measured reliably.

Intangible fixed assets are carried at acquisition cost (including the costs directly attributable to the transaction, but not indirect overheads) less any accumulated amortization and less any accumulated impairment loss. The expenses in relation to the research phase are charged to the income statement. The expenses in relation to the development phase are capitalized. Within bpost, internally generated intangible assets represent mainly IT projects.

Intangible assets are amortized on a systematic basis over their useful life, using the straight-line method. The applicable useful lives are:

Intangible assets	Useful life
IT development costs	5 years maximum
Licenses for minor software	3 years
Concessions, patents, customers, know- how, trade marks and other similar rights	To be determined on a case by case basis
Goodwill	N/A, but annual impairment test

Property, plant and equipment

Property, plant and equipment are carried at acquisition cost, less any accumulated depreciation and less any accumulated impairment loss. Cost includes any directly attributable cost of bringing the asset to working condition for its intended use. No borrowing cost is included in the cost of property, plant and equipment.

Expenditure on repair and maintenance which serve only to maintain, but not increase, the value of fixed assets are charged to the income statement. However, expenditures on major repair and major maintenance, which increases the future economic benefits that will be generated by the fixed asset, are identified as a separate element of the acquisition cost.

The depreciable amount is allocated on a systematic basis over the useful life of the asset, using the straight-line method. The depreciable amount is the acquisition cost, except for vehicles. For vehicles, it is the acquisition cost less the residual value of the asset at the end of its useful life. The applicable useful lives are:

Property, plant and equipment	Useful life
Land	N/A
Central administrative buildings	40 years
Network buildings	40 years
Industrial buildings, sorting centers	25 years
Fitting-out works to buildings	10 years
Tractors and forklifts	10 years
Bikes and motorcycles	4 years
All other vehicles (cars, trucks, etc,)	5 years
Machines	5 - 10 years
Furniture	10 years
Computer Equipment	5 years

Lease transactions

A finance lease, which transfers substantially all the risks and rewards incident to ownership to the lessee, is recognized as an asset and a liability at amounts equal to the present value of the minimum lease payments (= sum of capital and interest portions included in the lease payments) or, if lower, the fair value of the leased assets. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability in order to obtain a constant rate of interest on the debt over the lease term. The depreciation policy for leased assets is consistent with that for similar assets owned.

Rentals paid/received under operating lease (ones that do not transfer substantially all the risks and rewards incidental to ownership of an asset) are recognized as an expense by the lessee/ as an income by the lessor on a straight-line basis over the lease term.

Investment properties

Investment properties are carried at acquisition cost less any accumulated depreciation and less any impairment loss. The depreciation amount is allocated on a systematic basis over the useful life of the asset, using the straight-line method. The applicable useful lives can be found in the table that is included in section "*Property, plant and equipment*".

Assets held for sale

Non-current assets are classified as assets held for sale under a separate heading in the statement of financial position if their carrying amount is recovered principally through sale rather than through continuing use. This is demonstrated if certain strict criteria are met (active program to locate a buyer has been initiated, property is available for immediate sale in its present condition, sale is highly probable and is expected to occur within one year from the date of classification).

Non-current assets held for sale are no longer depreciated but may be impaired. They are stated at the lower of carrying amount and fair value less costs to sell.

Stamp collection

The stamp collection that is owned by bpost and used durably by it is stated at the reevaluated amount less discount for the lack of liquidity. The re-evaluated amounts are determined periodically on the basis of market prices. bpost proceeds to the reevaluation of its collection every five years. The stamp collection is recorded in the section "Other Property, Plant and Equipment" of the statement of financial position.

Impairment of assets

As of December 31, 2012 and December 31, 2011 and for the years then ended:

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell (corresponding to the cash that bpost can recover through sale) and its value in use (corresponding to the cash that bpost can recover if it continues to use the asset).

When possible, the tests have been performed on individual assets. When however it is determined that assets do not generate independent cash flows, the test is performed at the level of the cash-generating unit (CGU) to which the asset belongs (CGU = the smallest identifiable group of assets that generates inflows that are largely independent from the cash flows from other CGUs).

An impairment test is carried out annually for a CGU to which goodwill is allocated. For a CGU to which no goodwill is allocated, impairment test is only carried out when there is an indication of impairment. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

Where impairment is identified, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit. Any excess is then allocated to reduce the carrying amount of other fixed assets of the CGU in proportion to their book values, but solely to the extent that the selling price of the assets in question is lower than their carrying amount. Impairment on goodwill may never be reversed at a later date. Impairment on other fixed assets is reversed if the initial conditions that prevailed at the time the impairment was recorded cease to exist, and solely to the extent that the carrying amount of the asset does not exceed the amount that would have been obtained, after depreciation, had no impairment been recorded.

As of December 31, 2010 and for the year then ended:

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell (corresponding to the cash that bpost can recover through sale) and its value in use (corresponding to the cash that bpost can recover if it continues to use the asset).

When possible, the tests have been performed on individual assets. When however it is determined that assets do not generate independent cash flows, the test is performed at the level of the cash-generating unit (CGU) to which the asset belongs (CGU = the smallest identifiable group of assets that generates inflows that are largely independent from the cash flows from other CGUs).

An impairment test is carried out annually for a CGU to which goodwill is allocated, but only where there is an indication of impairment for a CGU to which no goodwill is allocated. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination.

Where impairment is identified, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit. Any excess is then allocated to reduce the carrying amount of other fixed assets of the CGU in proportion to their book values, but solely to the extent that the selling price of the assets in question is lower than their carrying amount. Impairment on goodwill may never be reversed at a later date. Impairment on other fixed assets is reversed if the initial conditions that prevailed at the time the impairment was recorded cease to exist, and solely to the extent that the carrying amount of the asset does not exceed the amount that would have been obtained, after depreciation, had no impairment been recorded.

Inventories

Inventories are measured at the lower of cost and net realizable value at the statement of financial position date.

The acquisition price of interchangeable inventories is determined by application of the FIFO method. Inventories of minor importance whose value and composition remain stable over time are stated in the statement of financial position at a fixed value.

The cost of inventories comprises all costs incurred in bringing inventories to their present location and condition, including indirect production costs. The cost price of stamps includes the direct and indirect costs of production, excluding costs of borrowing and overheads that do not contribute to bringing them to the present location and condition. The allocation of fixed costs of production to the cost price is based on normal production capacity.

A write-down is necessary when the net realizable value at the statement of financial position date is lower than the cost.

Share based payments

The stock option plan is measured using valuation techniques based on option pricing models. Under these models, the options are measured at fair value on the grant date. The option price thus calculated is recognized in the income statement under the section "Payroll costs" and spread over the term of the options.

Revenue recognition

As of December 31, 2012 and for the year then ended:

Revenue arising from the sale of goods is recognized when bpost transfers the significant risks and rewards of ownership to the buyer and it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from the rendering of services is recognized according to the stage of completion of the services rendered. In application of this principle, the revenue relative to the stamp sale and franking machine activity is recognized in income at the time the mail is delivered.

The remuneration of the SGEI is based on the contractual provisions of the Management Contract and the revenue is recognized when the services are rendered.

bpost also receives commissions on sales of partner products through its network of post offices. Commission income is recorded at the time the services are provided.

Interest income is recognized using the effective yield method and the revenue related to dividends is recognized when the group's right to receive the payment is established. Rental income arising from operating leases or investment properties is accounted for on a straight line basis over the lease term.

As of December 31, 2011 and December 31, 2010 and for the years then ended:

Revenue arising from the sale of goods is recognized when bpost transfers the significant risks and rewards of ownership to the buyer and it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from the rendering of services is recognized according to the stage of completion of the services rendered. In application of this principle, the revenue relative to the stamp sale and franking machine activity is recognized in income at the time the mail is delivered.

bpost also receives commissions on sales of partner products through its network of post offices. Commission income is recorded at the time the services are provided.

Interest income is recognized using the effective yield method and the revenue related to dividends is recognized when the group's right to receive the payment is established. Rental income arising from operating leases or investment properties is accounted for on a straight line basis over the lease term.

Receivables

Receivables are initially measured at their fair value and later at their amortized cost, i.e. the present value of the cash flows to be received (unless the impact of discounting is not significant).

An individual assessment of the recoverability of the receivables is made. Impairment is recognized where cash settlement is wholly or partially doubtful or uncertain.

Prepayments and accrued income are also presented under this caption.

Investment securities

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant for the way it is measured and whether any resulting income and expenses is recognized in profit or loss or directly in equity.

There are different categories of financial assets:

(1) Financial assets held for trading include (a) derivatives and (b) assets that bpost has voluntarily decided to classify in the category "at fair value through profit or loss" at the time of initial recognition. These financial assets are measured at their fair value at each statement of financial position date, changes in fair value being recognized in the income statement.

(2) Held-to-maturity financial assets are financial assets, other than derivatives, with fixed or determinable payments and fixed maturity dates, which bpost has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method.

(3) Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortized cost using the effective interest method.

(4) Available-for-sale financial assets constitute a residual category that includes all the financial assets not classified under one of the previous categories, for instance investments in equity instruments (other than shares in subsidiaries, jointly controlled entities and associates), investments in open-ended mutual funds and bonds that bpost has neither the intention nor the ability to hold to maturity. These available-for-sale financial assets are measured at fair value, with changes in fair value recognized directly in equity until the financial assets are derecognized, at which time the cumulative gains or losses previously recognized in equity are recycled in profit or loss.

Regular way purchases or sales of financial assets are recognized and de-recognized using settlement date accounting. The fair values of the financial assets are determined by reference to published price quotations in an active market.

Cash and cash equivalents

This caption includes cash in hand, at bank, values for collection, short-term investments (with maturity date not exceeding three months as from acquisition date) that are highly liquid and are readily convertible into a known amount of cash and that are subject to an insignificant risk of changes in value, after deduction of bank overdrafts.

Share capital

Ordinary shares are classified under the caption "issued capital".

Treasury shares are deducted from equity. Movements of treasury shares do not affect the income statement.

Other reserves comprise the results of the previous periods, the legal reserve and the consolidated reserve.

Retained earnings include the result of the current period as disclosed in the income statement.

Employee benefits

Short-term benefits

Short-term benefits are recognized as an expense when an employee has rendered the services to bpost. Benefits not paid for on the statement of financial position date are included under the caption "Payroll and social security payables".

Post-employment benefits

As of December 31, 2012 and for the year then ended:

Post-employment benefits are valued using an actuarial valuation method and provisions are set up for them (under deduction of any plan assets) in so far as bpost has an obligation to incur the costs in relation to these benefits. This obligation can be a legal, contractual or constructive obligation ("vested rights" on the basis of past practice).

In application of these principles, a provision (calculated according to an actuarial method laid down by IAS 19) is set up in the context of the post-employment benefits to cover:

- the future costs relative to current retirees (a provision representing 100% of the future estimated costs of those retirees);

- the future costs of potential retirees, estimated on the basis of the employees currently in service, taking account of the accumulated service of these employees on each statement of financial position date and the probability that the personnel will reach the desired age to obtain the benefits (the provision is constituted progressively, as and when members of the personnel advance in their careers).

The provision is calculated as follows:

	Actuarial valuation of the obligation under IAS 19
−	Past service costs not yet recognized
+	Actuarial gains/– actuarial losses not yet recognized
−	Fair value of the plan assets
=	Provision to be constituted (or asset to be recognized if the fair value of the plan assets is higher).

The calculation of the obligation is done using the projected unit credit method. Each year of service confers entitlement to an additional credit unit to be taken into account in valuing the benefits granted and the obligations pertaining thereto. The discount rate used is the yield of high-quality corporate bonds or is based on government bonds with a maturity similar to that of the benefits being valued.

In the event that the benefits are modified, the past service cost is spread over the period that the employees may yet have to work in order to qualify for the benefits. The benefits vest immediately in bpost. The impact of the re-measurement of a net defined benefit liability (asset) is recognized in other comprehensive income.

Actuarial assumptions (concerning the discount rate, mortality factor, costs of future benefits, inflation, etc.) are used to assess employee benefit obligations in conformity with IAS 19. Actuarial gains and losses inevitably appear, resulting (1) from changes in the actuarial assumptions year on year, and (2) deviations between actual costs and actuarial assumptions used for the IAS 19 valuation. bpost has opted (a) not to recognize actuarial gains and losses that remain within a corridor of 10% of the higher of the following amounts: the amount of the IAS 19 obligation and the fair value of the plan assets, and (b) to spread in the income statement the actuarial gains and losses that fall outside this corridor over two years (or average remaining service period for the active population, if shorter than two years).

Long-term benefits

As of December 31, 2012 and for the year then ended:

Long-term employee benefits are valued using an actuarial valuation method and provisions are set up for them (under deduction of any plan assets) in so far as bpost has an obligation to incur the costs in relation to these benefits. This obligation can be a legal, contractual or constructive obligation ("vested rights" on the basis of past practice).

A provision is created for long-term benefits to cover benefits that will only be paid in a number of years but that are already earned by the employee on the basis of the past service. Here, as well, the provision is calculated according to an actuarial method imposed by IAS 19.

The provision is calculated as follows:

	Actuarial valuation of the obligation under IAS 19
−	Fair value of the plan assets
=	Provision to be constituted (or asset to be recognized if the fair value of the plan assets is higher).

The calculation of the obligation is done using the projected unit credit method. Each year of service confers entitlement to an additional credit unit to be taken into account in valuing the benefits granted and the obligations pertaining thereto. The discount rate used is the yield of high-quality corporate bonds or is based on government bonds with a maturity similar to that of the benefits being valued.

In the event that the benefits are modified, there is a past service cost that is recognized in the income statement (an expense for the year if there is an increase in benefits, profit for the year in the event of a reduction in benefits). The benefits vest immediately in bpost. Any modification to these benefits therefore has a direct impact on the income statement. Any re-measurement of a net defined benefit liability (asset) is recognized in the income statement.

Actuarial assumptions (concerning the discount rate, mortality factor, costs of future benefits, inflation, etc.) are used to assess employee benefit obligations in conformity with IAS 19. Actuarial gains and losses inevitably appear, resulting (1) from changes in the actuarial assumptions year on year, and (2) deviations between actual costs and actuarial assumptions used for the IAS 19 valuation. These actuarial gains and losses are recognized directly in the income statement.

As of December 31, 2011 and for the year then ended:

Employee benefits are valued using an actuarial valuation method and provisions are set up for them (under deduction of any plan assets) in so far as bpost has an obligation to incur the costs in relation to these benefits. This obligation can be a legal, contractual or constructive obligation ("vested rights" on the basis of past practice).

In application of these principles, a provision (calculated according to an actuarial method laid down by IAS 19) is set up in the context of the post-employment benefits to cover:

- the future costs relative to current retirees (a provision representing 100% of the future estimated costs of those retirees);
- the future costs of potential retirees, estimated on the basis of the employees currently in service, taking account of the accumulated service of these employees on each statement of financial position date and the probability that the personnel will reach the desired age to obtain the benefits (the provision is constituted progressively, as and when members of the personnel advance in their careers).

A provision is also created for long-term benefits to cover benefits that will only be paid in a number of years but that are already earned by the employee on the basis of the past service. Here, as well, the provision is calculated according to an actuarial method imposed by IAS 19.

The provision is calculated as follows:

	Actuarial valuation of the obligation under IAS 19
−	Past service costs not yet recognized (solely for post-employment benefits)
+	Actuarial gains/– actuarial losses not yet recognized (solely for post-employment benefits)
−	Fair value of the plan assets
=	Provision to be constituted (or asset to be recognized if the fair value of the plan assets is higher).

The calculation of the obligation is done using the projected unit credit method. Each year of service confers entitlement to an additional credit unit to be taken into account in valuing the benefits granted and the obligations pertaining thereto. The discount rate used is the yield of high-quality corporate bonds or is based on government bonds with a maturity similar to that of the benefits being valued.

In the event that the benefits are modified, there is a past service cost that is recognized in the income statement (an expense for the year if there is an increase in benefits, profit for the year in the event of a reduction in benefits). Only in the case of post-employment benefits is the past service cost spread over the period that the employees may yet have to work in order to qualify for the benefits. The benefits vest immediately in bpost. Any modification to these benefits therefore has a direct impact on the income statement.

Actuarial assumptions (concerning the discount rate, mortality factor, costs of future benefits, inflation, etc.) are used to assess employee benefit obligations in conformity with IAS 19. Actuarial gains and losses inevitably appear, resulting (1) from changes in the actuarial assumptions year on year, and (2) deviations between actual costs and actuarial assumptions used for the IAS 19 valuation. In the case of long-term benefits, these actuarial gains and losses are recognized directly in the income statement.

In the case of post-employment benefits, bpost has opted (a) not to recognize actuarial gains and losses that remain within a corridor of 10% of the higher of the following amounts: the amount of the IAS 19 obligation and the fair value of the plan assets, and (b) to spread in the income statement the actuarial gains and losses that fall outside this corridor over two years (or average remaining service period for the active population, if shorter than two years).

As of December 31, 2010 and for the year then ended:

Employee benefits are valued using an actuarial valuation method and provisions are set up for them (under deduction of any plan assets) in so far as bpost has an obligation to incur the costs in relation to these benefits. This obligation can be a legal, contractual or constructive obligation ("vested rights" on the basis of past practice).

In application of these principles, a provision (calculated according to an actuarial method laid down by IAS 19) is set up in the context of the post-employment benefits to cover:

- the future costs relative to current retirees (a provision representing 100% of the future estimated costs of those retirees);
- the future costs of potential retirees, estimated on the basis of the employees currently in service, taking account of the accumulated service of these employees on each statement of financial position date and the probability that the personnel will reach the desired age to obtain the benefits (the provision is constituted progressively, as and when members of the personnel advance in their careers).

A provision is also created for long-term benefits to cover benefits that will only be paid in a number of years but that are already earned by the employee on the basis of the past service. Here, as well, the provision is calculated according to an actuarial method imposed by IAS 19.

The provision is calculated as follows:

	Actuarial valuation of the obligation under IAS 19
−	Past service costs not yet recognized (solely for post-employment benefits)
+	Actuarial gains/– actuarial losses not yet recognized (solely for post-employment benefits)
−	Fair value of the plan assets
=	Provision to be constituted (or asset to be recognized if the fair value of the plan assets is higher).

The calculation of the obligation is done using the projected unit credit method. Each year of service confers entitlement to an additional credit unit to be taken into account in valuing the benefits granted and the obligations pertaining thereto. The discount rate used is the yield of high-quality corporate bonds or is based on government bonds with a maturity similar to that of the benefits being valued.

In the event that the benefits are modified, there is a past service cost that is recognized in the income statement (an expense for the year if there is an increase in benefits, profit for the year in the event of a reduction in benefits). Only in the case of post-employment benefits is the past service cost spread over the period that the employees may yet have to work in order to qualify for the benefits. The benefits vest immediately in bpost. Any modification to these benefits therefore has a direct impact on the income statement.

Actuarial assumptions (concerning the discount rate, mortality factor, costs of future benefits, inflation, etc.) are used to assess employee benefit obligations in conformity with IAS 19. Actuarial gains and losses inevitably appear, resulting (1) from changes in the actuarial assumptions year on year, and (2) deviations between actual costs and actuarial assumptions used for the IAS 19 valuation. In the case of long-term benefits, these actuarial gains and losses are recognized directly in the income statement.

In the case of post-employment benefits, bpost has opted (a) not to recognize actuarial gains and losses that remain within a corridor of 10% of the higher of the following amounts: the amount of the IAS 19 obligation and the fair value of the plan assets, and (b) to spread in the income statement the actuarial gains and losses that fall outside this corridor over a two-year period or average remaining service period for actives shorter than two years.

Termination benefits

Where bpost terminates the contract of a member of its personnel prior to his normal retirement date or where the employee voluntarily agrees to leave in consideration for benefits, a provision is constituted in so far as there is an obligation on bpost. This provision is discounted if the benefits are payable after more than one year.

All benefit obligation plans of all employee benefits are wholly unfunded.

Provisions

A provision is recognized only when:

(1) bpost has a present (legal or constructive) obligation as a result of past events;

(2) it is probable (more likely than not) that an outflow of resources will be required to settle the obligation; and

(3) a reliable estimate of the amount of the obligation can be made.

Where the impact is likely to be material (mainly for long-term provisions), the provision is estimated on a net present value basis. The increase in the provision due to the passage of time is recognized as a financial expense.

A provision for restoring polluted sites is recognized if bpost has an obligation in this respect. Provisions for future operating losses are prohibited.

If bpost has an onerous contract (the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it), the present obligation under the contract is recognized as a provision.

A provision for restructuring is only recorded if bpost demonstrates a constructive obligation to restructure at the statement of financial position date. The constructive obligation should be demonstrated by: (a) a detailed formal plan identifying the main features of the restructuring; and (b) raising a valid expectation to those affected that it will carry out the restructuring by starting to implement the plan or by announcing its main features to those affected.

Dividends payable in respect of year N are only recognized as liabilities once the shareholders' rights to receive these dividends (during the course of year N+1) are established.

Income taxes

Income tax includes current taxation and deferred taxation. Current taxation is the amount of taxes to be paid (recovered) on the taxable income for the current year together with any adjustment in the taxes paid (to be recovered) in relation to previous years. It is calculated using the rate of tax on the statement of financial position date.

Deferred taxation is calculated according to the liability method on the temporary differences arising between the carrying amount of the statement of financial position items and their tax base, using the rate of tax expected to apply when the asset is recovered or the liability is settled. In practice, the rate in force on the statement of financial position date is used.

Deferred taxes are not recognized in respect of:

(1) goodwill that is not amortized for tax purposes;

(2) the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit; and

(3) investments in subsidiaries, branches, associates and joint ventures if it is likely that dividends will not be distributed in the foreseeable future.

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The same principles apply to recognition of deferred tax assets for unused tax losses carried forward. This criterion is reassessed on each statement of financial position date.

Deferred taxes are calculated at the level of each fiscal entity. The deferred tax assets and liabilities of various subsidiaries may not be presented on a net basis.

Deferred revenue

Deferred revenue is the portion of income received during the current or prior financial periods but which relates to a subsequent financial period.

Transactions in foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency of the entities concerned using the exchange rates prevailing on the dates of the transactions. Realized exchange rate gains and losses and non-realized exchange rate gains and losses on monetary assets and liabilities on the statement of financial position date are recognized in the income statement.

As of December 31, 2012 and for the year then ended:

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

Derivative financial instruments

Derivative financial instruments are measured at fair value with changes in fair value recognized in the income statement.

Special rules may apply in the case of hedging transactions by means of derivatives, but bpost has not entered into this type of transaction. Nor does bpost enter into speculative-type derivatives transactions.

6.5 Risk Management

Any of the following risks could have a material adverse effect on the company's financial position, results of operation and liquidities. The risks described below are not the only risks that the company is facing. There may be additional risks to the ones described below which the company is currently unaware of. There may be risks that are currently believed to be immaterial, but which may ultimately have a material adverse effect in the long run.

Risks relating to the regulatory and legislative framework

As of December 31, 2012 and for the year then ended:

Pursuant to the Fifth Management Contract and the 1991 Law, the Company will continue to be the provider of certain SGEIs through December 31, 2015. In respect of the period commencing January 1, 2016, the Belgian state may cease to provide certain public services or may conclude that such services do not constitute SGEIs and hence do not warrant compensation. The Belgian state may also substantially change the scope and content of the SGEIs that it continues to provide. Furthermore, the public services that the Belgian state continues to provide may not be entrusted to the Company. The Belgian state has committed to the European Commission that it will organize a competitive, transparent and non-discriminatory tendering procedure, with a view to awarding a service concession at national level in respect of the distribution of newspapers and periodicals in Belgium. This process is expected to commence during 2014. The successful candidate in this tender process will be entitled to begin providing such services as of January 1, 2016. The Belgian state has also committed to the European Commission that it will reassess the approach for the entrustment of the other SGEIs set forth in the Fifth Management Contract and in the 1991 Law for the period after December 31, 2015.

The Company may be required to provide other postal operators with access to specific elements of its postal infrastructure or certain services, such as post boxes, information on change of address, re-direction and return to sender services. It may be required to provide access at uneconomic price levels or the access conditions imposed upon it may otherwise be onerous. In the event it fails to comply with this requirement, it may also be subjected to fines and/or other operators may initiate proceedings seeking damages in national courts.

The Company is required to demonstrate that its pricing for the services falling within the USO complies with the principles of affordability, cost orientation, transparency, non-discrimination and uniformity of tariffs. Tariff increases for certain single piece mail and USO parcels included in the "small user basket" of postal services within the scope of the USO are subject to a price cap formula and prior control by the IBPT/BIPT and the IBPT/BIPT may refuse to approve such tariffs or tariff increases if they are not in compliance with the aforementioned principles or price cap formula. The IBPT/BIPT may issue injunctions requiring the Company to cease applying certain pricing policies. It may also impose fines of up to 5% of the Company's turnover in the postal sector during the preceding year (which may be doubled in certain circumstances) or other sanctions for the infringement of regulatory requirements applicable to the USO. In addition, in relation to activities for which

bpost is deemed to have a dominant market position, its pricing must not constitute an abuse of such dominant position. Failure to observe this requirement may result in fines of up to 10% of its consolidated annual turnover in cases. bpost may also be ordered by national courts to discontinue certain commercial practices or to pay damages to third parties.

The Company is subject to the requirement of no cross-subsidization between public services on the one hand and commercial services on the other hand. In addition, according to state aid rules, if the Company engages in commercial services, the business case for providing such services must comply with the "private investor test," that is, the Company must be able to demonstrate that a private investor would have made the same investment decision. If the Company is found not to be in compliance with the no cross-subsidization principle or the private investor test, the European Commission could find that commercial services have benefited from unlawful state aid and order the recovery of this state aid from the Company. The Company may also be subjected to other adverse consequences as a result of a failure to comply with the cross-subsidization principle or the private investor test.

The Company was designated by the Belgian state as a USO provider for an eight-year term commencing in 2011. The obligation to provide the USO may represent a financial burden on the Company. Although the 1991 Law provides that the Company is entitled to compensation by the Belgian state in the event the USO has created an unfair burden, there can be no assurance that the entire net cost of the USO will be covered. Furthermore, following the expiration of the Company's current term as designated USO provider on December 31, 2018, if the Company were to be designated as a USO provider, there is uncertainty regarding the terms and conditions and financing mechanism that would apply to the provision of the USO.

If enacted, opt-in legislation or any similar legislation, whether at the national or EU level, would contribute to a significant decline in advertising mail volumes and could have an adverse impact on bpost's business. The enactment of legislation granting registered e-mail the same legal status as registered mail could also adversely affect volumes of registered mail sent by bpost's clients.

bpost is subject to certain risks in relation to employment matters. In particular, bpost is involved in litigation initiated by a number of auxiliary postmen (which include all postmen recruited from January 1, 2010 performing certain core functions such as collection, sorting, transport and distribution of mail). bpost's contractual employees could also challenge their employment status and claim damages to compensate them for being deprived of statutory employment protection and benefits. There can also be no assurance that the Company will not face challenges regarding certain employment matters on state aid grounds

As of December 31, 2011 and for the year then ended:

The Belgian postal market has been fully opened to competition as from 1 January 2011. In 2011, bpost generated approximately 80% of its operating income from its mail activities. Although no major competitor has entered the Belgian mail market during 2011, the liberalization can still impact the company's profitability and market position going forward.

bpost's ability to raise its tariffs on products of the universal service obligation in order to offset increasing costs is limited due to restrictions included in the 4th Management Contract with the Belgian State. The 4th Management Contract expired in September 2010, but has been extended pending the approval of the 5th Management Contract by the European Commission.

bpost is an autonomous public-sector enterprise that has adopted the legal form of a limited liability company under Belgian law. The company is governed by Belgian laws applicable to all private limited liability companies save to the extent that the law of 21 March 1991 (the "1991 Law"), or other laws or regulations adopted pursuant thereto, provide otherwise. The 1991 Law differs from ordinary Belgian corporate laws in certain important respects. The company is also subject to a specific insolvency and liquidation regime and some of its assets may not be subject to enforcement measures by creditors.

As a result of bpost's status as an autonomous public-sector enterprise, it is also governed by certain provisions of Belgian public law. The interaction between the laws applicable to all private limited liability companies and the specific public and law provisions and principles applicable to bpost may present difficulties in interpretation and present certain risks.

bpost employed 18,899 statutory employees as per 31 December 2011, whose employment conditions are more onerous for the company than the private sector contracts in particular in terms of cost, possibility to dismiss and flexibility. This restricts bpost's ability to react to drastic changes in the economic environment or to improve efficiency and flexibility to levels comparable to those of its competitors.

The introduction of VAT on a number of products as per 1st of January 2012 may result in a loss of revenues earned from customers that cannot recover VAT.

New legislation giving e-registered mail the same legal value as registered mail was published in the Belgian Gazette on 30 December 2010. When this legislation becomes effective, this could have an adverse effect on the volume of registered mail sold by the company.

The degree to which the company can be held liable or co-liable for goods which bpost imports and for which it performs inbound customs clearance is still unsure. If the company were to be held liable, it could lead to potentially significant losses.

As of December 31, 2010 and for the year then ended:

The Belgian postal market has been fully opened to competition as from 1 January 2011. In 2010, bpost generated approximately 80% of its operating income from its mail activities. The liberalization of the postal market in 2011 could impact the company's profitability and market share.

bpost, as Belgium's national postal operator, is required to provide an extensive universal service in Belgium. The compensation received for providing this universal service could turn out to be inadequate compared to the costs it implies and therefore affect the profitability of the company.

As a consequence of the Third Postal Directive, bpost is supposed to provide other operators with adequate access to the network. Should bpost be required to do this at uneconomic price levels, the volumes of mail collected and sorted by the company could decline significantly which would have a material adverse impact on its revenues and operating results.

bpost's ability to raise its tariffs on products of the universal service obligation in order to offset increasing costs is limited due to restrictions included in the Management Contract with the Belgian State. The 4th Contract expired in September 2010, but has been prolonged pending the review of the 5th Management Contract by the European Union.

bpost is an autonomous public-sector enterprise that has adopted the legal form of a limited liability company under Belgian law. The company is governed by Belgian laws applicable to all private limited liability companies save to the extent that the 1991 Law, or other laws or regulations adopted pursuant thereto, provide otherwise. The 1991 Law differs from ordinary Belgian corporate laws in certain important respects. The company is also subject to a specific insolvency and liquidation regime and some of its assets may not be subject to enforcement measures by creditors.

As a result of bpost's status as an autonomous public-sector enterprise, it is also governed by certain provisions of Belgian public and administrative law. The interaction between the laws applicable to all private limited liability companies and the specific public and administrative law provisions and principles applicable to bpost may present difficulties in interpretation which are untested before the Belgian courts and may give rise to legal uncertainties.

bpost employed 21,254 statutory employees as per 31 December 2010, whose employment conditions are more onerous for the company than the private sector contracts in particular in terms of cost, possibility to dismiss and flexibility. This restricts bpost's ability to react to drastic changes in the economic environment or to improve efficiency and flexibility to levels comparable to those of its competitors.

The introduction of VAT on a number of mail products may result in a loss of revenues earned from customers that cannot recover VAT and might limit bpost's ability to raise its tariffs in the future.

New legislation giving e-registered mail the same legal value as registered mail was published in the Belgian Gazette on 30 December 2010. This could have an adverse effect on the volume of registered mail sold by the company.

The degree to which the company can be held liable or co-liable for goods which bpost imports and for which it performs inbound customs clearance is still unsure. If the company were to be held liable, it could lead to potentially significant losses.

Besides the risks mentioned above, a number of less significant regulatory or legal risks exist, such as the possibility that the national regulatory authority and bpost might differ in their respective understanding of the postal regulatory framework, the full compliance with the public procurement and environmental legislation, the extra-contractual liability towards third parties and finally any change in legislation that negatively impacts bpost's position (e.g. opt-out regulation for direct mail deliveries, …).

Risks relating to business operations and company environment

As of December 31, 2012 and for the year then ended:

The use of mail has declined in recent years primarily as a result of the increased use of e-mail and the Internet, and is expected to continue to decline. The rate of decline in mail volumes may also be affected by e-government initiatives or other measures introduced by the Belgian state or other public authorities or private enterprises that encourage electronic substitution in administrative mail. In addition, the enactment of any legislation that requires explicit prior consent of the addressee for the use of personal data (commonly referred to as "opt-in" legislation) would contribute to a significant decline in advertising mail volumes.

Adverse economic conditions have a negative impact on mail and parcels volumes. In particular, during times of economic distress, volumes of advertising mail may be adversely affected as bpost's clients reduce their advertising budgets or shift their spending to media other than paper. Volumes of parcels may also be adversely affected due to the effect of economic distress on the level of business activity and e-commerce.

Due to the relatively fixed nature of its cost base, a decline in mail volumes may translate into a significant decline in profit unless bpost can reduce its costs. Accordingly, bpost has introduced a series of productivity enhancement initiatives to reduce its costs. There can be no assurance, however, that bpost will realize all of the benefits expected from such initiatives.

bpost bank, the Company's associate, is subject to certain risks as a result of its status as a financial institution. It may experience losses in respect of its investment portfolio, as it has in the past. It is also exposed to interest rate risk and volatility in interests rates may affect its business. bpost bank may also be required to increase its capital, in particular as a result of new capital requirements.

bpost's strategy involves the development of new products and services to partially compensate for the effects of declines in mail volumes, and if it is unable to introduce such products and services, it may encounter difficulties in increasing operating income.

As of December 31, 2011 and for the year then ended:

A limited number of key customers account for a significant proportion of bpost's revenues. The top 100 customers are estimated to represent 45% of mail and services revenue.

Aggressive competition by new market entrants may result in bpost having to reduce prices in order to defend its volumes. Such price reductions or the loss of one or more key customers would result in a loss of revenues and could have a material adverse impact on the company's results.

Changes in customer behavior, such as volume erosion by increased use of email, text messaging, e-invoicing etc., directly impact the company's revenues. Any acceleration of the electronic substitution could have an adverse impact on the company's result.

The decline in volume may furthermore lead the company to revise its strategy regarding which businesses it wants to operate. The revised strategies may lead to exiting certain activities. The resulting employment reduction and other significant restructuring costs could impact the company's profitability.

Mail volume is partially correlated to the level of economic activity in Belgium and to a certain extent abroad. Economic downturns lead to a reduction in mail volumes which directly affects bpost's results as it cannot immediately and fully compensate the lower level of activity through cost reductions as the fixed network nature of its operations entails a high level of fixed costs.

Strike actions by unions or small groups of employees could potentially disrupt bpost's operations and lead to the loss of customers. The company may also be negatively affected by the terms of the Collective Labor Agreements concluded with the employees. These terms could include increases in compensation and employee benefits, less flexible working rules than competitors and limitations on future workforce reduction.

bpost is reliant on a number of key assets, such as the industrial sorting centers and some key complex ICT systems, in order to provide its services within the constraints of the Management Contract, the REIMS agreements, the Universal Postal Union ("UPU") treaty or within delivery timeframes agreed with key customers.

These and other assets operated by bpost are potentially subject to problems which could result in loss of data or disruption to the company's operations.

Should one or more of these key assets fail temporarily or totally, the consequent disruption could lead to a loss of reputation for the company and a loss of customers, and would give rise to unforeseen additional expenditure in order to rectify the issues. This could have a material adverse effect on the operational results of bpost.

In order to maintain its market positions, the company must make large on-going investments in infrastructure, based on mail volume forecasts. It may be difficult to forecast accurately the future requirements, since they are based on a large number of factors. As a consequence, there may be a mismatch between the investments and the actual requirements. If the company underestimates the future capacity requirements, it will not be able to meet the needs of customers and this will have a negative impact on the revenues and profits. If it overestimates the future needs or if major contracts are cancelled by customers, this will result in excess capacity and thus will also negatively impact the profitability.

bpost restructures redesigns or integrates various aspects of its operations in order to develop alternative revenue streams or achieve cost savings and other efficiencies. The roll-out of new services and the restructuring of operations or cost reduction measures may not achieve the intended results which may have a negative effect on the profitability and revenues.

bpost may be unable to prevent the employees from engaging in fraud and misconduct that could adversely affect the business and reputation. Employee misconduct could result in financial losses, the loss of clients and sanctions.

bpost is protected against unauthorized access to data through various measures relating to the employees, organization, applications, systems and networks. It also uses firewalls, virus scanners and access control at operating system level to protect the confidentiality, integrity and authenticity of the data. Failing to maintain the data security could lead to reputational damage, claims and hence potential losses.

As of December 31, 2010 and for the year then ended:

A limited number of key customers account for a significant proportion of bpost's revenues. The top 100 customers are estimated to represents 45% of mail and services revenue. The 2011 liberalization together with the impact of the introduction of VAT, will most likely cause key customers to reassess their mail services providers.

Aggressive competition by new market entrants may result in bpost having to reduce prices in order to defend its mail and parcels volumes. Such price reductions or the loss of one or more key customers would result in a loss of revenues and could have a material adverse impact on the company's results.

Changes in customer behavior, such as volume erosion by increased use of email, text messaging, e-invoicing etc., directly impact the company's revenues. Any acceleration of the electronic substitution could have an adverse impact on the company's result.

The decline in volume may furthermore lead the company to revise its strategy regarding which businesses it wants to operate. The revised strategies may lead to exiting these activities. The resulting employment reduction and other significant restructuring costs could impact the company's profitability.

Mail volume is partially correlated to the level of economic activity in Belgium and to a certain extent abroad. Economic downturns lead to a reduction in mail volumes which directly affects bpost's results as it cannot immediately and fully compensate the lower level of activity through cost reductions as the fixed network nature of its operations entails a high level of fixed costs.

Strike actions by unions or small groups of employees could potentially disrupt bpost's operations and lead to the loss of customers. The company may also be negatively affected by the terms of the Collective Labor Agreement concluded with the employees. These terms could include increases in compensation and employee benefits, less flexible working rules than competitors and limitations on future workforce reduction.

bpost is reliant on a number of key assets, such as the industrial sorting centers and some key complex ICT systems, in order to provide its services within the constraints of the Management Contract, the REIMS agreements, the Universal Postal Union ("UPU") treaty or within delivery timeframes agreed with key customers.

These and other assets operated by bpost are potentially subject to problems which could result in loss of data or disruption to the company's operations.

Should one or more of these key assets fail temporarily or totally, the consequent disruption could lead to a loss of reputation for the company and a loss of customers, and would give rise to unforeseen additional expenditure in order to rectify the issues. This could have a material adverse effect on the operational results of bpost.

In order to maintain its market position, the company must make large on-going investments in infrastructure, based on mail volume forecasts. It may be difficult to forecast accurately the future requirements, since they are based on a large number of factors. As a consequence, there may be a mismatch between the investments and the actual requirements. If the company underestimates the future capacity requirements, it will not be able to meet the needs of customers and this will have a negative impact on the revenues and profits. If it overestimates the future needs or if major contracts are cancelled by customers, this will result in excess capacity and this will also negatively impact the profitability.

bpost restructures redesigns or integrates various aspects of its operations in order to develop alternative revenue streams or achieve cost savings and other efficiencies. The roll-out of new services and the restructuring of operations or cost reduction measures may not achieve the intended results which may have a negative effect on the profitability and revenues.

bpost may be unable to prevent the employees from engaging in fraud and misconduct that could adversely affect the business and reputation. Employee misconduct could result in financial losses, the loss of clients and sanctions.

bpost is protected against unauthorized access to data through various measures relating to the employees, organization, applications, systems and networks. It also uses firewalls, virus scanners and access control at operating system level to protect the confidentiality, integrity and authenticity of the data. Failing to maintain the data security could lead to reputational damage, claims and hence potential losses.

Risk relating to litigation

As of December 31, 2012 and for the year then ended:

On 25 January 2012, the Commission found that bpost has received incompatible State aid of EUR 416.5 million and ordered recovery. The Belgian State has recovered this amount, net of taxes plus interest, from bpost. bpost appealed the Commission's decision on 17 September 2012.

While the Commission's Decision was pending, the 4th Management Contract was prolonged by operation of law to cover bpost's provision of public services in 2011 and 2012. In meetings with the Belgian State, the Commission suggested that amounts received by bpost for 2011 and 2012 could also be considered excessive and may need to be reimbursed. On this basis, the Company booked a provision of EUR 124.9 million in the 2012 accounts in case the Commission adopts a final decision ordering recovery of the 2011 and 2012 alleged overcompensation.

The 5th Management Contract between the Belgian State and the Company covers the provision of universal service obligation and other public services for the period 1 January 2013 to 31 December 2015. This Contract was notified to the Commission on 7th of March 2013 and no final decision has been adopted yet. However, on the basis of the discussions to date, the Company understands that the Commission does not consider the terms and compensation amounts in the 5th Management Contract as being incompatible State aid.

bpost currently is involved in the following pending litigation relating to competition law based claims:

- a claim for damages in an alleged (provisional) amount of approx. 18.5 million EUR (exclusive of late payment interest) in the context of legal proceedings initiated by Publimail NV-SA on 27 October 2005 and pending before the Brussels commercial court; and
- a claim for damages in an alleged amount of approx. 28 million EUR (exclusive of late payment interest) in the context of legal proceedings initiated by Link2Biz International NV-SA on 3 August 2010 and pending before the Brussels commercial court. Certain aspects of the contractual relationship between Link2Biz and bpost are also the subject of a cease and desist proceeding, which is currently pending before the Brussels Court of Appeal.

Moreover, on 20 July 2011 the Belgian postal regulator ("BIPT/IBPT") concluded that the Company's 2010 pricing policy infringed the Belgian Postal Act and imposed a fine of 2.3 million EUR. bpost contests the BIPT/IBPT's findings and appealed the decision. The appeal is pending before the Brussels Court of Appeal.

Finally, on 10 December 2012 the Belgian Competition Authority ("BCA") concluded that the Company's pricing policy for the period January 2010 — July 2011 infringed the Belgian and European competition rules and imposed a fine of approx. 37.4 million EUR. bpost contests the BCA's findings and appealed the decision. The appeal is pending before the Brussels Court of Appeal.

As of December 31, 2011 and for the year then ended:

By a judgment dated 10 February 2009, the General Court annulled, on procedural grounds, the decision of the European Commission of 23 July 2003, which had approved a 297.5 million EUR capital increase and certain other State measures in favor of bpost. On 22 April 2009, the Belgian State brought an appeal against this judgment before the Court of Justice of the European Union. This appeal was rejected by the Court of Justice in its judgment of 22 September 2011. As a consequence of the 10 February 2009 judgment, the Commission on 13 July 2009 launched a formal State aid investigation into the 2003 capital increase and other 1992-2002 measures covered by the Commission's annulled 23 July 2003 decision. The Commission also broadened the scope of the investigation by extending it to State compensation for public services and other ad-hoc State measures over the entire 1992-2010 period.

On 25 January 2012, the Commission found 416.5 million EUR of aid (excluding interest) to be incompatible with the internal market. The Belgian State has recovered such aid from bpost with recovery interest, and the Commission has agreed with the computation of these amounts (which takes into account the corporate tax effect).

bpost is currently considering whether or not to appeal the Commission's decision (such an appeal would not suspend the decision).

The Company takes the view, on the basis of the information known at this point, that the European Commission's ongoing State aid review of the 2011-2015 SGEI compensation arrangements should not give rise to a provision in the 2011 accounts for a likely finding of overcompensation for services of general economic interest in 2011. The Company has credible arguments, on the basis of the Commission's January 25, 2012 decision, the 2011 SGEI package and the recent decisions on La Poste (France) and Post office Limited (UK), to defend the 2011 compensation as well as the revised 5th Management Contract.

It should be noted, however, that the Belgian authorities are still with the Commission at the stage of an informal review. Neither the 2011 compensation nor the draft 5th Management Contract have been formally notified yet and the Commission has not yet opened a formal investigation procedure either.

The outcome is in the current stage inherently uncertain and it cannot be excluded that the Commission may conclude that bpost has received State aid that is incompatible with the common market and order the Belgian government to recover such aid from bpost with interest at applicable recovery rates. In any event, the amount of the obligation, if any, cannot be measured with sufficient reliability.

bpost is currently involved in the following pending investigations and claims relating to competition issues:

- an investigation by the Belgian Competition Authority in connection with complaints filed by Publimail NV-SA, Link2Biz International NV-SA and G3 Worldwide Belgium NV-SA;

- a claim for damages in an alleged (provisional) amount of approx. 18.5 million (exclusive of late payment interest) in the context of legal proceedings initiated by Publimail NV-SA and pending before the Brussels commercial court; and
- a claim for damages in an alleged amount of approx. 28 million (exclusive of late payment interest) in the context of legal proceedings initiated by Link2Biz International NV-SA on 3 August 2010 and pending before the Brussels commercial court.

Moreover, on 20 July 2011 the Belgian postal regulator ("BIPT/IBPT") concluded that the Company's 2010 pricing policy infringed the Belgian Postal Act and imposed a fine of 2.3 million EUR. bpost contests the BIPT/IBPT's findings and appealed the decision. The appeal is pending before the Brussels Court of Appeal.

All claims and allegations are contested by bpost.

As of December 31, 2010 and for the year then ended:

By a judgment dated 10 February 2009, the General Court annulled, on procedural grounds, the decision of the European Commission of 23 July 2003, which had approved a 297.5 million EUR capital increase and certain other State measures in favor of bpost.

On 22 April 2009, the Belgian State brought an appeal against this judgment before the Court of Justice of the European Union. This appeal, which does not suspend the 10 February 2009 judgment, is currently pending.

As a consequence of the 10 February 2009 judgment, the Commission on 13 July 2009 launched a formal State aid investigation into the 2003 capital increase and other 1992-2002 measures covered by the Commission's annulled 23 July 2003 decision. The Commission also broadened the scope of the investigation by extending it to State compensation for public services and certain other State measures over the entire 1992-2010 period.

This investigation is currently pending and several written and oral exchanges have already taken place with the Commission's case team. The Company believes that it has good arguments to defend the position that there is no aid granted by the Belgian government that is incompatible with the common market for the period 1992-2009. It cannot, however, be excluded that the Commission may conclude that bpost has received State aid that is incompatible with the common market and order the Belgian government to recover such aid from bpost with interest at applicable recovery rates. While such an amount may be very significant, it is not possible to estimate the financial effect of this contingency at this stage of the investigation.

bpost is currently involved in a number of legal and administrative procedures, amongst which the two inquiries by the Belgian Competition Authority following the complaints posed by customers of bpost. bpost has given its full cooperation to these investigations, but contests it is in breach of the competition laws.

The plaintiffs alleged that bpost had abused its dominant position in the letter mail market by imposing discriminating tariffs to wholesalers / subcontractors compared to direct clients regarding addressed publicity mailings. If the competition authorities were to conclude that this is a case of abuse of bpost's dominant position, they could impose a fine of 10% of the sales of the company.

bpost is currently facing two claims from former employees before the Brussels Labour Court and Labour Court of Appeal. The claims aim at the grant of stock options on grounds of an unclear clause in their employment contract. In the first case, a judgment of 20 November 2009 ordered bpost to pay damages to the former employee. bpost lodged an appeal against this decision. The second case is still pending before the Labour Court and no judgment has yet been rendered. All claims are contested by bpost.

Financial risks

Exchange rate risk

bpost's exposure to exchange rate risk is limited and is not actively managed.

Interest rate risk

As of December 31, 2012 and for the year then ended:

bpost's associate bpost bank is, like any bank, subject to the interest rate risk, which directly influences its margin. Interest rates likewise influence valuation of bpost bank's bond portfolio, which is measured at an available for sale asset (reflected as fair value through Other Comprehensive Income). Since bpost bank is an equity-accounted entity, 50% of the change in its equity directly influences the consolidated equity of bpost. The following table illustrates the impact of a change in interest rates of 1% on bpost bank equity and, through the equity pick up, on bpost's:

	2012	
AS AT 31 DECEMBER	**1%**	**-1%**
	IN MILLION EUR	
Equity bpost bank	(10.0)	10.0
Equity bpost	(5.0)	5.0

bpost is also directly exposed to interest rate risks. The loan granted by the European Investment Bank, with an outstanding balance of 91.1 million EUR for which the cost amortization is foreseen in 2022, carries a floating interest rate (3 months Euribor rate minus 3.7 basis points).

As of December 31, 2011 and for the year then ended:

bpost's associate BPO is, like any bank, subject to the interest rate risk, which directly influences its margin.

Interest rates likewise influence valuation of BPO's bond portfolio, which is measured at an available for sale asset (reflected as fair value through Other Comprehensive Income). Since BPO is an equity-accounted entity, 50% of the change in its equity directly influences the consolidated equity of bpost. The following table illustrates the impact of a change in interest of 1% on BPO's equity and, through the equity pick up, on bpost's:

	2011	
AS AT 31 DECEMBER	**1%**	**-1%**
	IN MILLION EUR	
Equity BPO	0.53	(0.53)
Equity bpost	0.27	(0.27)

bpost is also directly exposed to interest rate risks. The 100 million EUR loan granted by the European Investment Bank, for which the cost amortization is foreseen in 2022, carries a floating interest rate (3 months Euribor rate minus 3.7 basis points).

As of December 31, 2010 and for the year then ended:

bpost's associate BPO is, like any bank, subject to the interest rate risk, which directly influences its margin. Interest rates likewise influence valuation of BPO's bond portfolio, which is measured at an available for sale asset (hence fair value through OCI). Since BPO is an equity-accounted entity, 50% of the change in its equity directly influences the consolidated equity of bpost. The following table illustrates the impact of a change in interest of 1% on BPO's equity and, through the equity pick up, on bpost's:

	2010	
FOR THE YEAR ENDED 31 DECEMBER	**+1%**	**-1%**
	IN MILLION EUR	
Equity BPO	(10.9)	10.9
Equity bpost	(5.5)	5.5

bpost is also directly exposed to interest rate risks. The 100 million EUR loan granted by the European Investment Bank which matures in 2022 carries a floating interest rate (3 months Euribor rate minus 3.7 basis points).

Credit risk

As of December 31, 2012 and December 31, 2010 and for the years then ended:

bpost is exposed to credit risks through its operational activities, in the investment of its liquidities and through its investment in bpost bank.

As of December 31, 2011 and for the year then ended:

bpost is exposed to credit risks through its operational activities, in the investment of its liquidities and through its investment in BPO.

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Credit risk classes of financial assets			
Held to maturity financial assets	22.0	515.6	6.1
Financial assets at fair value through P&L, designated as such upon initial recognition	0.0	—	25.2
Cash and Cash equivalents	691.2	626.7	1,115.5
Trade and other receivables	395.5	397.8	392.2
Credit risk classes of financial assets	**1,108.7**	**1,540.0**	**1,539.0**

Operational activities

As of December 31, 2012 and for the year then ended:

The credit risk by definition only concerns that portion of bpost's activities that are not paid upfront in cash. bpost actively manages its exposure to credit risk by investigating the solvency of its customers. This translates into a credit rating and a credit limit. The credit rating is updated every day for all Belgian customers. For foreign customers, the credit rating is updated at contract renewal (and ad hoc in case of change or doubt in the customer solvency situation). The credit limit is followed up on a daily basis. If the solvency investigation produces a negative result, bpost requests the customers to make upfront cash payments, to provide bank guarantees and/or to grant bpost a direct debit.

As of December 31, 2011 and for the year then ended:

The credit risk by definition only concerns that part of bpost's activities that are not paid upfront in cash. bpost actively manages its exposure to credit risk by investigating the solvency of its customers. This translates into a credit rating which is updated every week for all Belgian customers. For foreign customers, the credit rating is updated at contract renewal (and more often in case of doubt on the customer solvency situation). If the solvency investigation produces a negative result, bpost requests the customers to make upfront cash payments, to provide bank guarantees and/or to grant bpost a direct debit.

As of December 31, 2010 and for the year then ended:

The credit risk by definition only concerns that part of bpost's activities that are not paid upfront in cash. bpost actively manages its exposure to credit risk by systematically investigating the solvency of its customers. This translates into a credit rating which is updated every six months for all customers (and more often in case of doubt on the customer solvency situation). If the solvency investigation produces a negative result, bpost requests the customers to make upfront cash payments, to provide bank guarantees and/or to grant bpost a direct debit.

Trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and the movements can be found in the table below.

	2012	2011	2010
	IN MILLION EUR		
At 1 January	7.5	8.0	23.5
Impairments: Additions	1.1	0.8	2.1
Impairments: Utilization	(1.9)	(1.0)	(15.2)
Impairments: Reversal	(0.3)	(0.3)	(2.5)
At 31 December	**6.5**	**7.5**	**8.0**

Some of the trade receivables are past due as at the reporting date. The ageing analysis of the trade receivables that are past due is as follows:

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Current	307.5	325.8	318.0
< 60 days	41.9	34.6	33.7
60 -120 days	3.8	2.3	5.2
> 120 days	1.4	1.9	2.6
Total	**354.7**	**364.6**	**359.5**

Investment of liquidities

Regarding the company's investment of its liquidities, which includes cash and cash equivalents and investment securities, the exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The changes in the fair value of the financial liabilities (see Note 6.25) are not due to changes in credit risk. This is presented in the table hereunder:

	2012	2011	2010
	IN MILLION EUR		
Carrying amount at 1 January	**101.9**	**102.4**	**102.6**
Changes attributable to changes in credit risk	0.0	0.0	0.0
Reimbursement loan	(9.1)		
Other changes	1.1	(0.5)	(0.2)
Carrying amount at 31 December	**93.8**	**101.9**	**102.4**

As of December 31, 2010 and for the year then ended:

Currently, bpost limits the credit risk on its investments by placing most of its cash available with the State Treasury.

As of December 31, 2012 and for the year then ended:

bpost bank

bpost bank invests the funds that have been deposited by its customers. The bank has adopted a strict investment policy that determines an overall allocation of the investments across Belgian State bonds, other sovereign bonds and bonds from financial and commercial corporations. In addition, maximum concentration limits per issuer, per sector, per rating, per country and per currency have been established and are constantly monitored.

As of December 31, 2011 and December 31, 2010 and for the years then ended:

BPO

BPO invests the funds that have been deposited by its customers. The bank has adopted a strict investment policy that determines an overall allocation of the investments across Belgian State bonds, other sovereign bonds and bonds from financial and commercial corporations. In addition, maximum concentration limits per issuer, per sector, per rating, per country and per currency have been established and are constantly monitored.

Liquidity risk

bpost's current liquidity risk is limited due to the high level of cash at hand and due to the fact that a significant portion of its revenues is paid by its customers prior to bpost's performing the service.

As of December 31, 2012 and for the year then ended:

The maturity of the liabilities in the previous reporting period were as follows:

	CURRENT	NON-CURRENT	
31 DECEMBER 2011	**LESS THAN 1 YEAR**	**WITHIN 1 YEAR BUT NOT LATER THAN 5 YEARS**	**LATER THAN 5 YEARS**
		IN MILLION EUR	
Finance lease obligations	0.5	1.0	—
Trade and other payables	686.5	13.0	—
Bank loan	9.2	45.5	45.5

As at 31 December 2012, liabilities have contractual maturities which are summarized below:

	CURRENT	NON-CURRENT	
31 DECEMBER 2012	**LESS THAN 1 YEAR**	**WITHIN 1 YEAR BUT NOT LATER THAN 5 YEARS**	**LATER THAN 5 YEARS**
		IN MILLION EUR	
Finance lease obligations	0.4	0.7	0.0
Trade and other payables	760.7	83.1	—
Bank loan	9.2	36.4	45.6

The above contractual maturities are based on the contractual undiscounted payments, which may differ from the carrying values of the liabilities at the statement of financial position date.

As of December 31, 2011 and for the year then ended:

The maturity of the liabilities in the previous reporting period were as follows:

	CURRENT	NON-CURRENT	
31 DECEMBER 2010	**LESS THAN 1 YEAR**	**WITHIN 1 YEAR BUT NOT LATER THAN 5 YEARS**	**LATER THAN 5 YEARS**
		IN MILLION EUR	
Finance lease obligations	0.8	1.6	—
Trade and other payables	712.7	5.3	9.0
Bank loan	—	36.4	63.6

As at 31 December 2011, liabilities have contractual maturities which are summarized below:

	CURRENT	NON-CURRENT	
31 DECEMBER 2011	**LESS THAN 1 YEAR**	**WITHIN 1 YEAR BUT NOT LATER THAN 5 YEARS**	**LATER THAN 5 YEARS**
		IN MILLION EUR	
Finance lease obligations	0.5	1.0	—
Trade and other payables	686.5	13.0	—
Bank loan	9.2	45.5	45.5

The above contractual maturities are based on the contractual undiscounted payments, which may differ from the carrying values of the liabilities at the statement of financial position date.

As of December 31, 2010 and for the year then ended:

The maturity of the liabilities in the previous reporting period were as follows:

	CURRENT	NON-CURRENT	
31 DECEMBER 2009	**LESS THAN 1 YEAR**	**WITHIN 1 YEAR BUT NOT LATER THAN 5 YEARS**	**LATER THAN 5 YEARS**
		IN MILLION EUR	
Finance lease obligations	0.8	1.9	—
Trade and other payables	792.7	5.2	9.0
Bank loan	—	27.3	72.7

As at 31 December 2010, liabilities have contractual maturities which are summarized below:

31 DECEMBER 2010	CURRENT	NON-CURRENT	
	LESS THAN 1 YEAR	WITHIN 1 YEAR BUT NOT LATER THAN 5 YEARS	LATER THAN 5 YEARS
		IN MILLION EUR	
Finance lease obligations	0.8	1.6	—
Trade and other payables	712.7	5.3	9.0
Bank loan	—	36.4	63.6

The above contractual maturities are based on the contractual undiscounted payments, which may differ from the carrying values of the liabilities at the statement of financial position date.

Capital management policies and procedures

bpost monitors capital on the basis of the ratio of the carrying amount of equity versus net debt.

The elements composing the equity for this ratio are the same as stated in the equity reconciliation. Net debt is composed of loans less investment securities and cash and cash equivalents. The ratio is calculated as [Net debt / Capital].

Currently, bpost has not established a formal set of upper and lower limits for this ratio, given the absence of any significant loans up until December 2012 (except the EIB loan). The main objectives for the capital management are to ensure the company's ability to continue as a going concern and to provide an adequate return to shareholders.

The table below details the elements of the monitoring ratio.

AS AT 31 DECEMBER	2012	2011	2010
		IN MILLION EUR	
Capital			
Issued capital / Authorized capital	508.5	783.8	783.8
Other reserves	225.5	50.0	120.3
Retained earnings	3.7	(57.4)	209.1
Non-controlling interests	(0.0)	0.9	1.1
Total	**737.7**	**777.3**	**1,114.3**
Net Debt / (net cash)			
Interest bearing loans and borrowings	94.2	101.9	102.4
Non-interest bearing loans and borrowings	0.4	0.5	0.5
— Investment securities	(22.0)	(515.6)	(31.3)
— Cash and cash equivalents	(691.2)	(626.7)	(1,115.5)
Total	**(618.6)**	**(1,039.9)**	**(1,043.8)**
Net Debt/(Net Cash) to Capital ratio	**(0.8)**	**(1.3)**	**(0.9)**

The non-interest bearing loans and borrowings, which included the advances received from the State and the deposits received from third parties, both recorded under other current payables, were almost completely refunded in 2010 as part of the reorganization of the relationship with the State Treasury.

6.6 Business combinations

As of December 31, 2012 and for the year then ended:

MSI

On November 2nd 2012, bpost NV-SA exercised its right to acquire an additional 20% of the shares of Mail Services Incorporated for a price of 7.7 million USD (5.9 million EUR) to reach a total of 80% shares in 2012. The transaction led to a deduction of equity of 5.9 million EUR.

The re-evaluation of the put and call option on the remaining 20% increased the financial liability by 3.4 million EUR. This was recognized in the equity.

SECUMAIL

On November 13th 2012, Speos Belgium NV-SA exercised its right to purchase the remaining 24.91% shares of Secumail NV-SA that it did not hold for a price of 0.4 million EUR. As a result of this purchase, Speos Belgium NV-SA became the 100% shareholder of Secumail NV-SA. On December 31st 2012 Secumail NV-SA was merged into Speos Belgium NV-SA pursuant to the procedure provided for in article 676, 1° of the Companies Code.

LANDMARK

On December 28th 2012 bpost NV-SA purchased 51% of the shares of the California (United States) based Landmark Global Inc. and of the Ontario (Canada) based Landmark Trade Services, Ltd. These Landmark entities provide cross-border shipping and logistics services and are specialized, in particular, in the delivery of products from the United States to Canada. This partnership enables bpost to further expand its operations in the US. The purchase price for the 51% share of Landmark Global Inc. and Landmark Trade Services LTD. was 10.2 million USD (7.7 million EUR), and is subject to an adjustment in 2013 based on the EBITDA achieved in 2012 and on the net cash and net working capital on the date of the closing.

In addition, the agreement provides for a contingent consideration arrangement (so-called earn-out), whereby bpost NV-SA will potentially pay two additional earn-out amounts. The amount of each earn-out payment is either 5.1 million USD (3.9 million EUR) or 7.64 million USD (5.8 million EUR) depending on the extent to which certain pre-defined EBITDA targets are achieved in 2013 and 2014. Finally, the agreement provides that bpost NV-SA will purchase the remaining shares of Landmark Global, INC. and Landmark Trade Services, LTD., in two tranches of 24.5% each, in 2016 and 2017. The fair value of the earn-out (11.6 million EUR) and of the contractually agreed future purchases of the remaining shares (64.5 million EUR) are based on the business plan of Landmark Global, INC. and Landmark Trade Services, LTD. The total amount (76.1 million EUR) is recognized as a financial liability. As the fair value of the contractually agreed future purchase of the remaining shares exceeds the amount of the non-controlling interest, the difference is recorded as a deduction from the equity (63.4 million EUR). The future value of the commitment to purchase the non controlling interests is revised at each reporting period and changes in the corresponding financial liability lead to an adjustment within equity.

The calculated goodwill could still be subject to change, as the initial purchase price will be adjusted once audited full year 2012 figures will be available.

As the share purchase agreement was signed at the end of the year, no figures are included within the profit and loss statement. Landmark's statement of financial position is fully consolidated.

CARRYING AMOUNT IN THE ACQUIRED ENTITY	*IN MILLION EUR*
Current Assets	7.0
Non-Current Assets	1.2
Liabilities	6.0
Net Assets	2.2
Non controlling interest at proportional share	-1.1
Goodwill arising on acquisition	18.2
Purchase consideration transferred	19.3
of which:	
— Cash paid	7.7
— Contingent consideration	11.6

BPOST INTERNATIONAL LOGISTICS (BEIJING) CO. LTD.

On May 14th 2012 bpost Hong Kong Ltd. completed the incorporation in the People's Republic of China of a wholly foreign owned entity, named bpost International Logistics Co., Ltd. based in Beijing, China. The shares are 100% held by bpost Hong Kong Ltd. The paid in registered capital amounts to 0.67 million EUR and was contributed in full by bpost Hong Kong Ltd. on August 30th 2012.

CITIPOST (HOLDINGS) LTD.

In October 2011, bpost acquired 100% of the shares of Citipost (Holdings) Ltd. In 2012, bpost paid a price adjustment of 0.8 million EUR based upon the final audited figures.

CERTIPOST NV-SA

In October 2012, the company has reached an agreement with the Finnish group Basware on the sale of the activity of electronics document exchange as of January 2013. Certipost continues his activities for securing documents, digital certificates and Belgian electronic cards.

DSV

In February 2012 bpost acquired the branch of the custom activities of DSV AIR & SEA NV-SA for an amount of 2.1 million EUR. No assets, nor liabilities are being taken over by bpost and 34 FTE have transferred to bpost, hence the purchase price is attributed to goodwill.

As of December 31, 2011 and for the year then ended:

CITIPOST ASIA

On 7 October 2011, bpost acquired 100% of the shares of Citipost (Holdings) Ltd., a U.K. private company limited by shares, currently named bpost Asia (Holdings) Ltd. bpost Asia (Holdings) Ltd. is a holding company owning 100% of the shares of Citipost Asia Ltd. (currently named bpost Hong Kong Ltd.), which operates in Hong Kong. bpost Hong Kong Ltd. in turn holds 100% of the shares of Citipost Pte. Ltd. (currently named bpost Singapore Pte. Ltd.), which is located in Singapore. Consequently bpost Asia (Holdings) Ltd., bpost Hong Kong Ltd. and bpost Singapore Pte. Ltd. have been consolidated using the full-integration method as from 1 October 2011. The acquired companies' main activities are the distribution of mail and parcels in Hong Kong and Singapore.

The calculated goodwill could still be subject to change, as the initial purchase price will be adjusted in accordance with the terms of the purchase contract.

	IN MILLION EUR
Elements of the cost of acquisition	
— Cash paid	4.3
— Cash in the company	0.3
Total cost of acquisition	4.0
Fair value of the assets acquired ie 100% Net Assets	0.9
Goodwill	3.4

CARRYING AMOUNT IN THE ACQUIRED ENTITY	*IN MILLION EUR*
Cash and Cash Equivalents	0.3
Receivables	0.9
Non-Current Assets	0.5
Liabilities	0.8
Net Assets	0.9

As of December 31, 2010 and for the year then ended:

Current period acquisitions

In 2010, bpost did not acquire any new or liquidate any existing business combination. An additional consideration of 485,482.0 USD was paid for the 60% of the shares of Mail Services Incorporated, an American mail and parcel distribution company with headquarters in Sterling, Virginia, that bpost acquired on 28 December 2009. This additional consideration was paid in accordance the clauses of the share purchase agreement.

6.7 Segment information

bpost's business is organized based on business units, service units and corporate units.

Effective January 1, 2013, it has operated through two business units: the MRS business unit and the P&I business unit. The Mail & Retail Solutions business unit (MRS) offers solutions to big customers, private and public, self-employed workers and Small and Medium Businesses on one hand and serves the residential customers as well as all customers using mass market channels such as the post offices, the Post Points or the bpost's eshop to purchase their mail products on the other hand. It also sells banking and insurance products under an agency agreement with bpost bank and AG Insurance and offers to its clients a number of other payment products. The Parcels & International (P&I) business unit specializes in worldwide mail, parcel and e-commerce logistics solutions (fulfillment, handling, delivery and return management).

bpost provides products and services based on the following product lines: (i) transactional mail, (ii) advertising mail, (iii) press, (iv) parcels, (v) value-added services, (vi) international mail, (vii) banking and financial products and (viii) other. Turnover from the transactional mail, advertising mail, press, value-added services product lines are included within the MRS business unit. Turnover from the international mail product line is included within the P&I business unit. Turnover from parcels sold through the retail network, mainly C2X parcels, is included in the MRS business unit, with the remainder of turnover from parcels included within the P&I business unit. Other turnover is allocated across the MRS and P&I business units.

bpost has service units that support the business whose costs are recharged to the business and corporate units using a cost allocation mechanism. The service units include the MSO unit, IOPS unit, the ICT and Service Operations units and the Human Resources & Organization (HR&O) unit. The MSO service unit is in charge of collecting, sorting and distributing mail and parcels in Belgium. The IOPS service unit comprises the operations of the European Mail Center, which is located at Brussels Airport and serves as a hub for international mail and parcels.

Bpost's corporate units include Finance, Legal/Regulatory and Internal Audit and some costs related to the employee related liabilities and provisions. The costs of the corporate units are not recharged to other units and are reported under the category "Corporate segment".

The two business units are also operating segments for financial reporting purposes. Operating income at the level of each of these three segments captures external sales to third parties. The sum of the operating income of the two segments together with the operating income of the reconciling category "Corporate", reconciles to bpost's operating income. bpost computes its profit from operating activities (EBIT) at the segment.

Prior to January 1, 2013 bpost operated through three business units: BIZ, RSS and P&I. BIZ business unit was dedicated to large and medium domestic customers. The RSS business unit serves the residential customers as well as all customers using mass market channels such as the post offices, the Post Points or the bpost's eShop to purchase their mail products. The RSS business unit also sells banking and insurance products under an agency agreement with BPO and AG Insurance as well as a number of other payment products. Since January 1, 2013 BIZ and RSS have been merged into MRS. As bpost discloses its operating segment results for the first time in the 2012 financial statements for the periods 2010-2012, bpost has opted to present the operating segment results according to (i) the decision making organizational unit that was in force during the period 2010-2012 and (ii) the new decision making organizational structure that is in place as from 1 January 2013. The operating segments are the lowest level on which performance is assessed by the Chief Operating Decision Maker (CODM) under the definition of IFRS 8.22. The CODM is the Chief Executive Officer under a mandate of and reporting to the Board of Directors.

Following a change in the internal reporting structure as of January 1st 2012, a series of product lines have shifted between business units. The product lines Parcels and International Mail have shifted from Mail & Retail Solutions (MRS) to Parcels & International (P&I), whereas Transactional Mail, Advertising Mail and Press revenues registered for a portion within P&I have been regrouped within MRS. Furthermore, some products have been transferred from International Mail to the product line Other, from Value Added Services to Parcels activities and to product line Other as well as some shifts between Parcels and International Mail. Taking into account these changes, the 2011 and 2010 figures at the level of the business units have been restated to reflect these changes. The restated figures are shown under the heading "comparable".

The table below presents the evolution per business unit, the reconciliation between the old and new structure and the comparison between the different product structures for the year ended 31 December 2012, 2011 and 2010:

AS AT 31 DECEMBER	2012	Comparable 2011	2011	Comparable 2010	2010
			IN MILLION EUR		
BIZ	*1,552.5*	*1,535.0*	*1,626.0*	*1,513.5*	*1,592.4*
RSS	*499.5*	*498.2*	*499.5*	*501.8*	*502.7*
MRS	2,052.0	2,033.2	2,125.5	2,015.4	2,095.1
P&I	342.6	318.3	226.0	283.8	204.0
Total operating income of segments	**2,394.6**	**2,351.6**	**2,351.5**	**2,299.2**	**2,299.1**
Corporate (Reconciling category)	21.1	13.0	13.0	18.6	18.6
Total operating income	**2,415.7**	**2,364.6**	**2,364.6**	**2,317.8**	**2,317.8**

There is no inter-segment nor internal operating income.

Excluding the remuneration received to provide the services as described in the Management Contract (see note 6.8), no single external customers exceeds 10% of bpost's operating income.

The following table introduces the revenues from external customers attributed to Belgium and to all foreign countries in total from which bpost derives its revenues. The allocation of the revenues of the external customers is based on their location.

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Belgium	2,258.9	2,235.3	2,203.7
RoW	156.8	129.3	114.1
Total operating income	**2,415.7**	**2,364.6**	**2,317.8**

The following tables present EBIT[2] and EAT[3] information about bpost's operating segments for the year ended 31 December 2012, 2011 and 2010, calculated on a comparable basis operating income:

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
BIZ	*428.5*	*406.9*	*386.0*
RSS	*59.1*	*38.2*	*13.2*
MRS excluding provision related to the SGEI overcompensation	487.6	445.1	399.2
MRS including provision related to the SGEI overcompensation	362.7	146.1	399.2
P&I	6.6	10.5	-4.1
EBIT of segments excl provision related to the SGEI overcompensation	**494.2**	**455.6**	**395.1**
EBIT of segments incl provision related to the SGEI overcompensation	**369.3**	**156.6**	**395.1**
Corporate (Reconciling category)	-46.3	-87.4	-72.8
EBIT	**323.0**	**69.2**	**322.4**

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
BIZ	*428.5*	*406.9*	*386.0*
RSS	*59.1*	*38.2*	*13.2*
MRS excluding provision related to the SGEI overcompensation	487.6	445.1	399.2
MRS including provision related to the SGEI overcompensation	405.1	154.2	399.2
P&I	6.6	10.5	-4.1
EAT of segments excl provision related to the SGEI overcompensation	**494.2**	**455.6**	**395.1**
EAT of segments incl provision related to the SGEI overcompensation	**411.8**	**164.7**	**395.1**
Corporate (Reconciling category)	-237.6	-222.1	-185.5
EAT	**174.2**	**-57.4**	**209.6**

Financial income, financial costs, share of profit of associates and income tax expenses are all included in reconciling category "Corporate".

[2] EBIT: Earnings before interests and taxes

[3] EAT: Earnings after taxes

The following table provides detailed information on the reconciling category "Corporate":

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Operating Income	**21.1**	**13.0**	**18.6**
Central departments (Finance, Legal, Internal Audit, CEO, …)	-73.8	-71.6	-69.4
Other reconciliation items	6.3	-28.8	-21.9
Operating expenses	**-67.5**	**-100.4**	**-91.4**
EBIT	**-46.3**	**-87.4**	**-72.8**
Share of profit of associates	3.5	2.2	13.3
Financial Results	-53.9	-5.3	-20.6
Income Tax expense	-141.0	-131.6	-105.4
EAT Corporate	**-237.6**	**-222.1**	**-185.5**

Profit from operating activities (EBIT) attributable to the Corporate reconciling category improved by €41.1 million, to negative €46.3 million for the year ended December 31, 2012 from negative €87.4 million for the year ended December 31, 2011. The improvement was primarily due to the reversal of a pending litigation provision for €22.7 million recorded in the past to cover a risk of litigation relating to off-balance sheet transactions conducted prior to 2010, combined with variances in revenue recognition and an increase in the amortization of actuarial gains and losses for employment benefits in 2011. The costs of the corporate units (including Finance, Legal/Regulatory and Internal Audit) remained stable.

Assets and liabilities are not reported per segment to the Board.

6.8 Turnover

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Turnover excluding the SGEI remuneration	2,073.1	2,021.4	1,953.3
SGEI remuneration	322.9	320.9	325.7
	2,396.0	**2,342.3**	**2,279.0**

6.9 Other operating income

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Gain on disposal of property, plant and equipment	8.5	8.8	22.1
Benefits in kind	0.9	1.2	1.2
Rental income of investment property	1.7	2.0	2.4
Other rental income	1.8	1.6	1.7
Third party costs recovery	3.4	4.7	6.0
Other	3.5	4.0	5.3
	19.8	**22.3**	**38.7**

As of December 31, 2012 and for the year then ended:

The third party costs recovery relates to the sales realized by the company's restaurants.

Other sources of operating income mainly consist of reimbursements by third parties of damages suffered by bpost and its subsidiaries.

As of December 31, 2011 and for the year then ended:

The share of rental income related to investment property amounts to 2.0 million EUR (2010: 2.4 million EUR).

The third party costs recovery relates to the sales realized by the company's restaurants.

Other sources of operating income mainly consist of reimbursements by third parties of damages suffered by bpost and its subsidiaries.

As of December 31, 2010 and for the year then ended:

The share of rental income related to investment property amounts to 2.4 million EUR (2009: 1.8 million EUR).

The third party costs recovery relates to the sales realized by the company's restaurants.

Other sources of operating income mainly consist of reimbursements by third parties of damages suffered by bpost and its subsidiaries.

6.10 Other operating expense

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Provision related to the SGEI overcompensation	124.9	299.0	0.0
Other Provisions	(51.1)	7.1	(8.5)
Local and real estate taxes	5.9	5.7	4.3
Impairment on trade receivables	0.5	0.6	(2.2)
Penalty competition claim	37.4	0.0	0.0
Other	1.3	1.1	(0.1)
	118.9	**313.5**	**(6.6)**

As of December 31, 2012 and for the year then ended:

The evolution of the "other provisions" caption is mainly due to the following two items:

- a reversal of a pending litigation provision for 22.7 million EUR. This provision has been established to cover a risk of litigation relating to off-balance sheet transactions conducted prior to 2010. As the matter was definitively resolved in the course of 2012, the provision was no longer necessary and was reversed. This reversal is considered to be a non-recurring item.
- A provision constituted in previous years to cover the risk of a fine following the investigation by the Competition Commission relating to a pricing scheme, was used when the risk became certain in 2012 following the issuance of a 37.4 million fine by the Competition Commission and a charge corresponding to the fine was shown as separate line item ('Penalty competition claim') of other operating expenses. As a result, there is no net impact of these movements on total other operating expenses.

Note 6.29 provides more details on the evolution of the provisions.

As of December 31, 2011 and for the year then ended:

The variance in provision is mainly explained by the decision of the European Commission. Note 6.29 provides details on the evolution of the provisions.

Local and real estate taxes show an increase compared to 2010 as bpost is no longer completely exempted from the property taxes on buildings partially rented out to third parties.

As of December 31, 2010 and for the year then ended:

Provisions decreased mainly due to the update of the provision for litigation (see also Note 6.29).

6.11 Payroll costs

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Employee remuneration	1,003.9	1,062.6	1,090.7
Compensation for termination of allowances	0.0	0.0	(1.0)
Social security contributions	223.4	212.1	209.6
Other personnel costs	11.3	13.4	15.2
	1,238.5	**1,288.1**	**1,314.5**

As of December 31, 2012 and for the year then ended:

As at 31 December 2012, the headcount of bpost amounted to 29,922 (2011: 32,110) and is composed as follows:

- Statutory personnel: 16,987 (2011: 18,899)
- Contractual personnel: 12,935 (2011: 13,211)

The average FTE number for 2012 is 26,625 (2011: 27,973).

As of December 31, 2011 and for the year then ended:

As at 31 December 2011, the headcount of bpost amounted to 32,110 (2010: 33,616) and is composed as follows:

- Statutory personnel: 18,899 (2010: 21,254)
- Contractual personnel: 13,211 (2010: 12,362)

The average FTE number for 2011 is 27,973 (2010: 29,324).

As of December 31, 2010 and for the year then ended:

As at 31 December 2010, the headcount of bpost amounted to 33,616 (2009: 34,180) and is composed as follows:

- Statutory personnel: 21,254 (2009: 22,363)
- Contractual personnel: 12,362 (2009: 11,817)

The number of operational FTE at year-end amounted to 28,618 (2009: 29,618) and is composed as follows:

- Statutory personnel: 17,737 (2009: 19,114)
- Contractual personnel: 10,881, whereof 54 students (2009: 10,504 — Students were not on payroll of bpost, but considered as interims).

The average FTE number for 2010 is 29,324, whereof 338 students (2009: 30,030).

6.12 Financial income and financial cost

The following amounts have been included in the income statement line for the reporting periods presented:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Financial income	6.8	14.4	11.1
Financial costs	(60.6)	(19.7)	(31.7)
Net financial result	**(53.9)**	**(5.4)**	**(20.6)**

Financial income

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Interest income from financial assets at fair value through P&L, designated as such upon initial recognition	0.0	0.1	0.8
Interest income from financial assets held to maturity	2.6	7.1	0.0
Interest income from liquidities put at the disposal of the State	0.0	0.1	6.1
Interest income from short term bank deposits	1.7	2.0	1.2
Interest income from current accounts	0.6	2.0	0.5
Gain from exchange differences	1.3	2.5	2.0
Other	0.6	0.6	0.5
Financial Income	**6.8**	**14.4**	**11.1**

Financial costs

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Interest expense from financial liabilities at fair value through P&L, designated as such upon initial recognition	0.0	0.0	1.4
Financial costs on benefit obligations (IAS 19)	53.1	11.9	26.8
Interest on loans	1.0	1.5	0.0
Loss from exchange differences	2.7	3.3	2.1
Impairment current/financial assets	(0.3)	(0.2)	(0.9)
Other finance costs	4.2	3.2	2.3
Financial costs	**60.6**	**19.7**	**31.7**

6.13 Income tax/Deferred tax

Income taxes recognized in the income statement can be detailed as follows:

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Tax expense included:			
Current tax expenses	(105.6)	(120.3)	(121.0)
Adjustment recognized in the current year in relation to the current tax of prior years	18.6	6.3	4.6
Deferred tax expense relating to the origination and reversal of temporary differences	(11.4)	(9.4)	11.0
Total tax expense	**(98.5)**	**(123.4)**	**(105.4)**

The reconciliation of the effective tax rate with the aggregated weighted nominal tax rate can be summarized as follows:

	2012	2011	2010
	IN MILLION EUR		
Tax expense using statutory tax rate	92.7	22.4	107.1
Profit before income tax	272.7	66.0	315.0
Statutory tax rate	33.99%	33.99%	33.99%
Reconciling items between statutory and effective tax			
Tax effect of rates in other jurisdictions	—	—	—
Tax effect of non tax deductible expenses	21.5	7.8	7.8
Notional interest deduction	(6.3)	(8.0)	(8.9)
Tax effects prior year	(7.7)	(1.2)	(4.6)
Tax effect of tax losses utilized by subsidiaries	(2.7)	(1.2)	(2.9)
Subsidiaries in loss situation	1.7	1.2	1.0
bpost bank (equity method)	(2.4)	(1.5)	(9.0)
Interco adjustments	1.2	(0.5)	7.6
Other:			
Tax effect of European Commission decision	0.0	93.4	
Other differences	0.5	11.0	7.3
TOTAL	**98.5**	**123.4**	**105.4**
Tax using effective rate (current period)	(98.5)	(123.4)	(105.4)
Profit before income tax	272.7	66.0	315.0
Effective tax rate	36.1%	187.0%	33.5%

As of December 31, 2012 and for the year then ended:

In 2011, the tax effect of the European Commission decision represents the tax cost relating to the non deductible provision of 275 million EUR generating 93.4 million EUR in tax charges in 2011

As of 31 December 2012, bpost recognized a net deferred income tax asset of 61.0 million EUR. This net deferred income tax asset is composed as follows:

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Deferred tax assets			
Employee benefits	60.4	63.6	75.1
Provisions	14.3	21.5	21.1
Other	23.6	21.5	22.8
Total deferred tax asset	**98.3**	**106.6**	**119.1**
Deferred tax liabilities			
Property plant and equipment	31.2	30.1	30.9
Intangible assets	5.9	4.1	4.6
Other	0.2	0.1	1.6
Total deferred tax liabilities	**37.3**	**34.2**	**37.2**
Net deferred tax asset	**61.0**	**72.4**	**81.9**

Changes in deferred tax assets and liabilities are recognized in profit or loss.

No deferred tax is recognized on temporary differences arising from investments in subsidiaries and associates, because bpost has control on the reversal of the temporary difference and it is probable that they will not be reversed in the foreseeable future.

The temporary differences associated with investments in subsidiaries and associates for which a deferred tax liability has not been recognized amount to 0.7 million EUR (2011: 1.3 million EUR).

As of December 31, 2011 and for the year then ended:

The tax effect of the European Commission decision represents the tax cost relating to the non deductible provision of 275 million EUR generating 93.4 million EUR in taxes.

As of 31 December 2011, bpost recognized a net deferred income tax asset of 72.4 million EUR. This net deferred income tax asset is composed as follows:

AS AT 31 DECEM\BER	2011	2010	2009
	IN MILLION EUR		
Deferred tax assets			
Employee benefits	63.6	75.1	77.8
Provisions	21.5	21.1	19.6
Other	21.5	22.8	16.0
Total deferred tax asset	**106.6**	**119.1**	**113.4**
Deferred tax liabilities			
Property plant and equipment	30.1	30.9	34.2
Intangible assets	4.1	4.6	6.4
Other	0.1	1.6	2.2
Total deferred tax liabilities	**34.2**	**37.2**	**42.8**
Net deferred tax asset	**72.4**	**81.9**	**70.7**

No deferred tax is recognized on temporary differences arising from investments in subsidiaries and associates, because bpost has control on the reversal of the temporary difference and it is probable that they will not be reversed in the foreseeable future.

The temporary differences associated with investments in subsidiaries and associates for which a deferred tax liability has not been recognized amount to 1.3 million EUR (2010: 1.6 million EUR).

As of December 31, 2010 and for the year then ended:

As of 31 December 2010, bpost recognized a net deferred income tax asset of 81.9 million EUR. This net deferred income tax asset is composed as follows:

AS AT 31 DECEMBER	2010	2009	2008
	IN MILLION EUR		
Deferred tax assets			
Employee benefits	75.1	77.8	91.9
Provisions	21.1	19.6	16.2
Other	22.8	16.0	32.6
Total deferred tax asset	**119.1**	**113.4**	**140.6**
Deferred tax liabilities			
Property plant and equipment	30.9	34.2	37.1
Intangible assets	4.6	6.4	6.6
Other	1.6	2.2	6.1
Total deferred tax liabilities	**37.2**	**42.8**	**49.9**
Net deferred tax asset	**81.9**	**70.7**	**90.7**

No deferred tax is recognized on temporary differences arising from investments in subsidiaries and associates, because bpost has control on the reversal of the temporary difference and it is probable that they will not be reversed in the foreseeable future.

The temporary differences associated with investments in subsidiaries and associates for which a deferred tax liability has not been recognized aggregate to 1.6 million EUR (2009: 1.1 million EUR).

6.14 Earnings per share

In accordance with IAS 33, the basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts have to be calculated by dividing the net profit attributable to ordinary equity holders of the parent 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.

In case of bpost, no effects of dilution affect the net profit attributable to ordinary equity holders and the weighted average number of ordinary shares. The changes in the weighted average number of shares for the years 2010, 2011 and 2012 is due to a timing difference between the acquisition of shares by Alteris (a 100% bpost subsidiary) from the beneficiaries of the stock option plan in 2011 and 2012 and the repurchase in December 2012 of those shares by PIE (shareholder) from Alteris. As a result of this timing difference, treasury shares were recorded at Alteris. As a consequence, for both 2011 and 2012, the weighted average number of ordinary shares outstanding during the year is impacted by the Alteris-owned shares for the fraction of the year they are owned by Alteris.

The table below reflects the income and share data used in the basic and diluted earnings per share computations, based on the number of shares before the share split decided in the shareholders meeting in May 2013:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Net profit attributable to ordinary equity holders of the parent for basic earnings	**173.3**	**(57.4)**	**209.2**
Adjustments for the effect of dilution	—	—	—
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**173.3**	**(57.4)**	**209.2**
	IN NUMBER		
Weighted average number of ordinary shares for basic earnings per share	**407,016**	**409,013**	**409,838**
Effect of dilution	—	—	—
Weighted average number of ordinary shares adjusted for the effect of dilution	**407,016**	**409,013**	**409,838**
	IN EUR		
Earnings per share			
► basic, profit for the year attributable to ordinary equity holders of the parent	**425.78**	**(140.34)**	**510.45**
► diluted, profit for the year attributable to ordinary equity holders of the parent	**425.78**	**(140.34)**	**510.45**

The table below reflects the income and share data used in the basic and diluted earnings per share computations, based on the number of shares after the share split decided in the shareholders meeting in May 2013:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Net profit attributable to ordinary equity holders of the parent for basic earnings	**173.3**	**(57.4)**	**209.2**
Adjustments for the effect of dilution	—	—	—
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution	**173.3**	**(57.4)**	**209.2**
	IN MILLION SHARES		
Weighted average number of ordinary shares for basic earnings per share (in mio shares)	198.6	199.6	200.0
Effect of dilution	—	—	—
Weighted average number of ordinary shares adjusted for the effect of dilution (in mio shares)	198.6	199.6	200.0
	IN EUR		
Earnings per share			
► basic, profit for the year attributable to ordinary equity holders of the parent	0.87	(0.29)	1.05
► diluted, profit for the year attributable to ordinary equity holders of the parent	0.87	(0.29)	1.05

6.15 Property, plant and equipment

	LAND AND BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND VEHICLES	FIXTURES AND FITTINGS	OTHER PROPERTY, PLANT AND EQUIPMENT	TOTAL
			IN MILLION EUR			
Acquisition cost						
Balance at 1 January 2010	**845.5**	**249.2**	**233.1**	**60.3**	**3.8**	**1,391.9**
Acquisitions	0.3	7.9	19.7	21.3	7.9	57.1
Acquisitions through business combinations	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	(0.1)	(1.9)	(16.7)	(4.7)	0.0	(23.4)
Assets classified as held for sale or investment property	(12.1)	0.0	0.0	(5.3)	0.0	(17.4)
Other movements	5.7	0.0	2.0	(9.9)	2.2	0.0
Balance at 31 December 2010	**839.4**	**255.2**	**238.1**	**61.7**	**13.9**	**1,408.2**
Balance at 1 January 2011	**839.4**	**255.2**	**238.1**	**61.7**	**13.9**	**1,408.2**
Acquisitions	3.9	6.9	17.3	24.6	14.0	66.8
Acquisitions through business combinations	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	(1.2)	(12.7)	(4.8)	0.0	(18.7)
Assets classified as held for sale or investment property	(4.3)	0.0	0.0	(2.4)	0.0	(6.7)
Other movements	5.5	0.0	0.0	(5.3)	0.0	0.1
Balance at 31 December 2011	**844.4**	**260.9**	**242.7**	**73.8**	**27.9**	**1,449.7**
Balance at 1 January 2012	**844.4**	**260.9**	**242.7**	**73.8**	**27.9**	**1,449.7**
Acquisitions	30.5	6.7	10.8	0.5	8.6	57.0
Acquisitions through business combinations	0.0	0.0	0.3	0.0	0.0	0.3
Disposals	0.4	(7.5)	(42.3)	(6.0)	0.1	(55.5)
Assets classified as held for sale or investment property	(2.5)	0.0	0.0	(1.2)	0.0	(3.7)
Other movements	1.3	0.0	(0.0)	(1.2)	(0.1)	(0.0)
Balance at 31 December 2012	**874.1**	**260.0**	**211.5**	**65.9**	**36.4**	**1,447.9**
Revaluation						
Balance at 1 January 2010	—	—	—	—	7.4	7.4
Balance at 31 December 2010	**—**	**—**	**—**	**—**	**7.4**	**7.4**
Balance at 1 January 2011	—	—	—	—	7.4	7.4
Balance at 31 December 2011	**—**	**—**	**—**	**—**	**7.4**	**7.4**
Balance at 1 January 2012	—	—	—	—	7.4	7.4
Balance at 31 December 2012	**—**	**—**	**—**	**—**	**7.4**	**7.4**
Depreciation and impairment losses						
Balance at 1 January 2010	**(365.9)**	**(165.6)**	**(165.6)**	**(34.1)**	**—**	**(731.2)**
Acquisitions through business combinations	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.1	1.9	16.7	4.7	0.0	23.4
Disposals through the sale of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	(20.2)	(14.8)	(23.5)	(17.6)	0.0	(76.1)
Impairment losses	0.4	(4.1)	(6.9)	(5.7)	(3.4)	(19.7)
Assets classified as held for sale or investment property	8.1	0.0	0.0	2.8	0.0	10.9
Other increase (decrease)	(6.7)	(0.0)	0.0	6.7	0.0	(0.0)
Balance at 31 December 2010	**(384.1)**	**(182.6)**	**(179.4)**	**(43.3)**	**(3.4)**	**(792.8)**

	LAND AND BUILDINGS	PLANT AND EQUIPMENT	FURNITURE AND VEHICLES	FIXTURES AND FITTINGS	OTHER PROPERTY, PLANT AND EQUIPMENT	TOTAL
			IN MILLION EUR			
Balance at 1 January 2011	**(384.1)**	**(182.6)**	**(179.4)**	**(43.3)**	**(3.4)**	**(792.8)**
Acquisitions through business combinations	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	1.2	12.7	4.8	0.0	18.7
Disposals through the sale of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	(20.4)	(14.3)	(21.6)	(16.3)	0.0	(72.7)
Impairment losses	1.2	(3.2)	(3.6)	(1.4)	0.0	(7.1)
Assets classified as held for sale or investment property	4.8	0.0	0.0	0.8	0.0	5.6
Other increase (decrease)	(5.1)	0.0	0.3	5.1	(0.3)	0.0
Balance at 31 December 2011	**(403.7)**	**(199.0)**	**(191.6)**	**(50.3)**	**(3.7)**	**(848.2)**
Balance at 1 January 2012	**(403.7)**	**(199.0)**	**(191.6)**	**(50.3)**	**(3.7)**	**(848.2)**
Acquisitions through business combinations	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	(0.4)	7.5	42.3	6.0	(0.1)	55.5
Disposals through the sale of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	(36.9)	(14.2)	(19.1)	(1.1)	0.1	(71.3)
Impairment losses	(0.2)	(0.8)	(0.5)	(5.7)	0.0	(7.2)
Assets classified as held for sale or investment property	1.9	0.0	0.0	2.6	0.0	4.5
Other increase (decrease)	(1.3)	1.3	1.9	(2.0)	0.0	(0.0)
Balance at 31 December 2012	**(440.5)**	**(205.2)**	**(167.0)**	**(50.4)**	**(3.7)**	**(866.7)**
Carrying amount						
At 31 December 2010	**455.2**	**72.6**	**58.7**	**18.3**	**17.9**	**622.8**
At 31 December 2011	**440.7**	**61.9**	**51.1**	**23.4**	**31.7**	**608.8**
At 31 December 2012	**433.6**	**54.9**	**44.5**	**15.4**	**40.1**	**588.5**

As of December 31, 2012 and for the year then ended:

Property, plant and equipment decreased from 608.8 million EUR to 588.5 million EUR, i.e. by 20.3 million EUR. This decrease is explained by:

- New acquisitions (57.0 million EUR) mainly relating to production facilities for sorting and printing activities (19.0 million EUR), mail and retail network infrastructure (17.8 million EUR), ATM- and security infrastructure (7.7 million EUR), IT- and other infrastructure (12.5 million EUR)
- Depreciation & impairment losses (78.5 million EUR)
- Transfer to assets held for sale (2.0 million EUR) and from investment property (2.9 million EUR)

All amortization and impairment charges are included in the section "Depreciation, amortization" of the income statement.

As of December 31, 2011 and for the year then ended:

Property, plant and equipment decreased from 622.8 million EUR to 608.8 million EUR, i.e. by 14.0 million EUR. This decrease is explained by:

- New acquisitions (66.8 million EUR) mainly relating to production facilities for sorting and printing activities (20.8 million EUR), mail and retail network infrastructure (18.5 million EUR), ATM- and security infrastructure (9.3 million EUR), vehicles for transport activities (5.3 million EUR), IT- and other equipment (12.9 million EUR)
- Depreciation & impairment losses (79.8 million EUR)
- Transfer to assets held for sale (2.4 million EUR) and from investment property (1.2 million EUR)

All amortization and impairment charges are included in the section “Depreciation, amortization” of the income statement.

As of December 31, 2010 and for the year then ended:

Property, plant and equipment decreased from 668.1 million EUR to 622.9 million EUR, i.e. by 45.2 million EUR. This decrease is explained by:

- New acquisitions (57.1 million EUR) mainly relating to mail and retail network infrastructure (25.3 million EUR), production facilities for sorting and printing activities (13.8 million EUR), vehicles for transport activities (7.7 million EUR), IT- and other equipment (10.2 million EUR)
- Depreciation & impairment losses (95.8 million EUR)
- Transfer to assets held for sale (2.7 million EUR) and investment property (3.8 million EUR)

All amortization and impairment charges are included in the section “Depreciation, amortization” of the income statement.

6.16 Investment property

	LAND AND BUILDINGS
	IN MILLION EUR
Acquisition cost	
Balance at 1 January 2010	**35.1**
Acquisitions	0.0
Transfer from/to other asset categories	8.7
Balance at 31 December 2010	**43.7**
Balance at 1 January 2011	**43.7**
Acquisitions	0.0
Transfer from/to other asset categories	(0.3)
Balance at 31 December 2011	**43.4**
Balance at 1 January 2012	**43.4**
Acquisitions	
Transfer from/to other asset categories	(5.7)
Balance at 31 December 2012	**37.7**
Depreciation and impairment losses	
Balance at 1 January 2010	**(19.2)**
Depreciations	(0.1)
Impairment losses	0.0
Transfer from/to other asset categories	(4.9)
Balance at 31 December 2010	**(24.3)**
Balance at 1 January 2011	**(24.3)**
Depreciations	(0.1)
Impairment losses	—
Transfer from/to other asset categories	(0.8)
Balance at 31 December 2011	**(25.2)**
Balance at 1 January 2012	**(25.2)**
Depreciations	(0.2)
Impairment losses	
Transfer from/to other asset categories	2.8
Balance at 31 December 2012	**(22.6)**
Carrying amount	
At 31 December 2010	**19.5**
At 31 December 2011	**18.2**
At 31 December 2012	**15.2**

Investment property mainly relates to apartments located in buildings used as post offices. Investment properties are carried at acquisition cost less any accumulated depreciation and less any impairment loss. The depreciation amount is allocated on a systematic basis over their useful life (in general 40 years).

As of December 31, 2012 and for the year then ended:

The rental income of the investment property amounts to 1.7 million EUR (2011: 2.0 million EUR). The estimated fair value of the investment property decreased from 41.3 million EUR to 34.8 million EUR or by 6.5 million EUR driven by a reduction in the number of properties rented out.

As of December 31, 2011 and for the year then ended:

The rental income of the investment property amounts to 2.0 million EUR (2010: 2.4 million EUR). The estimated fair value of the investment property decreased from 42.7 million EUR to 41.3 million EUR or by 1.4 million EUR driven by a reduction in the number of properties rented out.

As of December 31, 2010 and for the year then ended:

The rental income of the investment property amounts to 2.4 million EUR (2009: 1.8 million EUR). The estimated fair value of the investment property rose from 38.3 million EUR to 42.7 million EUR or by 4.4 million EUR in result of new rental agreements (7.1 million EUR), partly compensated by the terminated rental contracts (2.7 million EUR).

6.17 Assets held for sale

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Property, plant and equipment	0.3	0.5	1.6
	0.3	**0.5**	**1.6**

As of December 31, 2012 and for the year then ended:

Assets held for sale decreased from 0.5 million EUR to 0.3 million EUR. The decrease by 0.2 million EUR is due to deeds signed in 2012 (2.2 million EUR) partially counterbalanced by new sales' agreements signed in 2012 (2.0 million EUR).

The number of buildings recognized in assets held for sale decrease from 4 at the end of 2011 to 3 at the end of 2012. These assets are retail outlets which are vacant as a consequence of the optimization of the post offices network.

Profits on disposal of 8.5 million EUR (2011: 8.8 million EUR) were accounted for in the income statement in the section "Other operating income". In 2012, no impairment charges were recorded for in the section "Depreciation, amortization" (2011: 0.2 million EUR).

As of December 31, 2011 and for the year then ended:

Assets held for sale decreased from 1.6 million EUR to 0.5 million EUR. The decrease by 1.1 million EUR in asset held for sale is due to deeds signed in 2011 (3.3 million EUR) and cancellation of prior year's sales agreements (0.2 million EUR), partly counterbalanced by new sales agreements signed in 2011 (2.4 million EUR).

The number of buildings recognized in assets held for sale decrease from 13 at the end of 2010 to 4 at the end of 2011. The majority of these assets are retail outlets which are vacant as a consequence of the optimization of the post offices network.

Profits on disposal of 8.8 million EUR (2010: 22 million EUR) were accounted for in the income statement in the section "Other operating income". In 2011 impairment charges for the amount of 0.2 million EUR were recorded for in the section "Depreciation, amortization" (2010: none).

As of December 31, 2010 and for the year then ended:

Assets held for sale decreased from 3.6 million EUR to 1.6 million EUR. The decrease by 2.0 million EUR in asset held for sale is due to deeds signed in 2010 (4.7 million EUR) counterbalanced by sales agreements signed in 2010 with pending deed signature (2.7 million EUR).

The number of buildings recognized in assets held for sale decrease from 18 at the end of 2009 to 13 at the end of 2010. The majority of these assets are retail outlets which are vacant as a consequence of the optimization of the post offices network.

Profits on disposal of 22.0 million EUR (2009: 7.3 million EUR) were accounted for in the income statement in the section "Other operating income". No impairment charges were recorded for in the section "Depreciation, amortization" in 2010 (2009: 0.1 million EUR).

6.18 Intangible assets

	GOODWILL	DEVELOP-MENT COSTS	SOFTWARE	OTHER INTANGIBLE ASSETS	TOTAL
			IN MILLION EUR		
Acquisition cost					
Balance at 1 January 2010	**37.0**	**87.9**	**87.8**	**7.3**	**220.1**
Acquisitions	0.0	1.2	9.1	1.0	11.4
Acquisitions and additions through business combinations	0.4	0.0	0.0	(0.0)	0.4
Disposals	0.0	(0.2)	(8.8)	0.0	(9.0)
Disposals through the sale of subsidiaries	0.0	0.0	0.0	0.0	0.0
Transfer to other asset categories	0.0	0.0	0.0	0.0	0.0
Other movements	0.0	0.0	(3.7)	3.7	0.0
Balance at 31 December 2010	**37.4**	**89.0**	**84.4**	**12.1**	**222.9**
Balance at 1 January 2011	**37.4**	**89.0**	**84.4**	**12.1**	**222.9**
Acquisitions	3.4	3.8	7.6	0.0	14.8
Acquisitions and additions through business combinations	0.0	0.0	0.0	0.1	0.1
Disposals	0.0	0.0	0.0	0.0	0.0
Disposals through the sale of subsidiaries	0.0	0.0	0.0	0.0	0.0
Transfer to other asset categories	0.0	0.0	0.0	0.0	0.0
Other movements	0.0	-0.2	0.0	0.0	(0.1)
Balance at 31 December 2011	**40.8**	**92.7**	**92.1**	**12.2**	**237.7**
Balance at 1 January 2012	**40.8**	**92.7**	**92.1**	**12.2**	**237.7**
Acquisitions	20.8	15.2	9.4	0.5	45.9
Acquisitions and additions through business combinations	0.0	0.0	0.9	0.0	0.9
Disposals	0.0	(12.7)	(2.5)	0.0	(15.2)
Disposals through the sale of subsidiaries	0.0	0.0	0.0	0.0	0.0
Transfer to other asset categories	0.0	0.0	0.0	0.0	0.0
Other movements	0.0	(0.1)	0.1	0.0	0.0
Balance at 31 December 2012	**61.6**	**95.0**	**100.0**	**12.6**	**269.3**
Amortization and impairment losses					
Balance at 1 January 2010	**(12.1)**	**(69.1)**	**(56.1)**	**(2.9)**	**(140.2)**
Acquisitions and additions through business combinations	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.2	8.8	0.0	9.0
Disposals through the sale of subsidiaries	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	(7.5)	(12.9)	(1.4)	(21.9)
Impairment losses	(1.2)	0.8	0.0	0.0	(0.4)
Transfer to other asset categories	0.0	0.0	0.0	0.0	0.0
Other movements	0.0	0.0	3.0	(3.0)	0.0
Balance at 31 December 2010	**(13.2)**	**(75.7)**	**(57.3)**	**(7.3)**	**(153.5)**

	GOODWILL	DEVELOP-MENT COSTS	SOFTWARE	OTHER INTANGIBLE ASSETS	TOTAL
			IN MILLION EUR		
Balance at 1 January 2011	**(13.2)**	**(75.7)**	**(57.3)**	**(7.3)**	**(153.5)**
Acquisitions and additions through business combinations	0.0	0.0	0.0	(0.1)	(0.1)
Disposals	0.0	0.0	0.0	0.0	0.0
Disposals through the sale of subsidiaries	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	(5.7)	(7.6)	(1.5)	(14.7)
Impairment losses	0.0	0.7	0.0	0.0	0.7
Transfer to other asset categories	0.0	0.0	0.0	0.0	0.0
Other movements	0.0	0.0	0.0	0.0	0.0
Balance at 31 December 2011	**(13.2)**	**(80.7)**	**(64.9)**	**(8.9)**	**(167.7)**
Balance at 1 January 2012	**(13.2)**	**(80.7)**	**(64.9)**	**(8.9)**	**(167.7)**
Acquisitions and additions through business combinations	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	12.7	2.5	0.0	15.2
Disposals through the sale of subsidiaries	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	(5.4)	(9.3)	(1.5)	(16.2)
Impairment losses	0.0	(4.9)	(0.2)	0.0	(5.1)
Transfer to other asset categories	0.0	0.0	0.0	0.0	0.0
Other movements	0.0	0.1	-0.1	0.0	0.0
Balance at 31 December 2012	**(13.2)**	**(78.2)**	**(71.9)**	**(10.4)**	**(173.7)**
Carrying amount					
At 31 December 2010	**24.2**	**13.3**	**27.1**	**4.7**	**69.3**
At 31 December 2011	**27.6**	**11.9**	**27.2**	**3.2**	**70.0**
At 31 December 2012	**48.4**	**16.8**	**28.1**	**2.3**	**95.5**

As of December 31, 2012 and for the year then ended:

Intangible assets increased from 70.0 million EUR to 95.5 million EUR or by 25.5 million EUR. This increase can be decomposed as follows:

- Goodwill increase (20.8 million EUR) mainly as a result of the Landmark acquisition (18.2 million EUR), goodwill on the acquisition of the customs activity of DSV (2.1 million EUR) and share price adjustment relating to the acquisition of bpost Asia (0.8 million EUR)
- Investments in software and licenses (9.4 million EUR), development costs capitalized (15.2 million EUR), business combinations effects (0.9 million EUR) and other intangible assets (0.5 million EUR)
- Amortization & impairment losses (21.3 million EUR)

All amortization and impairment charges are included in the section "Depreciation, amortization" of the income statement.

The carrying value of goodwill arising on cash-generating units of 48.4 million EUR (2011: 27.6 million EUR) is for 50% related to acquisitions of cash-generating units in 2012 and 2011. In line with the Group's accounting policy, this goodwill has been reviewed for impairment. An impairment loss is recognized for the amount by which the carrying value of an asset or cash generating unit exceeds the recoverable amount. The recoverable amount is the higher of net realisable value and value in use.

The carrying value of all these cash-generating units, excluding interest bearing and tax related assets and liabilities represents, on average, a multiple of 4.2 on operating profit before exceptional items. The net realizable value of these cash-generating units, for purposes of the impairment review (i.e. the 'fair value less costs to sell'), has been assessed with reference to earnings multiples for recently acquired business combinations. On this basis, the net realizable value has been assessed to be in excess of the carrying value. For none of the current cash-generating units, impairment had to be recognized.

The earnings multiples referenced would need to reduce by about 30% to reduce the net realizable value below the carrying value of all business combinations.

Besides the goodwill, there are no other intangible assets with indefinite useful lives.

As of December 31, 2011 and for the year then ended:

Intangible assets increased from 69.3 million EUR to 70.0 million EUR or by 0.7 million EUR. This increase can be decomposed as follows:

- Goodwill increase in result of Citipost acquisitions (3.4 million EUR)
- Investments in software and licenses (7.6 million EUR), development costs capitalized (3.8 million EUR)
- Amortization & impairment losses (14.0 million EUR)

All amortization and impairment charges are included in the section "Depreciation, amortization" of the income statement.

As of December 31, 2010 and for the year then ended:

Intangible assets decreased from 79.8 million EUR to 69.3 million EUR or by 10.5 million EUR. This decrease can be decomposed as follows:

- Increase in the goodwill recorded on the acquisition of MSI following the payment of an additional consideration (0.4 million EUR)
- Investments in software and licenses (9.1 million EUR), development costs capitalized (1.2 million EUR) and other intangible assets (1.0 million EUR)
- Amortization (21.9 million EUR)
- Impairment losses of the year (0.4 million EUR)

All amortization and impairment charges are included in the section "Depreciation, amortization" of the income statement.

6.19 Lease

Finance Lease

As of December 31, 2012 and for the year then ended:

The finance lease liabilities as of December 31, 2012 relate to the Saint-Denis building, leased machinery and vehicles. The building was acquired in the context of the disposal of Asterion.

The net carrying amount and useful lives of the leased assets are as follows:

	USEFUL LIVES	CARRYING AMOUNT DEC 31, 2012
	IN MILLION EUR	
Land and Buildings (Saint-Denis)	25 years	2.3
Machinery and equipment	5 years	0.4
Vehicles	5 years	0.0

As of December 31, 2011 and for the year then ended:

The finance lease liabilities as of December 31, 2011 relate to the Saint-Denis building, machinery and vehicles. The building was acquired in the context of the disposal of Asterion.

The net carrying amount and useful lives of the leased assets are as follows:

	USEFUL LIVES	CARRYING AMOUNT DEC 31, 2011
	IN MILLION EUR	
Land and Buildings (Saint-Denis)	25 years	2.5
Machinery and equipment	5 years	0.6
Vehicles	5 years	0.0

As of December 31, 2010 and for the year then ended:

The finance lease liabilities as of December 31, 2010 relate to the Saint-Denis building, machinery and vehicles. The building was acquired in the context of the disposal of Asterion and the machinery is essentially located within the subsidiaries Speos and Secumail. The vehicles are located within the subsidiaries Express Road and MG Road.

The net carrying amount and useful lives of the leased assets are as follows:

	USEFUL LIVES	CARRYING AMOUNT 31 DEC. 2010
	IN MILLION EUR	
Land and Buildings (Saint-Denis)	25 years	2.6
Machinery and equipment	5 years	1.7
Vehicles	5 years	0.1

As of December 31, 2012 and for the year then ended:

The future minimum finance lease payments at the end of each reporting period under review were as follows:

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Minimum lease payments			
Within 1 year	0.4	0.6	0.9
1 to 5 years	0.7	1.1	1.7
More than 5 years	0.0	0.0	0.0
Total	1.1	1.7	2.5
Less			
Future finance costs	0.1	0.1	0.2
Present value of the minimum lease payments			
Within 1 year	0.4	0.5	0.8
1 to 5 years	0.7	1.0	1.6
More than 5 years	0.0	—	—
Total	**1.0**	**1.6**	**2.3**

The financial lease agreements include fixed lease payments and a purchase option at the end of lease term.

Operating Lease

The group's future minimum operating lease payments are as follows:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Less than one year	56.7	58.4	48.5
Between one year and five years	138.0	128.8	130.0
More than five years	77.5	78.9	68.1
	272.2	**266.1**	**246.6**

As of December 31, 2012 and for the year then ended:

The operating leases relate to buildings and vehicles. Lease payments are recognized as an expense in the section "Services and other goods" for an amount of 65.3 million EUR (2011: 63.8 million EUR).

The operational lease agreements include fixed lease payments. The risks and rewards incidental to the ownership are not transferred to bpost.

As of December 31, 2011 and for the year then ended:

The operating leases relate to buildings and vehicles. Lease payments are recognized as an expense in the section "Services and other goods" for an amount of 63.8 million EUR (2010: 59 million EUR).

The operational lease agreements include fixed lease payments. The risks and rewards incidental to the ownership are not transferred to bpost.

As of December 31, 2010 and for the year then ended:

The operating leases relate to buildings and vehicles. Lease payments are recognized as an expense in the section "Services and other goods" for an amount of 59 million EUR (2009: 56.6 million EUR).

The operational lease agreements include fixed lease payments. The risks and rewards incidental to the ownership are not transferred to bpost.

The group's future minimum operating lease income is as follows and relates to buildings:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Less than one year	3.4	3.7	2.7
Between one year and five years	10.8	15.0	11.4
More than five years	9.3	19.1	11.8
	23.5	**37.8**	**25.9**

As of December 31, 2012 and for the year then ended:

The income that is related to operational lease agreements is recognized in the section "Other operating income" for an amount of 3.5 million EUR (2011: 3.6 million EUR).

As of December 31, 2011 and for the year then ended:

The income that is related to operational lease agreements is recognized in the section "Other operating income" for an amount of 3.6 million EUR (2010: 4.1 million EUR).

As of December 31, 2010 and for the year then ended:

The income that is related to operational lease agreements is recognized in the section "Other operating income" for an amount of 4.1 million EUR (2009: 4.4 million EUR).

6.20 Investment securities

	TOTAL NON CURRENT INVESTMENTS	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS, DESIGNATED AS SUCH UPON INITIAL RECOGNITION	FINANCIAL ASSETS HELD TO MATURITY	TOTAL CURRENT INVESTMENTS	TOTAL
			IN MILLION EUR		
Acquisition cost					
Balance at 1 January 2010		**125.3**	**—**	**125.3**	**125.3**
Acquisitions	—	25.1	6.1	31.2	31.2
Acquisitions through business combinations	—	—	—		
Changes in fair value	—	—	—		
Disposals	—	(125.2)	—	(125.2)	(125.2)
Balance at 31 December 2010		**25.2**	**6.1**	**31.3**	**31.3**
Balance at 1 January 2011		**25.2**	**6.1**	**31.3**	**31.3**
Acquisitions			3,980.1	3,980.1	3,980.1
Acquisitions through business combinations Changes in fair value Disposals		(25.2)	(3,470.6)	(3,495.8)	(3,495.8)
Balance at 31 December 2011			**515.6**	**515.6**	**515.6**
Balance at 1 January 2012			**515.6**	**515.6**	**515.6**
Acquisitions			2,369.1	2,369.1	2,369.1
Acquisitions through business combinations Changes in fair value Disposals			(2,862.7)	(2,862.7)	(2,862.7)
Balance at 31 December 2012			**22.0**	**22.0**	**22.0**
Impairment losses					
Balance at 1 January 2010					
Other movements	—	—		—	—
Balance at 31 December 2010					
Balance at 1 January 2011					
Other movements	—	—		—	—
Balance at 31 December 2011					
Balance at 1 January 2012					
Other movements	—	—		—	—
Balance at 31 December 2012					
Carrying amount					
At 31 December 2010		**25.2**	**6.1**	**31.3**	**31.3**
At 31 December 2011			**515.6**	**515.6**	**515.6**
At 31 December 2012			**22.0**	**22.0**	**22.0**

As of December 31, 2012 and for the year then ended:

For all three years under review, the investment securities met the definition of cash & cash equivalents as defined by IAS 7.

As of December 31, 2011 and for the year then ended:

As per December 31 2011, bpost holds 513.1 million EUR in commercial papers and government issues. Most of the commercial papers have a maturity between one and three months and their interest rates vary from 3% to 5%. These investments are recognized as financial assets held to maturity.

The 25.2 million EUR in floating rate notes came to an end in 2011 and the amount was reinvested in commercial papers. This investment was accounted for as financial assets at fair value designated as such upon initial recognition.

As of December 31, 2010 and for the year then ended:

As per December 31 2010, bpost holds 25 million EUR in AAA-rated money market funds.

All the investments above are accounted for as financial assets at fair value designated as such upon initial recognition. Their performance is evaluated on a fair value basis in accordance with a documented investment strategy. Information about the investments is provided internally to the company's management on that same basis.

Current financial assets held to maturity owned by some subsidiaries amounted 6.1 million EUR as of 2010.

6.21 Investment in associates

	2012	2011	2010
	IN MILLION EUR		
Balance at 1 January	**84.3**	**131.2**	**175.1**
Share of profit	3.5	2.2	13.3
Other movements in equity of associates	263.8	(49.4)	(57.1)
Balance at 31 December	**351.6**	**84.3**	**131.2**

As of December 31, 2012 and for the year then ended:

Share of profit/loss

In 2012, the amount is composed of bpost's share in the profit of bpost bank of 3.5 million EUR. Last year, the share of profit was composed of bpost bank's profit amounting to 2.2 million EUR.

Dividends received

In 2011 and 2012, no dividend originating from associate companies was attributed to bpost.

Other movements

The amount represents the impact of the unrealized gains on bpost bank's bond portfolio (263.8 million EUR).

An overview of the selected financial figures of the associates is presented in the following tables.

2011	OWNERSHIP	TOTAL ASSETS	TOTAL LIABILITIES (excl. equity)	REVENUES	PROFIT/ (LOSS)
			IN MILLION EUR		
bpost bank	50%	8,039.8	7,871.3	378.6	4.4

2012	OWNERSHIP	TOTAL ASSETS	TOTAL LIABILITIES (excl. equity)	REVENUES	PROFIT/ (LOSS)
			IN MILLION EUR		
bpost bank	50%	9,535.5	8,832.3	355.9	7.1

As of December 31, 2011 and for the year then ended:

Share of profit/loss

In 2011, the amount is composed of bpost's share in the profit of BPO of 2.2 million EUR. Last year, the share of profit was composed of BPO's profit amounting to 13.3 million EUR.

Dividends received

In 2011, no dividend originating from associate companies was attributed to bpost.

Other movements

The amount represents the impact of the unrealized losses on BPO's bond portfolio (-49.4 million EUR).

An overview of the selected financial figures of the associates is presented in the following tables.

2010	OWNERSHIP	TOTAL ASSETS	TOTAL LIABILITIES (excl. equity)	REVENUES	PROFIT/ (LOSS)
			IN MILLION EUR		
BPO	50%	8,191.9	7,929.1	337.4	26.6

2011	OWNERSHIP	TOTAL ASSETS	TOTAL LIABILITIES (excl. equity)	REVENUES	PROFIT/ (LOSS)
			IN MILLION EUR		
BPO	50%	8,039.8	7,871.3	378.6	4.4

As of December 31, 2010 and for the year then ended:

Share of profit/loss

In 2010, the amount is composed of bpost's share in the profit of BPO of 13.3 million EUR. Last year, the share of profit was composed of BPO's profit amounting to 4.7 million EUR.

Dividends received

In 2010, no dividend originating from associate companies was attributed to bpost.

Other movements

The amounts represent the decrease in unrealized gains on BPO's bond portfolio (-57.1 million EUR).

An overview of the selected financial figures of the associates is presented in the following tables:

2009	OWNERSHIP	TOTAL ASSETS	TOTAL LIABILITIES (excl. equity)	REVENUES	PROFIT/ (LOSS)
			IN MILLION EUR		
BPO	50%	7,517.7	7,167.1	324.9	9.3

2010	OWNERSHIP	TOTAL ASSETS	TOTAL LIABILITIES (excl. equity)	REVENUES	PROFIT/ (LOSS)
			IN MILLION EUR		
BPO	50%	8,191.9	7,929.1	337.4	26.6

6.22 Trade and other receivables

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Trade receivables	0.0	0.1	0.0
Other receivables	0.9	0.7	0.9
Non Current trade and other receivables	**0.9**	**0.8**	**0.9**

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Trade receivables	354.7	364.6	359.5
Tax receivables, other than income tax	0.8	0.5	1.1
Other receivables	39.2	31.9	30.7
Current trade and other receivables	**394.6**	**397.0**	**391.3**

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Accrued income	24.7	16.3	15.6
Deferred charges	10.9	13.4	12.1
Other receivables	3.6	2.2	3.0
Current — Other receivables	**39.2**	**31.9**	**30.7**

As of December 31, 2012 and for the year then ended:

The non-current receivables are considered as a reasonable approximation of the fair value of this financial asset, as it is expected to be paid within a short timeframe, making the impact of the time value of money is not significant.

Current trade receivables amount include third-party trade debtors (166.9 million EUR), receivables from the State (88.9 million EUR), invoices to be issued (8.3 million EUR) credit notes to be received, suppliers with debit balance mainly terminal dues related (53.8 million EUR) and prepayments (34.1 million EUR).

Tax receivables relate to the outstanding VAT amounts to be received.

Within current receivables, "Other receivables" consist almost entirely of accrued income and deferred charges. The main items herein are the commission to be received from bpost bank (18.5 million EUR), prepaid rent and other accruals.

Trade and other receivables are mainly short-term. The carrying amounts are considered to be a reasonable approximation of the fair value.

As of December 31, 2011 and for the year then ended:

The non-current receivables are considered as a reasonable approximation of the fair value of this financial asset, as it is expected to be paid within a short timeframe, making the impact of the time value of money is not significant.

Current trade receivables amount include third-party trade debtors (154.2 million EUR), receivables from the State (89.2 million EUR), invoices to be issued (20.0 million EUR) credit notes to be received, suppliers with debit balance (66.0 million EUR) and prepayments (34.6 million EUR).

Tax receivables relate to the outstanding VAT amounts to be received.

Within current receivables, "Other receivables" consist almost entirely of accrued income and deferred charges. The main items herein are the commission to be received from BPO (15.7 million EUR), prepaid rent and other accruals.

Trade and other receivables are mainly short-term. The carrying amounts are considered to be a reasonable approximation of the fair value.

As of December 31, 2010 and for the year then ended:

The non-current receivables are considered as a reasonable approximation of the fair value of this financial asset, making the impact of the time value of money is not significant.

Current trade receivables amount include third-party trade debtors (164.8 million EUR), receivables from the State (89.6 million EUR), credit notes to be received (1.2 million EUR), suppliers with debit balance (50.2 million EUR) and prepayments (38.1 million EUR).

Tax receivables relate to the outstanding VAT amounts to be received from the Ministry of Finance.

Within current receivables, “Other receivables” consist almost entirely of accrued income and deferred charges. Important elements herein are the commission to be received from BPO (15.2 million EUR), prepaid rent and other accruals.

Trade and other receivables are mainly short-term. The carrying amounts are considered to be a reasonable approximation of the fair value.

6.23 Inventories

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Raw materials	1.4	1.8	1.9
Finished products	1.9	2.8	2.3
Goods purchased for resale	4.6	4.9	5.6
Reductions in value	(0.9)	(1.3)	(2.1)
Inventories	**7.0**	**8.2**	**7.7**

Raw materials include consumables, i.e. materials used for printing purposes. Finished products are stamps available for sale. Goods purchased for resale mainly include postograms, post cards, and supplies for resale.

As of December 31, 2012 and for the year then ended:

In 2012, an amount of 1.9 million EUR (2011: -0.3 million EUR) is recognized in the section ‘Material cost’. This figure represents the stock variation of the different product types.

As of December 31, 2011 and for the year then ended:

In 2011, an amount of -0.3 million EUR (2010: 1.2 million EUR) is recognized in the section ‘Material cost’. This figure represents the stock variation of the different product types.

The reductions in value of the stock have been updated. In 2010, an impairment was booked for uniforms which became obsolete due to the new brand of bpost. This reduction was utilized during 2011.

As of December 31, 2010 and for the year then ended:

In 2010, an amount of 1.2 million EUR (2009: 0.5 million EUR) is recognized in the section ‘Material cost’. This figure represents the stock variation of the different product types.

The reductions in value of the stock remain stable year over year. A destruction of obsolete items occurred in December 2010, implying an adjustment of the provision. This decrease is offset by an amount impaired for uniforms, which became obsolete due to the new brand of bpost.

6.24 Cash and cash equivalents

	2012	2011	2010
	IN MILLION EUR		
Cash in Postal network	128.9	138.7	210.0
Transit accounts	18.1	10.3	(1.6)
Cash payment transactions under execution	(130.8)	(122.5)	(169.0)
Bank current accounts	675.0	297.7	376.1
Liquidities deposited with the State Treasury	0.0	0.0	0.0
Short term deposits	0.0	302.5	700.0
Cash and cash equivalents	**691.2**	**626.7**	**1,115.5**

As of December 31, 2012 and for the year then ended:

Since 2010, the quasi cash pool (between bpost and the State Treasury) is no longer operating. As a result, bpost has deposited its available cash with third party bank accounts.

The cash of the funding not yet disbursed on the date of the closing is shown in the 'Cash in Postal Network' and in the 'Bank current accounts' on the one hand and as negative cash in 'Cash payment transactions under execution' so that the net impact of the funding on the company's cash position is nil.

As of December 31, 2011 and for the year then ended:

Until 2010, bpost and the State Treasury operated a quasi cash pool under which bpost systematically deposited overnight its available cash to the State Treasury and drew from the pool the cash needed for the payments made by bpost on behalf of the State Treasury and certain other State institutions (e.g. for the pensions paid at home). Both the deposits and the cash drawn from the pool were shown as 'Liquidities deposited with the State Treasury'.

Since 2010, the quasi cash pool is no longer operating. As a result, bpost has deposited its own available cash with third party bank accounts and has invested some of its available cash in a short term deposit with the State Treasury. The State Treasury is providing the necessary funding for the payments it requires bpost to make on its behalf or on behalf of other State institutions.

The cash of the funding not yet disbursed on the date of the closing is shown in the 'Cash in Postal Network' and in the 'Bank current accounts' on the one hand and as negative cash in 'Cash payment transactions under execution' so that the net impact of the funding on the company's cash position is nil.

As of December 31, 2010 and for the year then ended:

Until June 2010, bpost and the State Treasury operated a quasi cash pool under which bpost systematically deposited overnight its available cash to the State Treasury and drew from the pool the cash needed for the payments made by bpost on behalf of the State Treasury (e.g. for the pensions paid at home). Both the deposits and the cash drawn from the pool were shown as 'Liquidities deposited with the State Treasury'.

Since June, the quasi cash pool is no longer operating. As a result, bpost has deposited its available cash with third party bank accounts and has invested some of its available cash in a short term deposit with the State Treasury. The State Treasury is providing the necessary funding for the payments it requires bpost to make on its behalf.

The cash of the funding not yet disbursed on the date of the closing is shown in the 'Cash in Postal Network' and in the 'Bank current accounts' on the one hand and as negative cash in 'Cash payment transactions under execution' so that the net impact of the funding on the company's cash position is nil.

6.25 Financial liabilities

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Financial liabilities at amortized cost			
Bank loans	82.0	91.2	100.0
Finance lease liabilities	0.7	1.0	1.6
Non current liabilities	**82.7**	**92.2**	**101.6**

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Financial liabilities at amortized cost			
Bank loans	9.2	9.2	0.0
Other loans	1.6		
Finance lease liabilities	0.4	0.5	0.8
Current liabilities	**11.2**	**9.7**	**0.8**

As of December 31, 2012 and for the year then ended:

The financial liabilities consist mainly of a bank loan, with an outstanding balance of 91.1 million EUR, concluded in 2007 with the European Investment Bank. The tranche of the loan repayable in 2013 and amounting to 9.1 million EUR was transferred to the current financial liabilities. The last repayment will take place in 2022.

As of December 31, 2011 and for the year then ended:

The financial liabilities consist mainly of a bank loan of 100 million EUR concluded in 2007 with the European Investment Bank.

In accordance with the terms of the loan agreement, a first tranche of the loan (payable in December 2012) amounting to 9.1 million EUR was transferred to the current financial liabilities. This loan will be fully paid off in 2022.

As of December 31, 2010 and for the year then ended:

The non-current financial liabilities consist mainly of a bank loan of 100 million EUR concluded in 2007 with the European Investment Bank. This loan matures in 2022.

6.26 Employee benefits

bpost grants its active and retired personnel post-employment benefits, long-term benefits, other long term benefits and termination benefits. These benefit plans have been valued in conformity with IAS 19. Some of them originate from measures negotiated in the framework of Collective Labor Agreement ('CLA'). The benefits granted under these plans differ according to the three categories of employees of bpost: civil servants (also known as statutory employees), baremic contractual employees (as from 2010, included the auxiliary agents category) and non-baremic contractual employees.

The employee benefits are as follow:

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
TOTAL	**(364.1)**	**(379.8)**	**(378.8)**
Post-employment benefits	(68.7)	(68.1)	(52.4)
Long -term employee benefits	(124.8)	(157.9)	(166.9)
Termination benefits	(28.8)	(38.8)	(42.3)
Other long-term benefits	(141.8)	(115.0)	(117.2)

As of December 31, 2012 and for the year then ended:

Net of the deferred tax asset related to them, employee benefits amount to 303.7 million EUR (2011: 316.2 million EUR).

As of December 31, 2011 and for the year then ended:

Net of the deferred tax asset related to them, employee benefits amount to 316.2 million EUR (2010: 303.7 million EUR).

As of December 31, 2010 and for the year then ended:

Net of the deferred tax asset related to them, employee benefits amount to 303.7 million EUR (2009: 293.3 million EUR).

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Employee benefits	(364.1)	(379.8)	(378.8)
Deferred tax assets impact	60.4	63.6	75.1
Employee benefits net of deferred tax	**(303.7)**	**(316.2)**	**(303.7)**

bpost's net liability for benefits comprises the following:

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Present value of total obligations	(378.1)	(387.0)	(406.4)
Fair value of plan assets	—	—	—
Present value of net obligations for unfunded plan	**(378.1)**	**(387.0)**	**(406.4)**
Present value of net obligations	**(378.1)**	**(387.0)**	**(406.4)**
Unrecognized actuarial (gains)/losses	14.0	7.2	27.6
Net liability	**(364.1)**	**(379.8)**	**(378.8)**
Employee benefits amounts in the statement of financial position			
Liabilities	(364.1)	(379.8)	(378.8)
Net liability	**(364.1)**	**(379.8)**	**(378.8)**

The changes in the present value of the obligations are as follows:

	2012	2011	2010
	IN MILLION EUR		
Present value at 1 January	**(387.0)**	**(406.4)**	**(400.3)**
Service cost	(30.8)	(13.2)	(26.4)
Termination expenses	(14.0)	(7.3)	(0.4)
Termination costs of CLA 2010	—	—	(27.3)
Interest cost	(14.6)	(15.4)	(16.7)
Past service (cost)/gain	2.1	0.0	—
Effect of part settlement	21.1	0.0	21.2
Actuarial (costs)/gains	(39.7)	(0.2)	(21.1)
Benefits paid	84.8	55.5	64.6
Defined benefit obligation at 31 December	**(378.1)**	**(387.0)**	**(406.4)**

The expense recognized in the income statement is presented hereafter:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Service cost	(30.8)	(13.2)	(26.4)
Termination expenses	(14.0)	(7.3)	(0.4)
Termination costs of CLA 2010	—	—	(27.3)
Interest cost	(14.6)	(15.4)	(16.7)
Past service (cost)/gain	2.1	(0.0)	—
Effect of part settlement	21.1	—	21.2
Actuarial gains and (losses)	(32.9)	(20.6)	(22.7)
— of which reported as financial	*(38.5)*	*3.4*	*(10.1)*
— of which reported as operating	*5.6*	*(24.0)*	*(12.7)*
Net expense	**(69.1)**	**(56.5)**	**(72.3)**

As of December 31, 2012 and for the year then ended:

The service cost recorded in 2012 includes the costs relating to the part-time plan (14.0 million EUR).

Actuarial gains and losses, caused by changes in discount rates, are booked as a financial cost. In all other cases, actuarial gains and losses are recorded as operating expenses. In 2012, the Collective Labor Agreements negotiated in March 2012 have triggered the elimination of a number of sick-days for some specific civil servants in exchange for the payment of a compensation. As a result, the defined benefit obligation decreased and generated an operating gain of 21.1 million EUR. This income was considered as significant non-recurring.

In 2010, the source of the non-recurring significant related to changes in the rules of a plan following the Collective Labor Agreements, amounting to 21.2 million EUR, covering the years 2009, 2010 and 2011.

In December 2010, the company announced its intention to introduce a scheme under which employees who will reach the age of 58 by 31 December 2012, who work in certain departments and which functions became redundant and who are not replaced will have the possibility to apply for early retirement. In January 2011, the representatives of the workforce and the company approved the proposed scheme. The cost of the scheme was estimated at 27.3 million EUR and a non-recurring charge of that amount was recorded in the 2010 income statement, given its significant impact in the company's financial statements. During the reference period 2010-2012, this was by far the largest transformation plan and impacted several departments simultaneously. As far as the subsequent early retirement plans are concerned, their impact and scope was significantly reduced and most importantly they were part of the "business as usual" natural attrition levers. However, it is clear that the Company does not negotiate such schemes with the labor unions on a systematic basis, but rather depending on the circumstances at a certain point in time.

Interest costs and financial actuarial gains or losses have been recorded as financial costs. All other expenses summarized above were included in the income statement line item "Payroll costs".

bpost recognizes all actuarial gains and losses of post-employment benefits in accordance with the corridor approach through profit and loss. As from financial year 2010, bpost adopted a new systematic method for faster recognition of actuarial gains and losses for post-employments benefits: Accumulated actuarial gains or losses, in excess of 10% of the maximum of the Defined Benefit Obligation and the Fair Value of Assets, are amortized over two years (or average remaining service period for the active population, if shorter than two years). The expense for 2012 calculated as explained here above amounts to 6.1 million EUR (2011: 19 million EUR). All net actuarial gains or losses amortized in the yearly expense are recognized as operating costs.

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Payroll costs	(16.0)	(44.5)	(45.5)
Financial cost	(53.1)	(12.0)	(26.8)
Net expense	**(69.1)**	**(56.5)**	**(72.3)**

The main assumptions used in computing the benefit obligations at the statement of financial position date are the following:

	2012	2011	2010
Rate of inflation (long term)	2.0%	2.0%	1.9%
Future salary increase	3.0%	3.0%	2.9%
Mortality tables	MR/FR	MR/FR	MR/FR

The discount rates have been determined by reference to market yields at the statement of financial position date. The discount rates used in 2012 range from 1.0% to 3.2% (2011: 3.6% to 5.3%):

BENEFIT	Discount rate	
	31/12/2011	31/12/2012
Family allowances	4.35%	2.50%
Transportation	4.85%	3.00%
Bank	5.30%	3.25%
Funeral expense	4.35%	2.65%
Gratification	4.35%	2.50%
Accumulated compensated absences	3.60%	1.00%
Workers compensation in case of accidents	5.10%	3.10%
Pension saving days	4.35%	2.65%
Jubilee Premiums	4.35%	2.50%

In November 2011, the Belgian Government has adopted new measures concerning the adaptation of the legal retirement age and the new conditions of part-time career interruption. The intention of bpost is to do everything possible to minimize their potential impact. At this moment, it is not possible to estimate the potential financial impact of the new law and its application on the Defined Obligation Benefits of bpost.

Post-employment benefits

As of December 31, 2012 and for the year then ended:

Post-employment benefits include family allowances, transport costs, bank costs, funerary costs and retirement gifts. As all employees are members of the normal State pension scheme, bpost does not carry any pension liability above and beyond the post-employment benefits described in the following paragraphs.

Family allowances

The civil servants of bpost (both active and pensioners) with children at their charge (youths and disabled) receive a family allowance from Office National d'Allocations Familiales pour Travailleurs Salariés (ONAFTS) — Rijksdienst voor Kinderbijslag voor Werknemers (RKW). These costs are then re-invoiced to bpost.

Transportation

Inactive civil servants as well as their family members are entitled to personal vouchers that can be exchanged for a transport ticket for a trip in Belgium or for a price reduction on other transport tickets. When an affiliated worker or retired worker dies, the spouse and children continue to receive this benefit under some conditions.

As from 1 January 2012, widow(er)s and orphans as relatives from inactive civil servants are no more eligible for this benefit. The gain of this change in plan is recognized for 2.2 million EUR in the 2012 consolidated income statement.

Bank

All active members, pre-pensioners and pensioners that have a "Postcheque" account in which their salary/ pension is paid, benefit from a reduction of the fees charged on the current account as well as favorable interest rates on savings accounts, savings certificates, investment funds and loans.

As of December 31, 2011 and for the year then ended:

Post-employment benefits include medical expenses (until 2009), family allowances, transport costs, bank costs, funerary costs and retirement gifts.

Medical expenses

In June 2009, the obligation related to the medical expenses benefit granted to the inactive members has transferred to the new separate entity "PENSOC", a non profit association totally unrelated to bpost, by paying a one-off contribution of 19 million EUR. Since this date, bpost no longer has any constructive obligation and the benefit is no longer valued.

Following the curtailment of this benefit, a profit of 116.8 million EUR has been recorded in bpost's 2009 consolidated income statement, in accordance with the IAS 19 "Employee benefits" standard.

Family allowances

The civil servants of bpost (both active and pensioners) with children at their charge (youths and disabled) receive a family allowance from Office National d'Allocations Familiales pour Travailleurs Salariés (ONAFTS) — Rijksdienst voor Kinderbijslag voor Werknemers (RKW). These costs are then re-invoiced to bpost.

Transportation

Inactive civil servants as well as their family members are entitled to personal vouchers that can be exchanged for a transport ticket for a trip in Belgium or for a price reduction on other transport tickets. When an affiliated worker or retired worker dies, the spouse and children continue to receive this benefit under some conditions.

As from 1 January 2012, widow(er)s and orphans of inactive civil servants will not be eligible anymore for this benefit. The Defined Benefit Obligation as at 31 December 2011 does not take into account this plan amendment and the impact of this change estimated at a gain of 2.2 million EUR will be recognized in the 2012 consolidated income statement.

Bank

All active members, pre-pensioners and pensioners that have a "Postcheque" account in which their salary/pension is paid, benefit from a reduction of the fees charged on the current account as well as favorable interest rates on savings accounts, savings certificates, investment funds and loans.

As of December 31, 2010 and for the year then ended:

Post-employment benefits include medical expenses (until 2009), family allowances, transport costs, bank costs, funerary costs and retirement gifts.

Medical expenses

In June 2009, the obligation related to the medical expenses benefit granted to the inactive members has transferred to the new separate entity "PENSOC" by paying a one-off contribution of 19 million EUR. bpost no longer has any constructive obligation towards the inactive population and the benefit is no longer valued.

Following the curtailment of this benefit, a profit of 116.8 million EUR has been recorded in bpost's 2009 consolidated income statement, in accordance with the IAS 19 "Employee benefits" standard.

Family allowances

The civil servants of bpost (both active and pensioners) with children at their charge (youths and disabled) receive a family allowance from Office National d'Allocations Familiales pour Travailleurs Salariés (ONAFTS) — Rijksdienst voor Kinderbijslag voor Werknemers (RKW). These costs are then re-invoiced to bpost.

Transportation

Inactive civil servants as well as their family members are entitled to personal vouchers that can be exchanged for a transport ticket for a trip in Belgium or for a price reduction on other transport tickets. When an affiliated worker or retired worker dies, the spouse and children continue to receive this benefit under some conditions.

Bank

All active members, pre-pensioners and pensioners that have a "Postcheque" account in which their salary/pension is paid, benefit from a reduction of the fees charged on the current account as well as favorable interest rates on savings accounts, savings certificates, investment funds and loans.

bpost's net liability for employee post-employment benefits comprises the following:

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Present value of total obligations	(82.7)	(75.3)	(80.1)
Fair value of plan assets	—	—	—
Present value of net obligations for unfunded plan	**(82.7)**	**(75.3)**	**(80.1)**
Present value of net obligations	**(82.7)**	**(75.3)**	**(80.1)**
Unrecognized actuarial (gains)/losses	14.0	7.2	27.6
Net liability	**(68.7)**	**(68.1)**	**(52.4)**
Employee benefits amounts in the statement of financial position			
Liabilities	(68.7)	(68.1)	(52.4)
Net liability	**(68.7)**	**(68.1)**	**(52.4)**

The changes in the present value of the obligations are as follows:

	2012	2011	2010
	IN MILLION EUR		
Present value at 1 January	**(75.3)**	**(80.1)**	**(73.4)**
Service cost	(0.9)	(1.1)	(1.0)
Interest cost	(3.3)	(3.5)	(3.5)
Past service (cost)/gain	2.2	(0.0)	0.0
Actuarial gains	(12.9)	1.5	(10.0)
Benefits paid	7.6	7.9	7.8
Curtailment and settlement (loss)/gain	—	—	—
Defined benefit obligation at 31 December	**(82.7)**	**(75.3)**	**(80.1)**

The expense recognized in the income statement is presented hereafter:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Service cost	(0.9)	(1.1)	(1.0)
Interest cost	(3.3)	(3.5)	(3.5)
Past service (cost)/gain	2.2	(0.0)	0.0
Actuarial gains and (losses)	(6.1)	(19.0)	(11.5)
— of which reported as financial	*0.0*	*0.0*	*0.0*
— of which reported as operating	*(6.1)*	*(19.0)*	*(11.5)*
Net expense	**(8.1)**	**(23.6)**	**(16.0)**

The impact on payroll costs and financial costs are presented hereafter:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Payroll costs	(4.8)	(20.1)	(12.5)
Financial cost	(3.3)	(3.5)	(3.5)
Net expense	**(8.1)**	**(23.6)**	**(16.0)**

Long-term employee benefits

As of December 31, 2012 and for the year then ended:

Long-term employee benefits include accumulated compensated absences, pension saving days and part-time benefits.

Accumulated Compensated Absences

Civil servants are entitled to 21 sick-days per year. During these 21 days and if they have received the appropriate note from a doctor, they receive 100% of their salary. If any given year, a civil servant is absent less than 21 days, the balance of the un-used sickness days is carried over to the following years up to a maximum of 63 days as from April 2012 instead of 300 days previously. Employees who are ill for more than 21 days during a year will first use up the year's allotment and then use the days carried over from previous years as per their individual account. During this period, they will receive their full salary. Once the allotment of the year and the days carried over are used up, they receive reduced payments.

Both the full salary paid under the "sick days" scheme and the reduced payments beyond that are costs incurred by bpost.

There have been no modifications to the calculation methodology comparatively to 2011. The valuation is based on the future "projected payments / cash outflows". The cash outflows are calculated for the totality of the population considered, based on a certain consumption pattern, derived from the statistics over the 12 months of 2012. The individual notional accounts are projected for the future and decreased by the actual number of days of illness.

The annual payment is the number of days used (and limited by the number of days in the savings account) multiplied by the difference between the projected salary (increased with social charges) at 100% and the reduced payments. The relevant withdrawal and mortality rates have been applied together with the discount rate applicable to the duration of the benefit.

The Collective Labor Agreements for the years 2010-2011 and the CLA negotiated in March 2012 have triggered, respectively in 2010 and 2012, the elimination of a number of sick-days for some specific civil servants in exchange for the payment of a compensation.

Pension saving days

Civil servants have the possibility to convert the unused sick days above the 63 days in their 'notional' account (see above "Accumulated Compensated Absences " benefit) in pension saving days (7 sick days per 1 pension saving day) and to convert each year a maximum of 3 days of extra-legal holidays. Contractual employees with a permanent contract are entitled to a maximum of 2 pension saving days per year and have the possibility to convert each year a maximum of 3 days of extra-legal holidays. The pension saving days are accumulated year over year and can be used as from the age of 50.

The methodology of valuation is based on the same approach as the benefit "Accumulated Compensated Absences". The valuation is based on the future "projected payments / cash outflows". These are calculated for the totality of the population considered, based on a certain "consumption" pattern, derived from the statistics over the 12 months of 2012, as provided by the human resource department. The individual "pension saving days" accounts are projected per person and decreased by the actual number of used pension saving days.

The annual payment is the number of pension saving days used multiplied by the projected daily salary (increased with social charges, holiday pay, end of year premium, management and integration premium). The relevant withdrawal and mortality rates have been applied together with the discount rate applicable to the duration of the benefit.

Part-time regime (50+)

Under the Collective Labor Agreements covering respectively the years 2007-2008, 2009-2010 and 2011, statutory employees, aged between 50 and 59, are entitled to enter into a system of partial (50%) career interruption. bpost makes contributions equal to 7.5% of the gross annual salary for a period of a maximum of 48 months.

The Framework Agreement of 20 December 2012 approved a new plan of specific partial (50%) career interruption accessible to the distributors aged as from 54 years old and to the other employees aged as from 55 years old. bpost makes contributions equal to 7.5% of the gross annual salary for a period of a maximum of 72 months for the distributors agents and 48 months for the other beneficiaries of the plan.

As of December 31, 2011 and for the year then ended:

Long-term employee benefits include accumulated compensated absences, pension saving days and part-time benefits.

Accumulated Compensated Absences

Civil servants are entitled to 21 sick-days per year. During these 21 days and if they have received the appropriate note from a doctor, they receive 100% of their salary. If any given year, a civil servant is absent less than 21 days, the balance of the un-used sickness days is carried over to the following years up to a maximum of 300 days (as from 2006). Employees who are ill for more than 21 days during a year will first use up the year's allotment and then use the days carried over from previous years as per their individual account. During this period, they will receive their full salary. Once the allotment of the year and the days carried over are used up, they receive reduced payments.

Both the full salary paid under the "sick days" scheme and the reduced payments beyond that are costs incurred by bpost.

There have been no modifications to the calculation methodology comparatively to 2010. The valuation is based on the future "projected payments / cash outflows". The cash outflows are calculated for the totality of the population considered, based on a certain consumption pattern, derived from the statistics over the 12 months of 2011. The individual notional accounts are projected for the future and decreased by the actual number of days of illness.

The annual payment is the number of days used (and limited by the number of days in the savings account) multiplied by the difference between the projected salary (increased with social charges) at 100% and the reduced payments. The relevant withdrawal and mortality rates have been applied together with the discount rate applicable to the duration of the benefit.

In 2010, the Collective Labor Agreement negotiated for 2010 and 2011 had triggered the elimination of a number of sick-days for some specific civil servants in exchange for the payment of a compensation.

Pension saving days

Civil servants have the possibility to convert the unused sick days above the 300 days in their 'notional' account (see above "Accumulated Compensated Absences " benefit) in pension saving days (1 pension saving day per 7 sick days) and to convert each year a maximum of 3 days of extra-legal holidays. Contractual employees with a permanent contract are entitled to a maximum of 2 pension saving days per year and have the possibility to convert each year a maximum of 3 days of extra-legal holidays. The pension saving days are accumulated year over year and can be used as from the age of 50.

The methodology of valuation is based on the same approach as the benefit "Accumulated Compensated Absences". The valuation is based on the future "projected payments / cash outflows". These are calculated for the totality of the population considered, based on a certain "consumption" pattern, derived from the statistics over the 12 months of 2011. The individual "pension saving days" accounts are projected per person and decreased by the actual number of used pension saving days.

The annual payment is the number of pension saving days used multiplied by the projected daily salary (increased with social charges, holiday pay, end of year premium, management and integration premium). The relevant withdrawal and mortality rates have been applied together with the discount rate applicable to the duration of the benefit.

Part-time regime (50+)

Under the Collective Labor Agreements covering respectively the years 2007-2008, 2009-2010 and 2011, statutory employees, aged between 50 and 59, are entitled to enter into a system of partial (50%) career interruption. bpost makes contributions equal to 7.5% of the gross annual salary for a period of a maximum of 48 months.

As of December 31, 2010 and for the year then ended:

Long-term employee benefits include accumulated compensated absences, pension saving days and part-time benefits.

Accumulated Compensated Absences

Civil servants are entitled to 21 sick-days per year. During these 21 days and if they have received the appropriate note from a doctor, they receive 100% of their salary. If any given year, a civil servant is absent less than 21 days, the balance of the un-used sickness days is carried over to the following years up to a maximum of 300 days (as from 2006). Employees who are ill for more than 21 days during a year will first use up the year's allotment and then use the days carried over from previous years as per their individual account. During this period, they will receive their full salary. Once the allotment of the year and the days carried over are used up, they receive reduced payments.

Both the full salary paid under the "sick days" scheme and the reduced payments beyond that are costs incurred by bpost.

Excluding the impact of the changes in the plan itself, there have been no modifications to the calculation methodology comparatively to 2009. The valuation is based on the future "projected payments / cash outflows".

The cash outflows are calculated for the totality of the population considered, based on a certain consumption pattern, derived from the statistics over the first eleven months of 2010 (projected on 12 months). The individual notional accounts are projected for the future and decreased by the actual number of days of illness.

The annual payment is the number of days used (and limited by the number of days in the savings account) multiplied by the difference between the projected salary (increased with social charges) at 100% and the reduced payments. The relevant withdrawal and mortality rates have been applied together with the discount rate applicable to the duration of the benefit.

The Collective Labor Agreement covering the years 2009-2010 and the Collective Labor Agreement for 2011 have triggered the elimination of a number of sick-days for some specific civil servants in exchange for the payment of a compensation.

Pension saving days

Civil servants have the possibility to convert the unused sick days above the 300 days in their 'notional' account (see above "Accumulated Compensated Absences " benefit) in pension saving days (7 sick days per 1 pension saving day) and to convert each year a maximum of 3 days of extra-legal holidays. Contractual employees with a permanent contract are entitled to a maximum of 2 pension saving days per year and have the possibility to convert each year a maximum of 3 days of extra-legal holidays. The pension saving days are accumulated year over year and can be used as from the age of 50.

The methodology of valuation is based on the same approach as the benefit "Accumulated Compensated Absences". The valuation is based on the future "projected payments / cash outflows". These are calculated for the totality of the population considered, based on a certain "consumption" pattern, derived from the statistics over the first eleven months of 2010, as provided by the human resource department. The individual "pension saving days" accounts are projected per person and decreased by the actual number of used pension saving days.

The annual payment is the number of pension saving days used multiplied by the projected daily salary (increased with social charges, holiday pay, end of year premium, management and integration premium). The relevant withdrawal and mortality rates have been applied together with the discount rate applicable to the duration of the benefit.

Part-time regime (50+)

Under the Collective Labor Agreements covering respectively the years 2005-2006, 2007-2008 and 2009-2010, statutory employees, aged between 50 and 59, are entitled to enter into a system of partial (50%) career interruption. This benefit has been extended in the Collective Labor Agreement for 2011 signed on 12 October 2010. bpost makes contributions equal to 7.5% of the gross annual salary for a period of a maximum of 48 months.

bpost's net liability for employee long-term benefits comprises the following:

AS AT 31 DECEMBER	2012	2011	2010
		IN MILLION EUR	
Present value of total obligations	(124.8)	(158.0)	(166.9)
Fair value of plan assets	—	—	—
Present value of net obligations for unfunded plan	**(124.8)**	**(158.0)**	**(166.9)**
Present value of net obligations	**(124.8)**	**(158.0)**	**(166.9)**
Unrecognized actuarial (gains)/losses	—	—	—
Net liability	**(124.8)**	**(158.0)**	**(166.9)**
Employee benefits amounts in the statement of financial position			
Liabilities	(124.8)	(158.0)	(166.9)
Net liability	**(124.8)**	**(158.0)**	**(166.9)**

The changes in the present value of the obligations are as follows:

	2012	2011	2010
	IN MILLION EUR		
Present value at 1 January	**(158.0)**	**(166.9)**	**(183.1)**
Service cost	(28.0)	(11.1)	(25.4)
Interest cost	(5.1)	(5.6)	(6.9)
Past service (cost)/gain	0.0	0.0	0.0
Effect of part settlement	21.1	0.0	21.2
Actuarial (costs)/gains	(4.1)	0.4	(5.4)
Benefits paid	49.3	25.3	32.7
Defined benefit obligation at 31 December	**(124.8)**	**(158.0)**	**(166.9)**

The expense recognized in the income statement is presented hereafter:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Service cost	(28.0)	(11.1)	(25.4)
Interest cost	(5.1)	(5.6)	(6.9)
Past service (cost)/gain	0.0	0.0	0.0
Effect of part settlement	21.1	0.0	21.2
Actuarial gains and (losses)	(4.1)	0.4	(5.4)
— of which reported as financial	*(9.6)*	*1.2*	*(3.3)*
— of which reported as operating	*5.5*	*(0.8)*	*(2.1)*
Net expense	**(16.1)**	**(16.3)**	**(16.5)**

The impact on payroll costs and financial costs is presented hereafter:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Payroll costs	(1.4)	(11.9)	(6.3)
Financial cost	(14.7)	(4.4)	(10.2)
Net expense	**(16.1)**	**(16.3)**	**(16.5)**

Termination benefits

As of December 31, 2012 and for the year then ended:

Early Retirement scheme

At the end of 2012, the following previous early-retirement plans are included in this benefit:

- the plan covered by the Collective Labor Agreement for 2011 accessible to the civil servants meeting certain age and service organization conditions as at 31/12/2012 at the latest;
- and, a new plan accessible only in 2011 to the civil servants of one specific department subject to age and seniority conditions as described in the Joint Committee Convention of 6 October 2011.

In these early-retirement schemes, bpost continues to pay to the beneficiaries a portion (75%) of their salary at departure and until they reach retirement age. Furthermore, the early-retirement period is treated as a service period.

The Framework Agreement of 1 July 2012 approved a new early-retirement plan accessible to the civil servants meeting certain age, seniority and service organization conditions as at 31 December 2013 at the latest. bpost continues to pay to the beneficiaries a portion (between 60% and 75% depending on the duration of the early-retirement) of their salary at departure and until they reach retirement age. Furthermore, the early-retirement period is treated as a service period.

The following plans are still in the 2011 figures but have terminated in 2012:

- The impact of the plan of the Collective Labor Agreement 2009-2010.
- The social plan negotiated in December 2011, available as from April 2012 until December 2012, destined to the workers of a specific support department in re-engineering.

The employee benefit related to the early retirement schemes arises because of the fact that the employment is terminated before the normal retirement and the fact that it is the employee's decision to accept the offer made by bpost in exchange.

bpost's net liability for termination benefits comprises the following:

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Present value of total obligations	(28.8)	(38.8)	(42.3)
Fair value of plan assets	—	—	—
Present value of net obligations for unfunded plan	**(28.8)**	**(38.8)**	**(42.3)**
Present value of net obligations	**(28.8)**	**(38.8)**	**(42.3)**
Unrecognized actuarial (gains)/losses	—	—	—
Net liability	**(28.8)**	**(38.8)**	**(42.3)**
Employee benefits amounts in the statement of financial position			
Liabilities	(28.8)	(38.8)	(42.3)
Net liability	**(28.8)**	**(38.8)**	**(42.3)**

The changes in the present value of the obligations are as follows:

	2012	2011	2010
	IN MILLION EUR		
Present value at 1 January	**(38.8)**	**(42.3)**	**(29.9)**
Termination expenses	(14.0)	(7.3)	(0.4)
Termination costs of CLA 2010	0.0	0.0	(27.3)
Interest cost	(0.6)	(0.8)	(0.4)
Past service (cost)/gain	0.0	0.0	0.0
Actuarial (costs)/gains	4.2	(3.0)	(0.6)
Benefits paid	20.4	14.6	16.3
Defined benefit obligation at 31 December	**(28.8)**	**(38.8)**	**(42.3)**

The expense recognized in the income statement is presented hereafter:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Termination expenses	(14.0)	(7.3)	(0.4)
Termination costs of CLA 2010	0.0	0.0	(27.3)
Interest cost	(0.6)	(0.8)	(0.4)
Past service (cost)/gain	0.0	0.0	0.0
Actuarial gains and (losses)	4.2	(3.0)	(0.6)
— of which reported as financial	*(0.1)*	*(0.1)*	*0.1*
— of which reported as operating	*4.4*	*(3.0)*	*(0.7)*
Net expense	**(10.4)**	**(11.1)**	**(28.7)**

The impact on payroll costs and financial costs is presented hereafter:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Payroll costs	(9.6)	(10.3)	(28.4)
Financial cost	(0.7)	(0.9)	(0.3)
Net expense	**(10.4)**	**(11.1)**	**(28.7)**

As of December 31, 2011 and for the year then ended:

Early Retirement

At the end of 2011, the following early-retirement plans are included in this benefit:

- A plan under the Collective Labor Agreement for the years 2009-2010 available to the employees meeting certain age and function conditions as at 31/12/2010 at the latest. This plan will be terminated as from 31/12/2012;
- the plan covered by the Collective Labor Agreement for 2011 accessible to the civil servants meeting certain age and service organization conditions as at 31/12/2012 at the latest;
- and, a new plan accessible only in 2011 to the civil servants of one specific department subject to age and seniority conditions as described in the Joint Committee Convention of 6 October 2011.

In the early-retirement schemes, bpost continues to pay to the beneficiaries a portion (75%) of their salary at departure and until they reach retirement age. Furthermore, the early-retirement period is treated as a service period.

Social Plan

A re-engineering of a support unit has been presented to and approved by the Joint Committee of 15/12/2011. A redundancy plan will be accessible to the workers of this specific department fulfilling certain age conditions as from April 2012 until December 2012. A redundancy payment will be paid by bpost to the personnel having chosen for the Social Plan.

As of December 31, 2010 and for the year then ended:

Early Retirement

At the end of 2010, the following early-retirement plans are included in this benefit:

- a plan under the Collective Labor Agreement for the years 2009-2010 available to the employees meeting certain age and function conditions as at 31/12/2010 at the latest,
- and, the plan negotiated in the Collective Labor Agreement for 2011 accessible to the civil servants meeting certain age and service organization conditions as at 31/12/2012 at the latest.

In the early-retirement schemes, bpost continues to pay to the beneficiaries a portion (75%) of their salary at departure and until they reach retirement age. Furthermore, the early-retirement period is treated as a service period.

Other long-term benefits

As of December 31, 2012, December 31, 2011 and December 31, 2010 and for the years then ended:

Workers Compensation Accident Plan

Until 1 October 2000, bpost was self-insured for injuries on the workplace and on the way to the workplace. As a result, all compensations to workers for accidents which occurred before 1 October 2000 are incurred and financed by bpost itself.

Since 1 October 2000, bpost has contracted insurance policies to cover the risk.

bpost's net liability for other long-term employee benefits comprises the following:

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Present value of total obligations	(141.8)	(115.0)	(117.2)
Fair value of plan assets	—	—	—
Present value of net obligations for unfunded plan	**(141.8)**	**(115.0)**	**(117.2)**
Present value of net obligations	**(141.8)**	**(115.0)**	**(117.2)**
Unrecognized actuarial (gains)/losses	—	—	—
Net liability	**(141.8)**	**(115.0)**	**(117.2)**
Employee benefits amounts in the statement of financial position			
Liabilities	(141.8)	(115.0)	(117.2)
Net liability	**(141.8)**	**(115.0)**	**(117.2)**

The changes in the present value of the obligations are as follows:

	2012	2011	2010
	IN MILLION EUR		
Present value at 1 January	**(115.0)**	**(117.2)**	**(113.9)**
Service cost	(1.9)	(0.9)	0.0
Interest cost	(5.6)	(5.5)	(5.9)
Past service (cost)/gain	0.0	0.0	0.0
Actuarial gains	(27.0)	1.0	(5.2)
Benefits paid	7.6	7.6	7.8
Defined benefit obligation at 31 December	**(141.8)**	**(115.0)**	**(117.2)**

The expense recognized in the income statement is presented hereafter:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Service cost	(1.9)	(0.9)	0.0
Interest cost	(5.6)	(5.5)	(5.9)
Past service (cost)/gain	0.0	0.0	0.0
Actuarial gains and (losses)	(27.0)	1.0	(5.1)
— of which reported as financial	*(28.7)*	*2.3*	*(6.9)*
— of which reported as operating	*1.7*	*(1.4)*	*1.7*
Net expense	**(34.5)**	**(5.5)**	**(11.1)**

The impact on payroll costs and financial costs is presented hereafter:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Payroll costs	(0.1)	(2.3)	1.7
Financial cost	(34.4)	(3.1)	(12.8)
Net expense	**(34.5)**	**(5.5)**	**(11.1)**

As of December 31, 2011 and for the year then ended:

The service cost included: in 2009, the charge of the early-retirement plan (related to the CLA 2009-2010) estimated at 19.4 million EUR and in 2010, an amount of 30.8 million EUR relating to the CLA 2011.

In 2011, an amount of 7.8 million EUR related to the termination benefit is included in the service cost.

FOR THE YEAR ENDED 31 DECEMBER	2011	2010	2009
	IN MILLION EUR		
Payroll costs	(44.5)	(45.5)	111.2
Financial cost	(12.0)	(26.8)	(23.5)
Net expense	**(56.5)**	**(72.3)**	**87.7**

Interest costs and financial actuarial gains or losses have been recorded as financial costs. All other expenses summarized above were included in the income statement line item “Payroll costs”.

bpost recognizes all actuarial gains and losses in accordance with the corridor approach through profit and loss. As from financial year 2010, bpost adopted a new systematic method for faster recognition of actuarial gains and losses for post-employments benefits: accumulated actuarial gains or losses, in excess of 10% of the maximum of the Defined Benefit Obligation and the Fair Value of Assets, are amortized over two years (or average remaining service period for the active population, if shorter than two years). The accumulated unrecognized actuarial losses at the end of 2009 were amortized over 2010 and 2011. In 2011, the amortization amount has increased with all new gains or losses over 2010 and 2011 accumulated at 31 December 2011 that are not higher (in absolute terms) than 10% of Defined Benefit Obligation. The expense for 2011 calculated in this way amounts to 19.0 million EUR (2010: 11.5 million EUR).

All net actuarial gains or losses amortized in the yearly pension expense are recognized as operating costs. There are no fixed contribution plans.

The main assumptions used in computing the benefit obligations at the statement of financial position date are the following:

	2011	2010	2009
Rate of inflation (long term)	2.0%	1.9%	1.9%
Future salary increase	3.0%	2.9%	2.9%
Mortality tables	MR/FR	MR/FR	MR/FR

The fair value of the plan assets held by the “Service Social des Postes” can be reconciled as follows:

	2011	2010	2009
	IN MILLION EUR		
Fair value of plan assets at 1 January	**—**	**—**	**0.8**
Contributions by employer	—	—	—
Benefits paid	—	—	(0.8)
Fair value of plan assets at 31 December	**—**	**—**	**—**

The discount rates have been determined by reference to market yields at the statement of financial position date. The discount rates used in 2011 range from 3.6% to 5.3% (2010: 3.7% to 5.1%):

BENEFIT	Duration (years)	Discount rate 31/12/2010	Discount rate 31/12/2011
Family allowances	7	4.20%	4.35%
Transportation	10	4.85%	4.85%
Bank	13	5.10%	5.30%
Funeral expense	7	4.15%	4.35%
Gratification	7	4.20%	4.35%
Accumulated compensated absences	4	3.70%	3.60%
Workers compensation in case of accidents	12	4.85%	5.10%
Pension saving days	7	4.15%	4.35%
Jubilee Premiums	7	4.15%	4.35%

In November 2011, the Belgian Government has decided new measures concerning the adaptation of the legal retirement age and the new conditions of part-time career interruption. The intention of bpost is to do everything possible to minimize the impact on positions acquired before the adoption of these new measures. It cannot, however, be excluded that the bpost’s actual early-retirement and part-time regime plans mentioned above could be impacted.

At this moment, it is not possible to estimate the potential financial effect of the new law and her application on the Defined Obligation Benefits of bpost.

As of December 31, 2010 and for the year then ended:

In 2009, the service cost included the charge of the early-retirement plan (related to the CLA 2009-2010) estimated at 19.4 million EUR. In 2010, an amount of 30.8 million EUR concerning the CLA 2011 is into the service cost.

FOR THE YEAR ENDED 31 DECEMBER	2010	2009	2008
		IN MILLION EUR	
Payroll costs	(45.5)	111.2	77.0
Financial cost	(26.8)	(23.5)	(8.8)
Net expense	**(72.3)**	**87.7**	**68.1**

Interest costs and financial actuarial gains or losses have been recorded as financial costs. All other expenses summarized above were included in the income statement line item “Payroll costs”.

bpost recognizes all actuarial gains and losses in accordance with the corridor approach through profit and loss. Accumulated actuarial gains or losses at the end of the previous year, in excess of 10% of the maximum of the defined Benefit Obligation and the Fair Value of Assets at that date, are amortized over two years or average remaining service period for the active population, if shorter than two years. In 2010, the additional amortization amounted to 9.3 million.

All net actuarial gains or losses amortized in the yearly pension expense are recognized as operating costs. There are no fixed contribution plans.

The main assumptions used in computing the benefit obligations at the statement of financial position date are the following:

	2010	2009	2008
Rate of inflation	1.9%	1.9%	2.0%
Future salary increase	2.9%	2.9%	3.0%
Mortality tables	MR/FR	MR/FR	MR/FR

The fair value of the plan assets held by the “Service Social des Postes” can be reconciled as follows:

	2010	2009	2008
		IN MILLION EUR	
Fair value of plan assets at 1 January	—	0.8	1.3
Contributions by employer	—	—	4.9
Benefits paid	—	(0.8)	(5.4)
Fair value of plan assets at 31 December	**—**	**—**	**0.8**

The discount rates have been determined by reference to market yields at the statement of financial position date. The discount rates used in 2010 range from 3.7% to 5.1% (2009: 4.0% to 5.6%):

BENEFIT	Duration (years)	Discount rate 31/12/2009	Discount rate 31/12/2010
Family allowances	7	4.70%	4.20%
Transportation	11	5.40%	4.85%
Bank	13	5.60%	5.10%
Funeral expense	6	4.45%	4.15%
Gratification	7	4.70%	4.20%
Accumulated compensated absences	4.5	4.00%	3.70%
Workers compensation in case of accidents	11	5.40%	4.85%
Pension saving days	6	4.70%	4.15%
Jubilee Premiums	6	4.45%	4.15%

6.27 Share-based payments

As of December 31, 2012 and for the year then ended:

In 2006, the Board of bpost approved the creation of an Employee Stock Option Plan (‘ESOP’) for the Management. Under this plan, bpost has granted in 2006, 2007 and 2008 to some members of the management

options to purchase shares in the company. Once granted, the options vest one-third per year over a period of three years.

The fair value of the option was expensed over the vesting period. In accordance with IFRS 2, the fair value of the options was determined using the Binomial Option Pricing Model.

In 2012, a last exercise window has been opened and 1,367 options were exercised during the year. At 31 December 2012, all outstanding options having been exercised or having lapsed, the plan ESOP is fully terminated and there is no more liability relating to the share-based payments (2011: 4.6 million EUR). This resulted in a profit of 4.1 million EUR in the 2012 income statement (2011: 1.3 million EUR).

At 31 December 2011, Alteris NV-SA (subsidiary of bpost) held 2,589 shares of bpost, which were considered as Treasury Shares in the bpost equity. In 2012, PIE has exercised its call option and has repurchased these 2,589 shares of bpost to Alteris NV-SA.

All share-based employee remunerations were accounted following the cash-settled methodology. There were no modifications to the terms of the share-based payments plan during 2012.

The total number of outstanding options is as follows:

	2012	2011	2010
		IN NUMBER	
Options outstanding at 1 January	**1,389.0**	**3,679.0**	**3,688.0**
Options granted during the year	—	—	—
Options exercised during the year	(1,367.0)	(2,240.0)	—
Options forfeited during the year	(22.0)	(50.0)	—
Options out due to bad leavers	—	—	(9.0)
Options outstanding at 31 December	**—**	**1,389.0**	**3,679.0**

	2012	2011	2010
Number of persons at 1 January	**58.0**	**74.0**	**76.0**
IN	—	—	—
OUT	(58.0)	(16.0)	(2.0)
Number of persons at 31 December	**—**	**58.0**	**74.0**

The fair value of the granted options and the assumptions used in applying the Binomial Option pricing model are as follows:

FOR THE YEAR ENDED 31 DECEMBER	2012	2011	2010
		EUR	
Fair value of options granted	NA	NA	NA
Exercise price	4,923.0	5,414.0	5,062.0
Expected volatility	NA	39.6%	40.5%
Expected option life (in years)	NA	NA	NA
Risk-free interest rate	NA	0.6%	1.1%

All share options have the same exercise price per granting; there are no “ranges” of exercise prices within a given granting.

There are no more outstanding options at the end of 2012.

As of December 31, 2011 and for the year then ended:

In 2006, the Board of bpost approved the creation of an Employee Stock Option Plan (‘ESOP’) for the Management. Under this plan, bpost has granted in 2006, 2007 and 2008 to some members of the management options to purchase shares in the company. Once granted, the options vest one-third per year over a period of three years.

At 31 December 2011, 58 senior managers, including the CEO and the Management Committee, benefit from the option plan. No options were granted in 2011 and 2,240 options were exercised during the year.

The fair value of the option is expensed over the vesting period. In accordance with IFRS 2, the fair value of the options is determined using the Binomial Option Pricing Model.

As a result of the exercise window opened in 2011, Alteris NV-SA holds 2,589 shares of bpost, which are considered as Treasury Shares in the bpost equity.

The liability relating to the share-based payments at 31 December 2011 amounts to 4,6 million EUR (2010: 7 million EUR).

The profit to the 2011 income statement amounted to 1,3 million EUR (2010: charge of 1 million EUR). All share-based employee remunerations are accounted following the cash-settled methodology. There have been no modifications to the terms of the share-based payments plan during 2011.

The total number of outstanding options is as follows:

	2011	2010	2009
		IN NUMBER	
Options outstanding at 1 January	**3,679.0**	**3,688.0**	**4,452.0**
Options granted during the year	—	—	—
Options exercised during the year	(2,240.0)	—	(589.0)
Options forfeited during the year	(50.0)	—	—
Options out due to bad leavers		(9.0)	(175.0)
Options outstanding at 31 December	**1,389.0**	**3,679.0**	**3,688.0**

	2011	2010	2009
Number of persons at 1 January	**74.0**	**76.0**	**80.0**
IN	—	—	—
OUT	(16.0)	(2.0)	(4.0)
Number of persons at 31 December	**58.0**	**74.0**	**76.0**

The fair value of the granted options and the assumptions used in applying the Binomial Option pricing model are as follows:

FOR THE YEAR ENDED 31 DECEMBER	2011	2010	2009
		EUR	
Fair value of options granted	NA	NA	NA
Share price	5,414.0	5,062.0	2,907.0
Expected volatility	39.6%	40.5%	39.4%
Expected option life (in years)	NA	NA	NA
Risk-free interest rate	0.6%	1.1%	1.7%

All amounts are based on the scenario of a 100% dividend pay-out of the profit of the year.

All share options have the same exercise price per granting; there are no "ranges" of exercise prices within a given granting.

The 1,389 outstanding options at the end of 2011 are detailed as follows:

Year of granting	2011	2010	2009
Remaining options at 31 December 2011	1,062	327	—
Exercise price (in EUR)	2,848.0	2,593.0	1,464.0
Remaining option life (in years)	0.5Y	0.5Y	—

The following put and call option agreements are in force:

- bpost has a call option toward PIE to purchase the shares to which the beneficiaries are entitled relating to the exercised options at a price corresponding to the exercise price;
- Alteris NV-SA (subsidiary of bpost) and the beneficiaries of the ESOP have a put and call option agreement pursuant to which beneficiaries can sell to Alteris NV- SA (and under certain circumstances Alteris NV-SA can acquire) the bpost shares that the beneficiaries acquired under the plan;

- PIE has a call option for the shares that Alteris NV-SA may acquire from the beneficiaries of the ESOP. The exercise price will be the price originally paid by Alteris NV-SA to the beneficiaries.
- Alteris NV-SA has also a put option vis-à-vis PIE for the shares it may purchase from the beneficiaries of the ESOP. The price is the lower of the price paid by Alteris NV-SA and the exercise price.

These options are not revaluated and do not impact the income statement of bpost because, in accordance with IAS39, the company cannot have a market risk on its own shares.

As of December 31, 2010 and for the year then ended:

In 2006, the Board of bpost approved the creation of an Employee Stock Option Plan ('ESOP') for the Management. Under this plan, bpost has granted in the years 2006, 2007 and 2008 to the management options to purchase shares in the company. Once granted, the options vest one-third per year over a period of three years.

At 31 December 2010, 74 senior managers, including the CEO and the Management Committee, benefit from the option plan. No options were granted in 2010 and none were exercised during the year as no exercise window was opened.

The fair value of the option is expensed over the vesting period. In accordance with IFRS 2, the fair value of the options is determined using the Binomial Option Pricing Model. The charge to the 2010 income statement amounted to 1 million EUR (2009: 0.4 million EUR). All share-based employee remunerations are accounted following the cash-settled methodology. There have been no modifications to the terms of the share-based payments plan during 2010.

The total number of outstanding options is as follows:

	2010	2009	2008
		IN NUMBER	
Options outstanding at 1 January	**3,688.0**	**4,452.0**	**2,724.0**
Options granted during the year	—	—	2,262.0
Options exercised during the year	—	(589.0)	(416.0)
Options forfeited during the year	—	—	(40.0)
Options out due to bad leavers	(9.0)	(175.0)	(78.0)
Options outstanding at 31 December	**3,679.0**	**3,688.0**	**4,452.0**

	2010	2009	2008
Number of persons at 1 January	**76.0**	**80.0**	**60.0**
IN	—	—	20.0
OUT	(2.0)	(4.0)	—
Number of persons at 31 December	**74.0**	**76.0**	**80.0**

The fair value of the granted options and the assumptions used in applying the Binomial Option pricing model are as follows:

FOR THE YEAR ENDED 31 DECEMBER	2010	2009	2008
		EUR	
Fair value of options granted	NA	NA	245.2
Exercise price	5,062.0	2,907.0	2,848.0
Expected volatility	40.5%	39.4%	32.6%
Expected option life (in years)	NA	NA	4Y
Risk-free interest rate	1.1%	1.7%	3.9%

All amounts are based on the scenario of a 100% dividend pay-out of the profit of the year.

All share options have the same exercise price per granting; there are no "ranges" of exercise prices within a given granting.

The 3,679 outstanding options at the end of 2010 are detailed as follows:

YEAR OF GRANTING	2008	2007	2006
Remaining options at 31 December 2010	2,041	1,145	493
Exercise price (in EUR)	2,848.0	2,593.0	1,464.0
Remaining option life (in years)	2Y	1Y	0.5Y

The following put and call option agreements are in force:

- Alteris NV (subsidiary of bpost) and the beneficiaries of the ESOP have a put and call option agreement pursuant to which Alteris NV can acquire the bpost shares, instead of bpost.
- PIE has a call option for the shares that Alteris NV may acquire from the beneficiaries of the ESOP. The exercise price will be the price originally paid by Alteris NV to the beneficiaries.
- Alteris NV has also a put option for the shares it may purchase from the beneficiaries of the ESOP. The price is the lower of the price paid by Alteris NV and the exercise price.
- bpost has always a call option toward PIE to purchase the shares relating to the exercised options at a price corresponding to the exercise price.

These options are not revaluated and do not impact the income statement of bpost because, in accordance with IAS39, the company cannot have a market risk on its own shares.

6.28 Trade and other payables

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Trade payables	(0.0)	0.0	—
Other payables	83.1	13.0	14.3
	83.1	**13.0**	**14.3**

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Trade payables	200.0	189.6	193.4
Payroll and social security payables	326.7	326.2	332.6
Tax payable other than income tax	3.4	0.6	2.9
Other payables	230.5	170.1	183.7
Current trade and other payables	**760.7**	**686.5**	**712.7**

The carrying amounts are considered to be a reasonable approximation of the fair value. The other payables included in current trade and other payable include the following items:

AS AT 31 DECEMBER	2012	2011	2010
	IN MILLION EUR		
Advance payments on orders	10.5	9.1	8.6
Advance received from State	0.0	0.0	0.0
Cash guarantees received	5.2	5.0	5.7
Accruals	86.2	47.9	52.8
Deferred income	79.5	85.2	79.8
Deposits received from third parties	0.4	0.5	0.5
Other payables	48.7	22.4	36.3
Current — Other payables	**230.5**	**170.1**	**183.7**

As of December 31, 2011 and for the year then ended:

Since 2010, the company no longer accepts deposits from third parties and reduces existing third party deposits.

As of December 31, 2010 and for the year then ended:

The company has no control in the deposits received from third parties and they can vary significantly from year to year. Since June 2010, the company no longer accepts deposits from third parties.

6.29 Provisions

	LITIGATION	SGEI RELATED LITIGATION	ENVIRONMENT	ONEROUS CONTRACTS	RESTRUCTU-RING & OTHER	TOTAL
			IN MILLION EUR			
Balance at 1 January 2010	**98.5**	**—**	**1.9**	**1.7**	**28.3**	**130.5**
Additional provisions recognized	9.5	—	0.0	2.9	1.9	14.3
Provisions used	(0.2)	—	(0.0)	(0.7)	(3.8)	(4.7)
Provisions reversed	(16.4)	—	(0.1)	(2.1)	(0.6)	(19.2)
Balance at 31 December 2010	**91.4**	**—**	**1.8**	**1.8**	**25.9**	**120.9**
Non current balance at end of year	81.2	—	0.4	0.2	1.6	83.4
Current balance at end of year	10.2	—	1.4	1.6	24.3	37.5
	91.4	**—**	**1.8**	**1.8**	**25.9**	**120.9**

	LITIGATION	SGEI RELATED LITIGATION	ENVIRONMENT	ONEROUS CONTRACTS	RESTRUCTU-RING & OTHER	TOTAL
			IN MILLION EUR			
Balance at 1 January 2011	**91.4**	**—**	**1.8**	**1.8**	**25.9**	**120.9**
Additional provisions recognized	6.7	299.0	8.4	1.0	0.3	315.4
Provisions used	(2.6)	—	(0.3)	(0.9)	(0.8)	(4.6)
Provisions reversed	(16.5)	—	0.0	(0.9)	(0.2)	(17.5)
Balance at 31 December 2011	**79.0**	**299.0**	**9.9**	**1.0**	**25.1**	**414.1**
Non current balance at end of year	69.6	0.0	7.9	0.7	1.4	79.6
Current balance at end of year	9.4	299.0	2.0	0.3	23.8	334.5
	79.0	**299.0**	**9.9**	**1.0**	**25.1**	**414.1**

	LITIGATION	SGEI RELATED LITIGATION	ENVIRONMENT	ONEROUS CONTRACTS	RESTRUCTU-RING & OTHER	TOTAL
			IN MILLION EUR			
Balance at 1 January 2012	**79.0**	**299.0**	**9.9**	**1.0**	**25.1**	**414.1**
Additional provisions recognized	11.1	124.9	0.0	5.9	3.7	145.7
Provisions used	(34.2)	(299.0)	(0.5)	(0.6)	(0.8)	(335.2)
Provisions reversed	(33.2)		(8.8)	(0.1)	(0.1)	(42.1)
Other movements	22.7		0.0	0.0	(22.7)	0.0
Balance at 31 December 2012	**45.5**	**124.9**	**0.6**	**6.3**	**5.2**	**182.5**
Non current balance at end of year	36.3		0.5	4.1	1.1	42.0
Current balance at end of year	9.3	124.9	0.1	2.2	4.1	140.5
	45.6	**124.9**	**0.6**	**6.3**	**5.1**	**182.5**

As of December 31, 2012 and for the year then ended:

The provision for **litigation** amounts to 45.6 million EUR. It represents the expected financial outflow relating to 184 different litigations or potential litigations between bpost and third parties. None of the individual provisions is material in itself.

The period anticipated for the cash outflows pertaining thereto is dependent on developments in the length of the underlying proceedings for which the timing remains uncertain.

The reversal in 2012 amounts to 33.2 million EUR and is mainly due to a reversal of a pending litigation provision for 22.7 million EUR recorded in the past to cover a risk of litigation relating to off-balance sheet transactions conducted prior to 2010. As the matter was definitively resolved in the course of 2012, the provision was no longer necessary and was reversed. This reversal is considered to be a non-recurring item. Non-recurring items represent significant income or expense items that due to their non-recurring character are excluded from internal reporting and performance analyses. A non-recurring item is deemed to be significant if it amounts to EUR 20 million or more. Reversals of provisions, whose addition had been considered as non-recurring, are also considered as non-recurring.

Reversals from the provision for litigation of 9.6 million EUR and 9.3 million EUR were recorded respectively in 2011 and 2010 as some payroll-related risks were definitively resolved. The reversals were considered as non recurring as the addition to the provision had also been reported as non-recurring.

The amount of the provision for **SGEI related litigation** in 2011 is mainly explained by the decision of the European Commission, the provision was used in 2012 as the recovery amount was paid to the Belgian State. A provision of 124.9 million EUR was created in 2012, for the risk related to a possible over-compensation of the 2011 and 2012 periods. It is expected that the SGEI related litigation will be settled in 2013. Both amounts are considered as non-recurring.

The provision related to **environment** issues covers among others the soil sanitation of land. The reduction in 2012 is explained by the sale of two specific sites.

The provision on **onerous contracts** concerns the best estimate of the costs relating to the closing of mail and retail offices. The majority of these settlements are expected within the next 5 years.

As of December 31, 2011 and for the year then ended:

The provision for **litigation** represents a best estimate of the probable losses resulting from litigation or probable litigation between bpost and third parties. The period anticipated for the cash outflows pertaining thereto is dependent on developments in the length of the underlying proceedings.

The additional provision of 305.7 million EUR includes the provision relating to the decision of the European Commission (299 million EUR).

The provision related to **environment** issues covers among others the soil sanitation of land. The variation of 2011 concerns one specific site.

The provision on **onerous contracts** concerns the best estimate of the costs relating to the closing of mail and retail offices.

The provision for **restructuring** mainly covers restructuring costs for Taxipost (0.4 million EUR).

As of December 31, 2010 and for the year then ended:

The provision for **litigation** represents a best estimate of the probable losses resulting from litigation or probable litigation between bpost and third parties. The period anticipated for the cash outflows pertaining thereto is dependent on developments in the length of the underlying proceedings.

The provision related to **environment** issues covers among others the soil sanitation of land.

The provision on **onerous contracts** concerns the best estimate of the costs relating to the closing of mail and retail offices.

The provision for **restructuring** mainly covers restructuring costs for Taxipost (0.9 million) and for CNS (0.3 million).

6.30 Contingent liabilities and contingent assets

As of December 31, 2012 and for the year then ended:

At year end 2012 the Company is not aware of any contingent assets and liabilities.

As of December 31, 2011 and for the year then ended:

By a judgment dated 10 February 2009, the General Court annulled, on procedural grounds, the decision of the European Commission of 23 July 2003, which had approved a 297.5 million EUR capital increase and certain other State measures in favor of bpost. On 22 April 2009, the Belgian State brought an appeal against this judgment before the Court of Justice of the European Union. This appeal was rejected by the Court of Justice in its judgment of 22 September 2011. As a consequence of the 10 February 2009 judgment, the Commission on 13 July 2009 launched a formal State aid investigation into the 2003 capital increase and other 1992-2002 measures covered by the Commission's annulled 23 July 2003 decision. The Commission also broadened the scope of the investigation by extending it to State compensation for public services and other ad-hoc State measures over the entire 1992-2010 period.

On 25 January 2012, the Commission found 416.5 million EUR of aid (excluding interest) to be incompatible with the internal market. The Belgian State has recovered such aid from bpost with recovery interest, and the Commission has agreed with the computation of these amounts (which takes into account the corporate tax effect).

bpost is currently considering whether or not to appeal the Commission's decision (such an appeal would not suspend the decision).

The Company takes the view, on the basis of the information known at this point, that the European Commission's ongoing State aid review of the 2011-2015 SGEI compensation arrangements should not give rise to a provision in the 2011 accounts for a likely finding of overcompensation for services of general economic interest in 2011. The Company has credible arguments, on the basis of the Commission's January 25, 2012 decision, the 2011 SGEI package and the recent decisions on La Poste (France) and Post office Limited (UK), to defend the 2011 compensation as well as the revised 5th Management Contract.

It should be noted, however, that the Belgian authorities are still with the Commission at the stage of an informal review. Neither the 2011 compensation nor the draft 5th Management Contract have been formally notified yet and the Commission has not yet opened a formal investigation procedure either.

The outcome is in the current stage inherently uncertain and it cannot be excluded that the Commission may conclude that bpost has received State aid that is incompatible with the common market and order the Belgian government to recover such aid from bpost with interest at applicable recovery rates. In any event, the amount of the obligation, if any, cannot be measured with sufficient reliability.

bpost is currently involved in the following pending investigations and claims relating to competition issues:

- an investigation by the Belgian Competition Authority in connection with complaints filed by Publimail NV-SA, Link2Biz International NV-SA and G3 Worldwide Belgium NV-SA;
- a claim for damages in an alleged (provisional) amount of approx. 18.5 million (exclusive of late payment interest) in the context of legal proceedings initiated by Publimail NV-SA and pending before the Brussels commercial court; and
- a claim for damages in an alleged amount of approx. 28 million (exclusive of late payment interest) in the context of legal proceedings initiated by Link2Biz International NV-SA on 3 August 2010 and pending before the Brussels commercial court.

Moreover, on 20 July 2011 the Belgian postal regulator ("BIPT/IBPT") concluded that the Company's 2010 pricing policy infringed the Belgian Postal Act and imposed a fine of 2.3 million EUR. bpost contests the BIPT/IBPT's findings and appealed the decision. The appeal is pending before the Brussels Court of Appeal.

All claims and allegations are contested by bpost.

As of December 31, 2010 and for the year then ended:

By a judgment dated 10 February 2009, the General Court annulled, on procedural grounds, the decision of the European Commission of 23 July 2003, which had approved a 297.5 million EUR capital increase and certain other State measures in favour of bpost.

On 22 April 2009, the Belgian State brought an appeal against this judgment before the Court of Justice of the European Union. This appeal, which does not suspend the 10 February 2009 judgment, is currently pending.

As a consequence of the 10 February 2009 judgment, the Commission on 13 July 2009 launched a formal State aid investigation into the 2003 capital increase and other 1992-2002 measures covered by the Commission's annulled 23 July 2003 decision. The Commission also broadened the scope of the investigation by extending it to State compensation for public services and certain other State measures over the entire 1992-2010 period.

This investigation is currently pending and several written and oral exchanges have already taken place with the Commission's case team. The Company believes that it has good arguments to defend the position that there is no aid granted by the Belgian government that is incompatible with the common market for the period 1992-2009. It cannot, however, be excluded that the Commission may conclude that bpost has received State aid that is incompatible with the common market and order the Belgian government to recover such aid from bpost with interest at applicable recovery rates. While such an amount may be very significant, it is not possible to estimate the financial effect of this contingency at this stage of the investigation.

Dispute with customers

bpost is currently involved in the following pending investigations and claims relating to competition issues.

- an investigation by the Belgian Competition Authority in connection with a complaint filed by Publimail NV;
- a claim for damages in an alleged (provisional) amount of approx. 19 million EUR in the context of legal proceedings initiated by Publimail NV and pending before the Brussels commercial court;
- an investigation by the Belgian Competition Authority in connection with a complaint filed by Link2Biz International NV;
- a claim for damages in an alleged amount of approx. 28 million EUR in the context of legal proceedings initiated by Link2Biz International NV/SA on 3 August 2010 and pending before the Brussels commercial court; and
- an investigation by the BIPT/IBPT of the Company's 2010 pricing policy.

All claims and allegations are contested by bpost.

6.31 Rights and commitments

As of December 31, 2012 and for the year then ended:

Guarantees received

At 31 December 2012, bpost benefits from bank guarantees in a sum of 39.8 million EUR, issued by banks on behalf of bpost's customers (2011: 39.0 million EUR). These guarantees can be called in and paid against in the event of non-payment or bankruptcy. They therefore offer bpost financial certainty during the period of contractual relations with the customer.

Goods for resale on consignment

At 31 December 2012, merchandise representing a sales value of 1.3 million EUR had been consigned by partners for the purpose of sale through the postal network.

Guarantees given

bpost acts as guarantor (1.7 million EUR guarantee) in the framework of the DoMyMove collaboration agreement between bpost, Belgacom and Electrabel.

bpost has an agreement with Belfius, ING and KBC, according to which they agree to provide for up to 32.6 million EUR in guarantees for bpost upon simple request.

Funds of the State

bpost settles and liquidates the financial transactions of government institutions (taxes, VAT, etc.) on behalf of the State. The funds of the State constitute transactions "on behalf of" and are not included in the statement of financial position.

As of December 31, 2011 and for the year then ended:

Guarantees received

At 31 December 2011, bpost benefits from bank guarantees in a sum of 39.0 million EUR, issued by banks on behalf of bpost's customers (2010: 41.3 million EUR). These guarantees can be called in and paid against in the event of non-payment or bankruptcy. They therefore offer bpost financial certainty during the period of contractual relations with the customer.

Goods for resale on consignment

At 31 December 2011, merchandise (lottery tickets, etc.) representing a sales value of 6.8 million EUR had been consigned by partners for the purpose of sale through the postal network.

Guarantees given

bpost acts as guarantor (1.7 million EUR guarantee) in the framework of the DoMyMove collaboration agreement between bpost, Belgacom and Electrabel.

bpost has an agreement with Dexia, ING and KBC, according to which they agree to provide for up to 37.5 million EUR in guarantees for bpost upon simple request.

Funds of the State

bpost settles and liquidates the financial transactions of government institutions (taxes, VAT, etc.) on behalf of the State. The funds of the State constitute transactions "on behalf of" and are not included in the statement of financial position.

As of December 31, 2010 and for the year then ended:

Guarantees received

At 31 December 2010, bpost benefits from bank guarantees in a sum of 41.3 million EUR, issued by banks on behalf of bpost's customers (2009: 42.5 million EUR). These guarantees can be called in and paid against in the event of non-payment or bankruptcy. They therefore offer bpost financial certainty during the period of contractual relations with the customer.

Goods for resale on consignment

At 31 December 2010, merchandise (lottery tickets, etc.) representing a sales value of 4.5 million EUR had been consigned by partners for the purpose of sale through the postal network.

Guarantees given

bpost acts as guarantor (2.2 million EUR guarantee) in the framework of the DoMyMove collaboration agreement between bpost, Belgacom and Electrabel.

bpost has an agreement with Dexia, ING and KBC, according to which they agree to provide for up to 37.5 million EUR in guarantees for bpost upon simple request.

Funds of the State

bpost settles and liquidates the financial transactions of government institutions (taxes, VAT, etc.) on behalf of the State. The funds of the State constitute transactions "on behalf of" and are not included in the statement of financial position.

6.32 Related party transactions

A. Consolidated companies

A list of subsidiaries and equity-accounted companies, together with a brief description of their business activities, is provided in Note 6.33.

B. Relations with the shareholders

As of December 31, 2012 and for the year then ended:

The direct shareholders of bpost are the Belgian State (24.14%), Federale Participatie-en Investeringsmaatschapij NV-Société Fédérale de Participations et d'Investissement SA (25.87%), which itself is also held by the Belgian State, Post Invest Europe ("PIE") Sarl (49.99%), where 100% are indirectly held by CVC Funds and 2 shares (0.01%) owned by current bpost employees further exercise under the ESOP plan.

As of December 31, 2011 and for the year then ended:

The direct shareholders of bpost are the Belgian State (24.14%), Federale Participatie-en Investeringsmaatschapij NV-Société Fédérale de Participations et d'Investissement SA (25.87%), which itself is also held by the Belgian State, Post Invest Europe ("PIE") Sarl (49.34%), where 100% are indirectly held by CVC Funds and 108 shares (0.03%) owned by current and former bpost employees under the ESOP plan (of which 18 shares are owned by bpost). Alteris N.V., a 100% subsidiary of bpost N.V., holds the remaining share (0,63%).

As of December 31, 2010 and for the year then ended:

The direct shareholders of bpost are the Belgian State (24.14%), Federale Participatie- en Investeringsmaatschapij NV-Société Fédérale de Participations et d'Investissement SA (25.87%), which itself is also held by the Belgian State, Post Invest Europe Sarl (49.89%), where 100% are indirectly held by CVC Funds, and 457 shares (0.1%) owned by current and former bpost employees under the ESOP plan.

The Belgian State

a) Management Contract

bpost provides public services (services of general economic interest) to the Belgian State. The Management Contract entered into between bpost and the Belgian State, in effect since 24 September 2005, stipulates the rules and conditions for carrying out the tasks that bpost assumes in execution of its public and the financial intervention of the Belgian State.

As of December 31, 2012 and for the year then ended:

The Management Contract covers a period of five years as from the date of its entry into force and was set to expire on 23 September 2010. Pursuant to article 5, §3, second paragraph, of the 1991 Law, the 4th Management Contract was automatically prolonged pending the entry into force of a new Management Contract. This prolongation was published in the Belgian State Gazette of 23 September 2010 and shall continue to apply until approval of the 5th Management Contract by the European Commission. Upon said approval of the 5th Management Contract by the European Commission, the term of the 5th Management Contract shall apply as from 1 January 2013 until 31 December 2015.

The 4th Management Contract defines the following public services, without this list being exhaustive:

  - Postal services, including: collecting, sorting, transporting and distributing national and international mail;
  - distributing newspapers, printed periodicals and addressed and non-addressed electoral printed documents;
- Financial services, including among others:
  - recovering receipts on behalf of third parties;
  - receiving deposits of cash on current account, effecting payments by cheque and wire transfers on such accounts, receiving deposits and effecting payments on behalf of bpost or other financial institutions;
  - issuance of postal orders, home payment of retirement and survivors' pensions and disabled persons' allowances;
  - the payment of attendance fees at elections;
  - the printing, sale, reimbursement, replacement and exchange of fishing licenses;
  - guaranteeing the opening of an account without cash facility and offering a minimum service;

- Other services including among others:
  - the social role of the postmen;
  - appropriate information to the public on request by the competent authority; and
  - cooperation of bpost in the distribution of voting packages and ballot papers.

The Management Contract sets down the principles for invoicing the Belgian State. The Belgian State's intervention covers the difference between the actual cost price to bpost and the price invoiced to the user of the public services.

As of December 31, 2011 and for the year then ended:

The Management Contract covers a period of five years as from the date of its entry into force and was set to expire on 23 September 2010. Pursuant to article 5, §3, second paragraph, of the 1991 Law, the 4th Management Contract was automatically prolonged pending the entry into force of a new Management Contract. This prolongation was published in the Belgian State Gazette of 23 September 2010 and shall continue to apply until approval of the 5th Management Contract by the European Commission.

The 4th Management Contract defines the following public services:

- Postal services
  - collecting, sorting, transporting and distributing national and international mail;
  - distributing newspapers, printed periodicals and addressed and non-addressed electoral printed documents;
- Financial services
  - recovering receipts on behalf of third parties;
  - receiving deposits of cash on current account, effecting payments by cheque and wire transfers on such accounts, receiving deposits and effecting payments on behalf of bpost or other financial institutions
  - issuance of postal orders, home payment of retirement and survivors' pensions and disabled persons' allowances
  - the payment of attendance fees at elections, the printing and sale of license stamps on behalf of the Mixed Administrative Belgo-Luxembourg Commission, the accounting of funds and documents of title for traffic penalties, the distribution and payment of documents of title from the National Office for Annual Holidays
  - the printing, sale, reimbursement, replacement and exchange of fishing licenses
  - guaranteeing the opening of an account without cash facility and offering a minimum service
- Other services:
  - the social role of the postmen
  - appropriate information to the public on request by the competent authority
  - the printing and delivery of electronic mail
  - message certification services
  - the services carried out for State accountants and determination of the daily cash position
  - the sale of revenue and penalty stamps
  - cooperation of bpost in the distribution of voting packages and ballot papers
  - cooperation of bpost in the printing and distribution of official forms, of offers of employment
  - provision of bpost resources for the organization of examinations for accessing public office
  - the provision in post offices of an appropriate infrastructure allowing, via the internet, facilitation of relations between citizens and the government.

The Management Contract sets down the principles for invoicing the Belgian State. The Belgian State's intervention covers the difference between the actual cost price to bpost and the price invoiced to the user of the public services.

b) Cashier function

bpost administers the cash accounts of the Belgian State and certain institutional. These entities form part of the public authorities sector.

The contract of 20 December 2005 lays down the provisions applicable between bpost and the Belgian Treasury as regards the organization of movements of funds between the two institutions together with the provision of certain funds administered by bpost to the Belgian Treasury.

Under this agreement, two types of funds belonging to public authorities are administered by bpost, i.e.:

- *funds of the State*. bpost settles and liquidates the financial transactions of government ministries (taxes, VAT, etc.) on behalf of the State. bpost records these amounts off the consolidated statement of bpost's financial position;
- *funds of the Royal Decree of 15 July 1997*. These are the liquidities of parastatal agencies (National Social Security Office, family allowances, etc.) deposited through bpost and recorded off the consolidated statement of bpost's financial position.

As of December 31, 2010 and for the year then ended:

The Management Contract covers a period of five years as from the date of its entry into force and was set to expire on 23 September 2010. Pursuant to article 5, §3, second paragraph, of the Law of 21 March 1991 in relation to the reformation of certain economic public enterprises, the Management Contract was automatically prolonged pending the entry into force of a new Management Contract. This prolongation was published in the Belgian State Gazette of 23 September 2010.

The Management Contract defines the following public services:

- Postal services
  - collecting, sorting, transporting and distributing national and international mail;
  - distributing newspapers, printed periodicals and addressed and non-addressed electoral printed documents;
- Financial services
  - recovering receipts on behalf of third parties;
  - receiving deposits of cash on current account, effecting payments by cheque and wire transfers on such accounts, receiving deposits and effecting payments on behalf of bpost or other financial institutions
  - issuance of postal orders, home payment of retirement and survivors' pensions and disabled persons' allowances
  - the payment of attendance fees at elections, the printing and sale of license stamps on behalf of the Mixed Administrative Belgo-Luxembourg Commission, the accounting of funds and documents of title for traffic penalties, the distribution and payment of documents of title from the National Office for Annual Holidays
  - the printing, sale, reimbursement, replacement and exchange of fishing licenses
  - guaranteeing the opening of an account without cash facility and offering a minimum service
- Other services:
  - the social role of the postmen
  - appropriate information to the public on request by the competent authority
  - the printing and delivery of electronic mail
  - message certification services
  - the services carried out for State accountants and determination of the daily cash position
  - the sale of revenue and penalty stamps
  - cooperation of bpost in the distribution of voting packages and ballot papers

- cooperation of bpost in the printing and distribution of official forms, of offers of employment
- provision of bpost resources for the organization of examinations for accessing public office
- the provision in post offices of an appropriate infrastructure allowing, via the internet, facilitation of relations between citizens and the government.

The Management Contract sets down the principles for invoicing the Belgian State. The Belgian State's intervention covers the difference between the actual cost price to bpost and the price invoiced to the user of the public services.

The procedures for invoicing and liquidation applicable to the public services carried out by bpost for the Belgian State are set down in a separate agreement, in which the Belgian State undertakes to pay for the public services provided by bpost.

b) Cashier function

In accordance with the Royal Decree of 15 July 1997 introducing measures for consolidation of the financial assets of public authorities, bpost administers the accounts of institutional entities and the accounts in relation to the Postcheque business. These entities form part of the public authorities sector.

The contract of 20 December 2005 lays down the provisions applicable between bpost and the Federal Public Service for Finance as regards the organization of movements of funds between the two institutions together with the provision of certain funds administered by bpost to the public Treasury.

Under this agreement, two types of funds belonging to public authorities are administered by bpost, i.e.:

- *funds of the State*. bpost settles and liquidates the financial transactions of government ministries (taxes, VAT, etc.) on behalf of the State. bpost records these amounts off the consolidated statement of financial position;
- *funds of the Royal Decree of 15 July 1997*. These are the liquidities of parastatal agencies (National Social Security Office, family allowances, etc.) deposited through bpost and recorded off the consolidated statement of financial position.

C. Relations with bpost bank

As of December 31, 2012 and for the year then ended:

bpost bank is an associate of bpost (with BNP Paribas Fortis as other shareholder), which engages in business as a credit institution. Its banking and insurance products are offered via the network of post offices.

As of December 31, 2011 and December 31, 2010 and for the years then ended:

BPO is a subsidiary of bpost and BNP Paribas Fortis, which engages in business as a credit institution. Its banking and insurance products are offered via the network of post offices.

Framework agreement

As of December 31, 2012 and for the year then ended:

On 28 February 1995, De Post-La Poste (now bpost) and Generale Bank-Générale de Banque (now BNP Paribas Fortis) entered into a framework agreement for the purpose of setting up a partnership for the distribution of banking products. The provisions of the framework agreement have been re-negotiated several times. bpost bank pays bpost a commission determined in accordance with market conditions for the distribution of banking and insurance products and for the performance of certain back-office activities. The commission amounted to 107.5 million EUR in 2012 (2011: 103.5 million EUR).

As of December 31, 2011 and for the year then ended:

On 28 February 1995, De Post-La Poste (now bpost) and Generale Bank-Générale de Banque (now BNP Paribas Fortis) entered into a framework agreement for the purpose of setting up a partnership for the distribution of banking products. The provisions of the framework agreement have been re-negotiated several times. BPO pays

bpost a commission determined in accordance with market conditions for the distribution of banking and insurance products and for the performance of certain back-office activities. The commission amounted to 103.5 million EUR in 2011 (2010: 101.0 million EUR).

As of December 31, 2010 and for the year then ended:

On 28 February 1995, De Post-La Poste (now bpost) and Generale Bank-Générale de Banque (now Fortis Bank-Fortis Banque) entered into a framework agreement for the purpose of setting up a partnership for the distribution of banking products. The provisions of the framework agreement have been re-negotiated several times. BPO pays bpost a commission determined in accordance with market conditions for the distribution of banking and insurance products and for the performance of certain back-office activities. The commission amounted to 101 million EUR in 2010 (2009: 99.0 million EUR).

Working capital

As of December 31, 2012 and for the year then ended:

bpost bank has placed 9.0 million EUR at the disposal of bpost without guarantee or payment of interest by bpost. This sum will remain available to bpost throughout the term of the framework agreement. It is intended to constitute the working capital enabling bpost to conduct business on behalf of bpost bank.

As of December 31, 2011 and December 31, 2010 and for the years then ended:

BPO has placed 9.0 million EUR at the disposal of bpost without guarantee or payment of interest by bpost. This sum will remain available to bpost throughout the term of the framework agreement. It is intended to constitute the working capital enabling bpost to conduct business on behalf of BPO.

Insurance contract

As of December 31, 2012 and for the year then ended:

An insurance distribution contract has been concluded between bpost, bpost bank, AG Insurance (formerly Fortis Insurance), Agallis and Fortis Banque. This agreement has been amended in 2010, with effect as of January 1, 2010 to reflect the corporate reorganization of the Fortis group (AG Insurance being now independent from Fortis Bank), a new commission scheme and a renewal of the exclusivity clause.

The parties concerned have agreed to offer and market insurance products of AG Insurance via bpost bank using the distribution network of bpost. In effect, up to and including the accounting year 2014, the contract provides for an access fee, commission on all the insurance products sold by bpost and additional commissions if the sales figures laid down are achieved.

As of December 31, 2011 and December 31, 2010 and for the years then ended:

An insurance distribution contract has been concluded between bpost, BPO, AG Insurance (formerly Fortis Insurance), Agallis and Fortis Banque. This agreement has been amended in 2010, with effect as of January1, 2010 to reflect the corporate reorganization of the Fortis group (AG Insurance being now independent from Fortis Bank), a new commission scheme and a renewal of the exclusivity clause.

The parties concerned have agreed to offer and market insurance products of AG Insurance via BPO using the distribution network of bpost. In effect, up to and including the accounting year 2014, the contract provides for an access fee, commission on all the insurance products sold by bpost and additional commissions if the sales figures laid down are achieved.

6.33 Group companies

As of December 31, 2012 and for the year then ended:

The business activities of the main subsidiaries can be described as follows:

- Euro-Sprinters offers 24/7 flexible distribution solutions and related services for goods up to 24 tons.
- Deltamedia distributes newspapers in Belgium.
- eXbo provides services such as document management and digitization of incoming mail to customers

- Speos Belgium provides a multi-channel platform for the outsourcing of transactional documents, such as bills, bank statements and pay slips. Services includes the document generation, the printing (black and white or full color) and the enclosing, the electronic distribution (email, zoomit, webservices), and the archiving. Speos also offers backup and peak solutions for companies having their own print shop. Furthermore Speos offers dedicated end-to-end solutions (e.g. European License Plate)
- Until 2012, Certipost offered solutions to manage document flows and digital identities. In 2013, the document exchange services will be transferred to Basware. Certipost will further develop its activities around document security and digital certification. Certipost also supplies the digital certificates for the Belgian electronic identity card (eID).
- Mail Services Incorporated (MSI) is a US-based mail and parcel delivery service company which has three processing centers located in North America: one located in Virginia near Washington DC, one located in Chicago, IL and one located in Toronto, Canada. MSI's primary customer base includes e-commerce companies and businesses which send parcels, bulk amounts of mail, postcards, or publications to individuals residing primarily outside the U.S. borders. MSI also has a small amount of domestic (i.e. within the U.S.) business as well.
- Citipost Asia, now rebranded as bpost Asia, is headquartered in Hong Kong and has a subsidiary in Singapore. The company provides with a full range of delivery and logistics solutions covering cross-border mail and parcels and e-commerce fulfillment. Its current customers are spread across the banking, insurance, asset management, publishing and printing sectors.
- Landmark Global Inc. based in the USA and Landmark Trade Services Ltd based in Canada are companies providing with cross-border shipping and logistics services to enable US companies to ship their products internationally, primarily to Canada. The primary services provided are door to door pickup and delivery of parcels, pick and pack fulfillment, duty and tax processing, and ground transportation. They also provide mail and print services, customs brokerage and payment solutions.
- bpost International (UK) Limited is a UK based mail, parcel and transport company providing transport services to the 'Postal wholesale' market in the UK. Based near to Heathrow airport, bpost UK is customs bonded enabling to offer customs clearance services and x-ray security screening services. bpost International UK acts as an inbound and outbound gateway for other bpost entities around the world.
- bpost International Logistics is a company established in Beijing (China) in 2012 started as a sales representation office of bpost. The company offers a full range of transport and distribution logistic services to the Chinese e-tailers and consolidators in the business customers segment for export of their Parcels and Mail to European and other global buyers.

As of December 31, 2011 and for the year then ended:

The business activities of the main subsidiaries can be described as follows:

- Euro-Sprinters offers 24/7 flexible distribution solutions and related services for goods up to 24 tons.
- Deltamedia distributes newspapers in Belgium.
- eXbo helps customers to improve the efficiency of their document flows, be their incoming, internal or outgoing documents. eXbo offers to manage mailrooms, digital mail, printing-on-demand, printed matter, archives, scanning and reception desk.
- Speos Belgium provides a multi-channel platform for the outsourcing of transactional documents, such as bills, bank statements and pay slips. Services includes the document generation, the printing (black and white or full color) and the enclosing, the electronic distribution (email, Certipost, zoomit, webservices), and the archiving. Speos also offers backup and peak solutions for companies having their own print shop. Furthermore Speos offers dedicated end-to- end solutions (for ex. European Licence Plate,.)
- Certipost offers solutions to manage document flows and digital identities. These solutions allow organizations to automate their business processes, cut cost and operate more efficiently. Every day Certipost delivers thousands of invoices, pay slips and other business documents to the right person or organization. Furthermore, Certipost has years of experience in the management of electronic identities by offering consultancy, solutions for electronic signatures and by providing tokens with digital identities. Certipost also supplies the digital certificates for the Belgian electronic identity card (eID). The company is based in Aalst, and has representation in the Netherlands.

- Mail Services Incorporated (MSI) is a US-based mail and parcel delivery service company which has three processing centers located in North America: One located in Virginia near Washington DC, one located in Chicago, IL and one located in Toronto, Canada. MSI's primary customer base includes e-commerce companies and businesses which send parcels, bulk amounts of mail, postcards, or publications to individuals residing primarily outside the U.S. borders. MSI also has a small amount of domestic (i.e. within the U.S.) business as well.
- Citipost Asia, now renamed bpost Asia, is headquartered in Hong Kong and has a subsidiary in Singapore. The company provides a full range of delivery and logistics solutions covering mail, express, freight, warehousing, fulfillment, pick/pack, data management and project management. Its current customers include prominent names in the banking, insurance, asset management, publishing and printing sectors.

As of December 31, 2010 and for the year then ended:

The business activities of the main subsidiaries can be described as follows:

- The Special Logistics subsidiaries; Euro-Sprinters, Courier Network System and Express Road offer 24/7 flexible distribution solutions and related services for goods up to 24 tons.
- Deltamedia distributes newspapers in Belgium.
- eXbo helps customers to improve the efficiency of their document flows, be their incoming, internal or outgoing documents. eXbo offers to manage mailrooms, digital mail, copy centres, printing-on-demand, printed matter, archives, scanning, reception desk and switchboard, office supplies as well as the management of your printers and faxes.
- Speos Belgium provides a multi-channel platform for the outsourcing of transactional documents, such as bills, bank statements and pay slips. Services includes the document generation, the printing (black and white or full color) and the enclosing, the electronic distribution (email, Certipost, zoomit, webservices), and the archiving. Speos also offers backup and peak solutions for companies having their own print shop. Furthermore Speos offers dedicated end-to-end solutions (for ex. European Licence Plate,.)
- Certipost, enables organizations to communicate electronically with any customer, citizen, supplier and public institution, by automating inbound and outbound information flows, streamlining document exchange and by securing and certifying electronic communications. Furthermore, Certipost is supplier of the digital certificates within the Belgian electronic identity card (eID). Certipost offers solutions enabling electronic invoicing, document exchange within the supply chain, e-government with social security and customs, electronic registered mail, electronic security, electronic counters and the use of the electronic identity card within organizations.
- Mail Services Incorporated is a US based mail services company which has three distribution centers located in Virginia, Chicago and Toronto (Canada) that provides low price international mail service alternatives to businesses. Primarily businesses that send bulk amounts of mail, postcards, publications or packages to a large number of locations all over the world with the majority of deliveries made overseas.

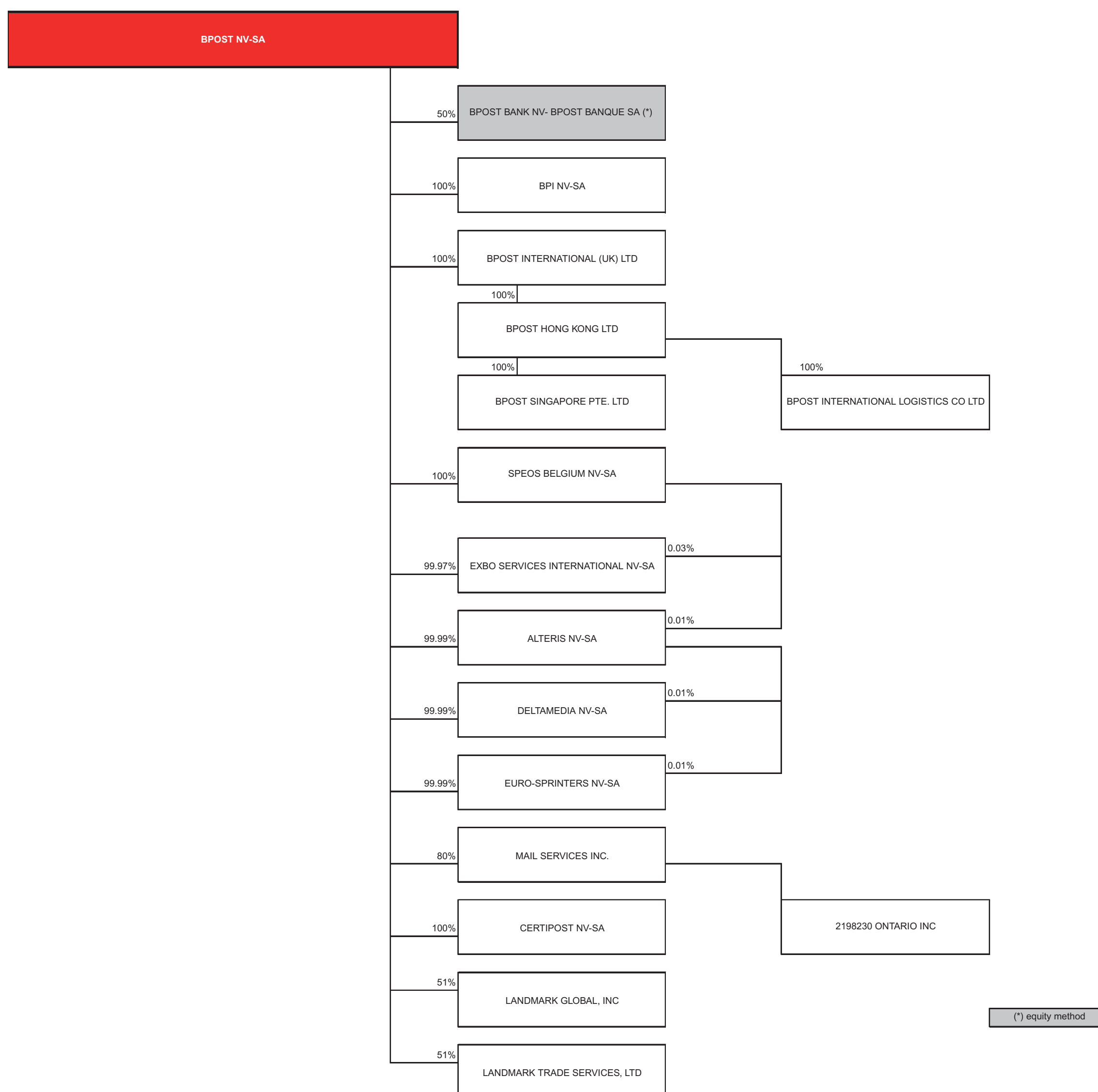
As of December 31, 2012 and for the year then ended:

Name	Share of voting rights in % terms		Country of incorporation	VAT no.
	2012	2011		
bpost Bank NV-bpost Banque SA	50%	50%	Belgium	BE456.038.471

Name	Share of voting rights in % terms		Country of incorporation	VAT no.
	2012	2011		
Alteris NV-SA (formerly Laterio NV-SA)	100%	100%	Belgium	BE474.218.449
BPI NV-SA	100%	100%	Belgium	BE889.142.877
Certipost NV-SA	100%	100%	Belgium	BE475.396.406
Deltamedia NV-SA	100%	100%	Belgium	BE424.368.565
Euro-Sprinters NV-SA	100%	100%	Belgium	BE447.703.597
eXbo Services International NV-SA	100%	100%	Belgium	BE472.598.153
Mail Services INC	80%	60%	USA	
2198230 Ontario INC	100%	100%	Canada	
Speos Belgium NV-SA	100%	100%	Belgium	BE427.627.864
Certipost BV (**)		100%	Netherlands	N/A
Secumail NV-SA (*)	100%	75%	Belgium	BE462.012.780
bpost International (UK) LTD (formerly bpost Asia (Holdings) LTD)	100%	100%	UK	
bpost Hong Kong LTD	100%	100%	Hong Kong	
bpost Singapore Pte. LTD	100%	100%	Singapore	
bpost International Logistics (Beijing) Co., LTD	100%		China	
Landmark Global, INC	51%		USA	
Landmark Trade Services, LTD	51%		Canada	

* In 2012 Speos Belgium NV-SA acquired the remaining Secumail NV-SA shares. Secumail NV- SA was subsequently merged into Speos Belgium NV-SA per 31 December 2012

** Certipost BV was liquidated in March 2012



As of December 31, 2011 and for the year then ended:

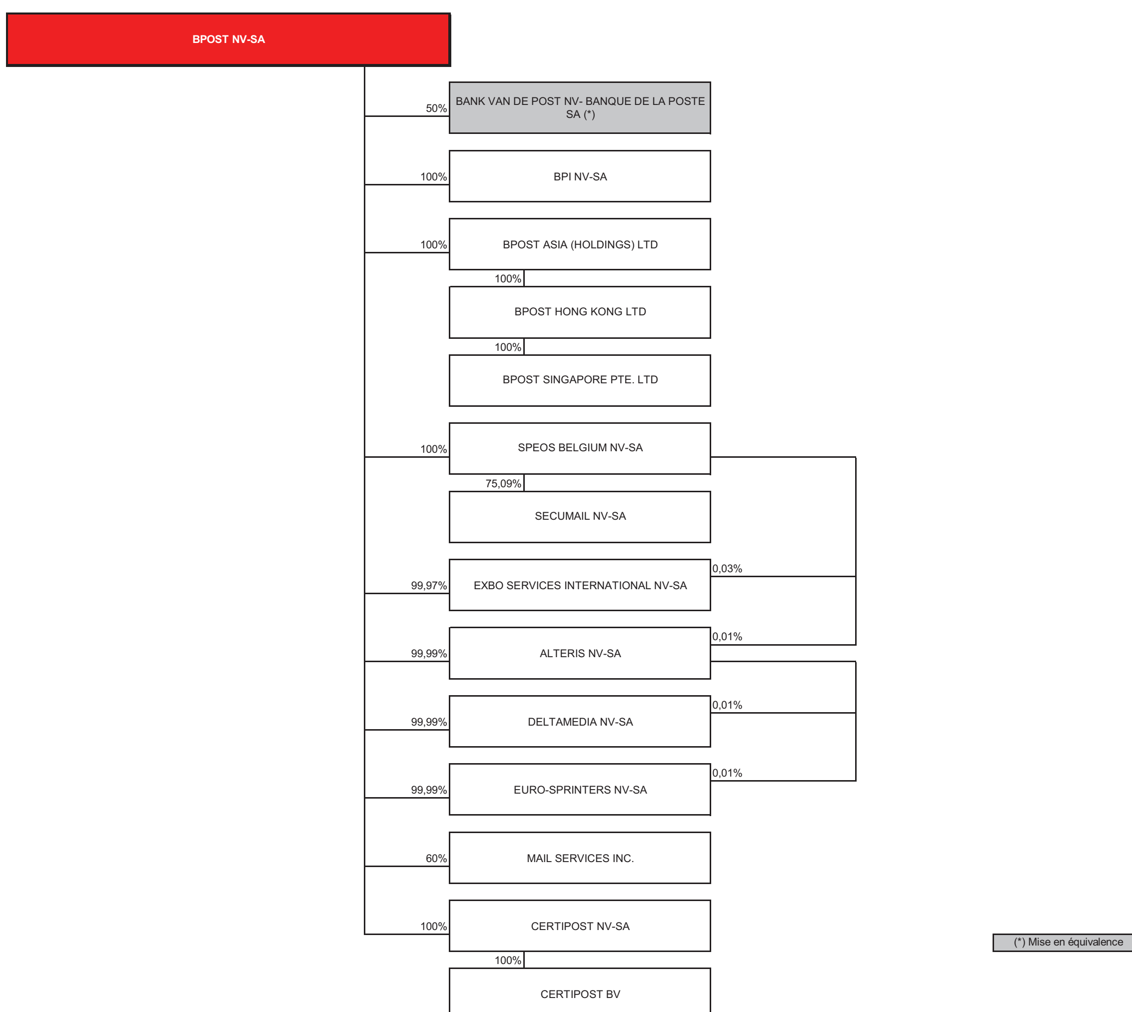
Name	Share of voting rights in % terms		Country of incorporation	VAT no.
	2011	2010		
Bank van de Post NV-Banque de La Poste SA	50%	50%	Belgium	BE456.038.471

Name	Share of voting rights in % terms		Country of incorporation	VAT no.
	2011	2010		
Alteris NV-SA (formerly Laterio NV-SA)	100%	100%	Belgium	BE474.218.449
BPI NV-SA	100%	100%	Belgium	BE889.142.877
Certipost NV-SA	100%	100%	Belgium	BE475.396.406
Corpco NV-SA (**)		100%	Belgium	N/A
Deltamedia NV-SA	100%	100%	Belgium	BE424.368.565
Euro-Sprinters NV-SA	100%	100%	Belgium	BE447.703.597
eXbo Services International NV-SA	100%	100%	Belgium	BE472.598.153
Mail Services Inc. (*)	60%	60%	USA	
Speos Belgium NV-SA	100%	100%	Belgium	BE427.627.864
Veocube NV-SA (formerly Speos Invest NV-SA **)		100%	Belgium	BE463.888.444
Certipost BV	100%	100%	Netherlands	N/A
Courier Network System NV-SA (***)		100%	Belgium	BE449.540.758
Express Road NV-SA (***)		100%	Belgium	BE432.808.258
Secumail NV-SA (*)	75%	75%	Belgium	BE462.012.780
bpost Asia (Holdings) LTD	100%		UK	
bpost Hong Kong LTD	100%		Hong Kong	
bpost Singapore Pte. LTD	100%		Singapore	

* The non-controlling interests of 0.9 million euros shown on the consolidated statement of financial position relate to these subsidiaries.

** Corpco NV-SA and Veocube NV-SA merged with bpost NV-SA as of January 2011

*** Courier Network System NV-SA and Express Road NV-SA merged with Euro-Sprinters NV-SA as of January 2011



As of December 31, 2010 and for the year then ended:

List of equity-accounted investments

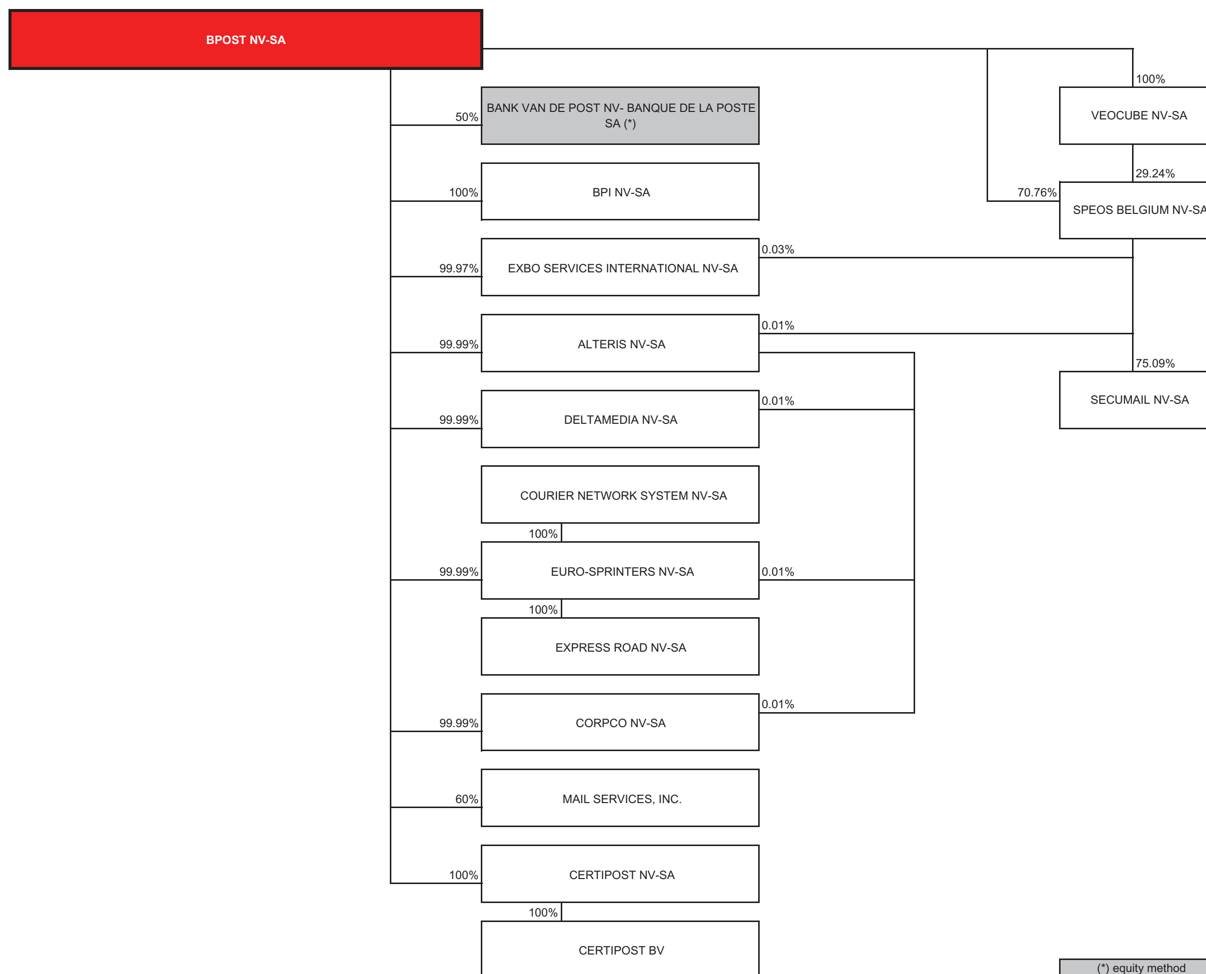
Name	Share of voting rights in % terms 2010	2009	Country of incorporation	VAT no.
Bank van de Post NV-Banque de La Poste SA	50%	50%	Belgium	BE456.038.471

Arstore NV-SA has been liquidated on 5 March 2010. The relations with BPO are described in Note 6.32

Name	Share of voting rights in % terms 2010	2009	Country of incorporation	VAT no.
Alteris NV-SA (formerly Laterio NV-SA)	100%	100%	Belgium	BE474.218.449
BPI NV-SA	100%	100%	Belgium	BE889.142.877
Certipost NV-SA	100%	100%	Belgium	BE475.396.406
Corpco NV-SA	100%	100%	Belgium	N/A
Deltamedia NV-SA	100%	100%	Belgium	BE424.368.565
Euro-Sprinters NV-SA	100%	100%	Belgium	BE447.703.597
eXbo Services International NV-SA	100%	100%	Belgium	BE472.598.153
Mail Services, Inc. (*)	60%	60%	USA	
Speos Belgium NV-SA	100%	100%	Belgium	BE427.627.864
Veocube NV-SA (formerly Speos Invest NV-SA)	100%	100%	Belgium	BE463.888.444
Certipost BV	100%	100%	Netherlands	NL8102.75.594.B01
Courier Network System NV-SA	100%	100%	Belgium	BE449.540.758
Express Road NV-SA	100%	100%	Belgium	BE432.808.258
Mg Road Express BVBA-SPRL (**)		100%	Belgium	BE454.869.325
Secumail NV-SA (*)	75%	75%	Belgium	BE462.012.780

* The non-controlling interests of 1.1 million euros shown on the consolidated statement of financial position relate to these subsidiaries.

** MG Road Express BVBA-SPRL merged with Euro-Sprinters NV-SA as of January 2010



6.34 Events after the statement of financial position date

As of December 31, 2012 and for the year then ended:

On 7 March 2013, the 5th Management Contract between the Belgian State and the Company was notified to the European Commission and was approved by the European Commission on 2 May 2013. The 5th Management Contract sets forth the terms and conditions pursuant to which bpost must fulfill certain SGEIs for the period from 1 January 2013 to 31 December 2015. The 5th Management Contract also provides certain additional terms and conditions relating to the performance by bpost of the USO. The 5th Management Contract is expected to be approved by Royal Decree during the first half of 2013. Once approved, it will be effective as of 1 January 2013, and will replace the 4th Management Contract dated 2 December 2005.

On 20 March 2013, bpost banque/bpost bank completed a capital increase in the amount of 100 million EUR. bpost and BNPP Fortis contributed to this capital increase for 37.5 million EUR each. BNPP Fortis paid an additional amount of 25 million EUR as issue premium. bpost's shareholding in bpost banque/bpost bank remains unchanged at 50% after the capital increase.

On 25 March 2013, the Company, the Belgian State, SFPI/FPIM and Post Invest Europe S.à.r.l. entered into Addendum III to the Shareholders' Agreement. Pursuant to Addendum III, the parties have agreed to, among other things, certain provisions related to the governance of the Company, the exit of the shareholders as well as a capital reduction and a hardship clause for the benefit of the Company.

On 25 March 2013, an extraordinary shareholders' meeting of the Company approved (i) the share capital reduction of 144.5 million EUR through return of capital to the shareholders of the Company prior to closing of the Offering and (ii) a reduction in the legal reserve in the amount of 21.3 million EUR through the transfer to

available reserves to facilitate the payment of the exceptional dividend of 53.5 million EUR from available reserves and retained earnings to such shareholders following the approval from the European Commission of the 5th Management Contract. It is expected that the amount of capital decrease will be paid out to the shareholders of the Company and a special shareholders' meeting of the Company will declare the exceptional dividend of 53.5 million EUR to those shareholders on June 10, 2013.

Pursuant to Addendum III, bpost also agreed to withdraw the appeal made on 17 September 2012 related to the European Commission's decision of 25 January 2012 that found that bpost has received incompatible State aid of 416.5 million EUR and ordered recovery.

The shareholders' meeting in May 2013 will approve a stock split of 1/488 which will result in a share capital composed of 200,000,944 shares. The current number of shares amounts to 409,838 shares.

As of December 31, 2011 and for the year then ended:

Excluding the financial impact of the European Commission decision on 25 January 2012 (mentioned beforehand and taken in 2011), no significant events impacting the company's financial position have been observed after the statement of financial position date.

As of December 31, 2010 and for the year then ended:

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

APPENDIX A

Extracts from Belgian GAAP Unconsolidated Financial Statements of the Company

Balance Sheet as of December 31, 2012 and 2011

Income Statement for the years ended December 31, 2012 and 2011

Appropriation Statement for the years ended December 31, 2012 and 2011

This Appendix contains condensed financial information, consisting of the balance sheet, the income statement and the appropriation statement, as derived from the unconsolidated financial statements of the Company as of and for the years ended at December 31, 2012 and 2011. These financial statements were prepared in accordance with the applicable accounting framework in Belgium and with the legal and regulatory requirements applicable to financial statements in Belgium. These financial statements as of and for the year ended December 31, 2011 are filed with the National Bank of Belgium and these financial statements as of and for the year ended December 31, 2012 will be filed with the National Bank of Belgium. The financial statements as of and for the year ended December 31, 2012 were approved by the Shareholders' Meeting on May 27, 2013 and the Company's Board of Auditors has issued an unqualified opinion with respect to such unconsolidated financial statements. The full set of the financial statements as of and for the year ended December 31, 2011 is available on the website of the National Bank of Belgium (*www.nbb.be*). The full set of financial statements as of and for the year ended December 31, 2012 is available on the website of the Company (*www.bpost.be*).

BALANCE SHEET

	Notes	Codes	Period	Previous period
ASSETS				
FIXED ASSETS		20/28	782.635.194	757.809.026
Formation expenses	5.1	20		
Intangible fixed assets	5.2	21	33.975.586	38.877.526
Tangible fixed assets	5.3	22/27	413.914.826	442.164.119
Land and buildings		22	221.304.615	239.086.896
Plant, machinery and equipment		23	31.095.446	33.616.712
Furniture and vehicles		24	52.647.274	61.052.711
Leasing and other similar rights		25		
Other tangible fixed assets		26	108.823.985	108.371.551
Assets under construction and advance payments		27	43.506	36.249
Financial fixed assets	5.4/5.5.1	28	334.744.782	276.767.381
Affiliated enterprises	5.14	280/1	334.622.505	276.642.997
Participating interests		280	253.323.768	225.246.797
Amounts receivable		281	81.298.737	51.396.200
Other enterprises linked by participating interests	5.14	282/3		
Participating interests		282		
Amounts receivable		283		
Other financial assets		284/8	122.277	124.384
Shares		284	40.824	40.824
Amounts receivable and cash guarantees		285/8	81.453	83.560
CURRENT ASSETS		29/58	1.172.741.306	1.640.309.099
Amounts receivable after more than one year		29		44.629
Trade debtors		290		
Other amounts receivable		291		44.629
Stocks and contracts in progress		3	6.391.386	7.128.542
Stocks		30/36	6.391.386	7.128.542
Raw materials and consumables		30/31	2.348.561	2.154.108
Work in progress		32		
Finished goods		33	1.922.016	2.824.591
Goods purchased for resale		34	1.352.935	1.623.881
Immovable property intended for sale		35	767.874	525.962
Advance payments		36		
Contracts in progress		37		
Amounts receivable within one year	5.5.1/5.6	40/41	340.261.798	369.880.381
Trade debtors		40	328.616.504	345.843.461
Other amounts receivable		41	11.645.294	24.036.920
Current investments		50/53	190.074.887	813.109.568
Own shares		50		
Other investments and deposits		51/53	190.074.887	813.109.568
Cash at bank and in hand		54/58	602.567.878	422.498.516
Deferred charges and accrued income	5.6	490/1	33.445.357	27.647.463
TOTAL ASSETS		20/58	1.955.376.500	2.398.118.125

	Notes	Codes	Period	Previous period
EQUITY AND LIABILITIES				
EQUITY		10/15	612.903.448	859.032.821
Capital	5.7	10	508.469.569	783.780.171
Issued capital		100	508.469.569	783.780.171
Uncalled capital		101		
Share premium account		11		
Revaluation surpluses		12	76.040	76.040
Reserves		13	102.487.212	130.487.212
Legal reserve		130	72.192.017	100.192.017
Reserves not available		131		
In respect of own shares held		1310		
Other		1311		
Untaxed reserves		132	30.295.195	30.295.195
Available reserves		133		
Accumulated profits (losses) (+)/(-)		14	1.870.627	-55.310.602
Investment grants		15		
Advance to associates on the sharing out of the assets		19		
PROVISIONS AND DEFERRED TAXES		16	330.686.334	581.797.122
Provisions for liabilities and charges		160/5	330.686.334	581.797.122
Pensions and similar obligations		160	38.985.365	51.210.543
Taxation		161		
Major repairs and maintenance		162	2.394.074	2.432.012
Other liabilities and charges	5.8	163/5	289.306.895	528.154.567
Deferred taxes		168		
AMOUNTS PAYABLE		17/49	1.011.786.718	957.288.182
Amounts payable after more than one year	5.9	17	90.818.182	99.909.091
Financial debts		170/4	81.818.182	90.909.091
Subordinated loans		170		
Unsubordinated debentures		171		
Leasing and other similar obligations		172		
Credit institutions		173	81.818.182	90.909.091
Other loans		174		
Trade debts		175		
Suppliers		1750		
Bills of exchange payable		1751		
Advances received on contracts in progress		176		
Other amounts payable		178/9	9.000.000	9.000.000
Amounts payable within one year		42/48	763.666.665	736.648.780
Current portion of amounts payable after more than one year falling due within one year	5.9	42	9.090.909	9.090.909
Financial debts		43	15.069	489
Credit institutions		430/8	15.069	489
Other loans		439		
Trade debts		44	173.462.990	155.282.579
Suppliers		440/4	173.462.990	155.282.579
Bills of exchange payable		441		
Advances received on contracts in progress		46	9.534.119	8.107.608
Taxes, remuneration and social security	5.9	45	390.765.513	413.089.453
Taxes		450/3	15.204.726	39.984.917
Remuneration and social security		454/9	375.560.787	373.104.536
Other amounts payable		47/48	180.798.065	151.077.742
Accrued charges and deferred income	5.9	492/3	157.301.871	120.730.311
TOTAL LIABILITIES		10/49	1.955.376.500	2.398.118.125

INCOME STATEMENT

		Notes	Codes	Period	Previous period
Operating income		5.10	70/74	2.291.322.533	2.259.827.954
Turnover			70	2.270.205.088	2.223.044.691
Increase (decrease) in stocks of finished goods, work and contracts in progress	(+)/(-)		71	-902.575	546.655
Own construction capitalised			72		
Other operating income			74	22.020.020	36.236.608
Operating charges			60/64	1.921.320.827	1.924.548.586
Raw materials, consumables			60	10.179.660	8.953.922
Purchases			600/8	9.803.819	7.839.161
Decrease (increase) in stocks	(+)/(-)		609	375.841	1.114.761
Services and other goods			61	580.199.905	539.641.643
Remuneration, social security costs and pensions	(+)/(-)	5.10	62	1.290.627.763	1.282.452.821
Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets			630	71.108.644	69.371.897
Amounts written down stocks, contracts in progress and trade debtors — Appropriations (write-backs)	(+)/(-)	5.10	631/4	976.797	-744.286
Provisions for risks and charges — Appropriations (uses and write-backs)	(+)/(-)	5.10	635/7	-77.019.296	11.948.010
Other operating charges		5.10	640/8	45.247.354	12.924.579
Operation charges carried to assets as restructuring costs	(-)		649		
Operating profit (loss)	(+)/(-)		9901	370.001.706	335.279.368
Financial income			75	16.335.605	22.359.925
Income from financial fixed assets			750	7.373.953	5.045.429
Income from current assets			751	7.696.034	14.762.544
Other financial income		5.11	752/9	1.265.618	2.551.952
Financial charges		5.11	65	4.891.035	7.420.664
Debt charges			650	1.032.071	1.556.461
Amounts written down on current assets except stocks, contracts in progress and trade debtors	(+)/(-)		651	-293.458	-162.654
Other financial charges			652/9	4.152.422	6.026.857
Gain (loss) on ordinary activities before taxes	(+)/(-)		9902	381.446.276	350.218.629
Extraordinary income			76	14.497.121	1.159.106
Write-back of depreciation and of amounts written down intangible and tangible fixed assets			760		
Write-back of amounts written down financial fixed assets			761	14.279.121	
Write-back of provisions for extraordinary liabilities and charges			762	218.000	
Gains on disposal of fixed assets			763		1.056.458
Other extraordinary income			764/9		102.648
Extraordinary charges			66	138.703.757	307.008.324
Extraordinary depreciation of and extraordinary amounts written off formation expenses, intangible and tangible fixed assets			660	9.126.117	3.855.339
Amounts written down financial fixed assets			661	2.659.132	4.152.985
Provisions for extraordinary liabilities and charges — Appropriations (uses)	(+)/(-)		662	-298.782.000	
Loss on disposal of fixed assets			663		
Other extraordinary charges		5.11	664/8	425.700.508	299.000.000
Extraordinary charges carried to assets as restructuring costs	(-)		669		
Profit (loss) for the period before taxes	(+)/(-)		9903	257.239.640	44.369.411
Transfer from postponed taxes			780		
Transfer to postponed taxes			680		
Income taxes		5.12	67/77	85.369.013	111.787.422
Income taxes			670/3	103.814.892	117.992.999
Adjustment of income taxes and write-back of tax provisions			77	18.445.879	6.205.577
Profit (loss) for. the period	(+)/(-)		9904	171.870.627	-67.418.011
Transfer from untaxed reserves			789		
Transfer to untaxed reserves			689		
Profit (loss) for the period available for appropriation	(+)/(-)		9905	171.870.627	-67.418.011

APPROPRIATION ACCOUNT

		Codes	Period	Previous period
Profit (loss) to be appropriated	(+)/(-)	9906	116.560.025	-55.310.602
Gain (loss) to be appropriated	(+)/(-)	(9905)	171.870.627	-67.418.011
Profit (loss) to be carried forward	(+)/(-)	14P	-55.310.602	12.107.409
Transfers from capital and reserves		791/2	111.310.602	
from capital and share premium account		791	55.310.602	
from reserves		792	56.000.000	
Transfers to capital and reserves		691/2	28.000.000	
to capital and share premium account		691		
to the legal reserve		6920		
to other reserves		6921	28.000.000	
Profit (loss) to be carried forward	(+)/(-)	(14)	1.870.627	-55.310.602
Owner's contribution in respect of losses		794		
Profit to be distributed		694/6	198.000.000	
Dividends		694	198.000.000	
Director's or manager's entitlements		695		
Other beneficiaries		696		

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