



## PRESS RELEASE

### **LDC and PostNL to form joint venture to roll out E2E delivery in the UK**

**London / The Hague, 13 December 2013 - LDC and PostNL have reached an agreement to establish a joint venture, which will allow TNT Post UK to roll out its end-to-end (E2E) postal delivery service. The joint venture will provide the funding and expertise for the phased implementation of the E2E-service, following the successful trials in London and recent extension to Manchester. TNT Post UK is the largest provider of postal services in the UK after Royal Mail, and offers a broad and innovative product portfolio.**

The joint venture will encompass all the current TNT Post UK operations, which includes the downstream access activities and will be led by the current TNT Post UK management team. The TNT Post UK ambitions for the roll out of the E2E network will be funded by LDC and RBS upon completion. This partnership will enable TNT Post UK to build its competitive position and continue to innovate the UK postal industry by providing choice and new and cost efficient services for customers.

Marcel Krom, PostNL Executive Committee member responsible for the international activities commented: "With this joint venture PostNL is able to maintain its strategy to be number 2 in the European markets in which it operates. The successful trials in London have shown that TNT Post UK can build a real, profitable alternative to Royal Mail, by meeting customer's demand for quality, innovative and cost effective services. PostNL is confident that the new combination will contribute to the positive development of a fast changing mail market."

Yann Souillard, Managing Director at LDC commented: "TNT Post UK represents a great opportunity to partner with an exciting business led by an ambitious and forward-thinking management team. The business' E2E strategy is an innovative and dynamic approach to postal delivery which should provide an exceptional platform for both customer requirements and the business growth plans."

The deal with TNT Post UK forms part of LDC's continuing strategy to invest in leading regional mid-market businesses whilst backing high calibre management teams.

PostNL will have a 40% stake in the joint venture. Under the new accounting rules for joint ventures, the financials of the UK activities will be equity accounted for after completion of the transaction (in the line "Investments in Joint Ventures and Associates"). Accordingly, the segment results of International will consist of Germany, Italy and Spring. The transaction is subject to a number of conditions, including approval by the European Commission and is expected to close early 2014. Further details will be provided at that time.

The deal was transacted by LDC's Reading team, led by Managing Director Yann Souillard and Investment Director Alex Clark. LDC and PostNL executed the transaction with support from a number of regionally based advisors, including Shoosmiths, Sullivan & Cromwell and HMT Corporate Finance.

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**About LDC**

Since our launch in 1981, LDC has completed over 440 investments and supports a portfolio that stands at over 70 businesses across the UK, and is collectively valued in excess of £2billion. LDC's investments are driven at a regional level from a network of offices across the UK and Asia. Our expert knowledge has secured LDC's place as a national leader in the mid-market, whilst our focus on establishing enjoyable and enduring relationships with those we work with ensures stability and success.

Or visit: [www.ldc.co.uk](http://www.ldc.co.uk)

**About PostNL**

PostNL is the inventive partner in the world of sending and receiving. We have been so for 200 years already. We are primarily active in the fields of mail, parcels and e-commerce, but we also offer services in the areas of data and document management, direct marketing and fulfilment. Outside the Netherlands, we are active in Germany, the United Kingdom, Italy, Belgium and Luxembourg. TNT Post UK operates all domestic activities in the UK. PostNL employs a total of approximately 66,000 people. In 2012 our revenues reached almost € 4.3 billion.

We like to stay ahead of things. We are the most modern postal company in the world. We are proud of that. As the first listed postal company, we are an example to the rest of the world in automatic letter sorting. And our innovative parcels network is completely adapted to the wishes of web retailers.

**For further information please contact:**

PostNL Investor Relations  
Richard Piekaar, Director Treasury & Investor Relations  
M: +31 619 269 499  
E: [richard.piekaar@postnl.nl](mailto:richard.piekaar@postnl.nl)

PostNL Media Relations & PR  
Marc Potma, spokesperson  
M: +31 613 733 783  
E: [marc.potma@postnl.nl](mailto:marc.potma@postnl.nl)

LDC  
Yann Souillard  
T: +44 118 958 0274

LDC media enquiries  
Katie Dale, Citypress  
T: +44 121 314 4192  
E: [katie.dale@citypress.co.uk](mailto:katie.dale@citypress.co.uk)