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PostNL rejects unsolicited and conditional proposal from bpost

11 November 2016 – The Hague

As indicated in our press release dated 7 November 2016, the Board of Management and Supervisory Board of PostNL (the "Boards"), with the support of their financial and legal advisors, have carefully considered bpost's proposal in accordance with their fiduciary responsibilities. In doing so, the Boards have taken into consideration the interests of all PostNL's stakeholders and consequently the Boards have unanimously decided to reject the terms of bpost's unsolicited and conditional offer.

Key considerations taken into account by our Boards are:

1. **Stand alone strategy** - The Boards remain confident about PostNL's stand-alone strategy which management is implementing and executing successfully, resulting in PostNL's improved performance
2. **Consideration** - The proposed consideration does not represent a sufficiently compelling value proposition for PostNL's shareholders
3. **Belgian State control** – The combined entity that would be created following completion of the proposal would de-facto still be controlled by the Belgian State
4. **Non-financial terms** - The scope, duration and enforceability of the non-financial terms proposed by bpost remain general in nature and fail to offer sufficient conviction
5. **Deal certainty** - PostNL's shareholders and its other stakeholders should not bear transaction risk

Stand alone strategy

1. The Boards are confident in the stand-alone strategy of PostNL which management is implementing and executing successfully. PostNL has made substantial progress in implementing its strategy as outlined at the Strategy Update in November 2015, as evidenced by PostNL's improved performance.

The Q3 2016 results published earlier this week demonstrate the progress achieved to date, , highlighted by including PostNL's reconfirmation of its earlier guidance provided for the years 2016 and 2017. The growth trends in Parcels remain very tangible and robust and Parcels continues to outperform the markets and its peers. PostNL continues to transform and innovate its business to benefit from the strong growth in e-commerce. By doing so, PostNL will create significantly more than 1600 new jobs in the Netherlands on a stand-alone basis. Mail in the Netherlands is performing as projected, further demonstrating that PostNL is effectively managing the effects of the declining mail volumes via consistent cost savings. Finally, PostNL's activities in Germany and Italy are performing in line with their plans and our cross border operations are growing at a double digit rate.

PostNL further improved its financial position and reiterated its expectation and commitment to resume the payment of dividends in 2017. PostNL's improving resilience will enable its shareholders to benefit from the continuously improving returns. All stakeholders will benefit from PostNL's role in providing essential, innovative and client oriented services to the communities where PostNL is active.

Consideration

2. The proposed offer of € 2.825 in cash and 0.1202 bpost share per PostNL share currently corresponding with a value of €5.40 per PostNL share¹, does not represent a sufficiently compelling value proposition for PostNL's shareholders. It fails to reflect the aforementioned

¹ Valued at bpost's closing price on 10 November 2016.

improving performance, stand alone prospects and the strategic value of the state-of-the-art parcel & postal network of PostNL. Furthermore, it does not reflect the de-risking of its pension obligations further that PostNL realised, nor that PostNL's share price is still negatively impacted by the company not having been able to pay dividend to its shareholders due to an accounting-driven dividend blocker.

Belgian State control

3. Following completion of the proposed offer, the ownership of the Belgian State in bpost would decline from 51% to around 40%. This ownership, combined with the proposed governance structure at bpost and PostNL level, the dependency of bpost on the SGEI management contracts and the grandfathering of statutory employees would result in a combined entity that is de-facto still controlled by the Belgian State.

These concerns have been shared with bpost before and have been aggravated by several recent press reports which have quoted the Belgian Deputy Prime Minister and Minister of Development Cooperation, Digital Agenda, Telecommunication and Postal Services Mr De Croo: *"Met een belang van 40% zal geen enkele beslissing de raad van bestuur passeren waar de Belgische Staat het niet mee eens is"*. This statement clearly demonstrates that in case the proposed transaction would be completed, the Board of Directors of the combined entity will be limited in its ability to decide independently on matters that the Belgian government may object to. Therefore, PostNL is very concerned that PostNL's values and culture will hardly be protected, while this will be required to maintain PostNL's vital public role in Dutch society and operate effectively in the Dutch (regulatory) framework. Moreover, PostNL strongly believes that the proposed governance structure, composition and practice will make the combined group susceptible to Belgian political differences and not agile to effectively manage the company.

Within the next six months, there are several important government decisions due on the Dutch postal market. Consequently, the opinion of the Dutch government, and its views about a possible combination of PostNL with bpost is therefore an important factor for PostNL to consider. In this respect, PostNL have taken into account the public statements of both the Dutch Minister of Economic Affairs Mr Kamp and the Dutch Prime Minister Mr Rutte, who have both been quoted to express their concern that completion of this combination would effectively put PostNL "back in time".

Non-financial terms

4. In general the scope, duration and enforceability of the non-financial terms bpost proposes remain general and fail to convince. For example, the proposed pension guarantee lacks relevant information to assess the true value thereof. Furthermore, the proposal does not clarify how bpost intends ensuring that PostNL will remain resilient and properly financed in order to be able to execute its strategic plan and fulfil its vital role in the Netherlands. This is particularly relevant in light of the progressive dividend policy bpost wants to apply. Also, bpost's commitments on long term job conservation and creation, as well as the creation of the proposed innovation centre lack any substantiation.

bpost is well aware of the importance of these matters to PostNL, given the lengthy and detailed discussions parties have had on these topics earlier this year. PostNL therefore re-iterates that the scope, terms, certainty, duration and enforceability of bpost's commitments on these non-financial terms are critical. Without these, our Boards cannot support a transaction towards our stakeholders.

Deal certainty

5. In reviewing any offer, PostNL considers deal certainty critical. The regulatory environment in which PostNL operates remains unclear. PostNL re-iterates that completion of any proposed transaction cannot be subject to a condition relating to these uncertainties. bpost's proposal fails

to address this point.

Additionally, the shareholding of the Belgian State in bpost and the required Belgian royal decree authorising a transaction, as explicitly mentioned in bpost's press release of 6 November 2016, create uncertainty about a successful completion of the proposed transaction, which is unacceptable for PostNL. With the Belgian State as the majority shareholder of bpost, our Boards do not see why PostNL's shareholders and its other stakeholders should bear any transaction risk in this respect.

Bank of America Merrill Lynch and Stibbe act as advisors to PostNL and ABN AMRO Bank and Allen & Overy act as advisors to the Supervisory Board.

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