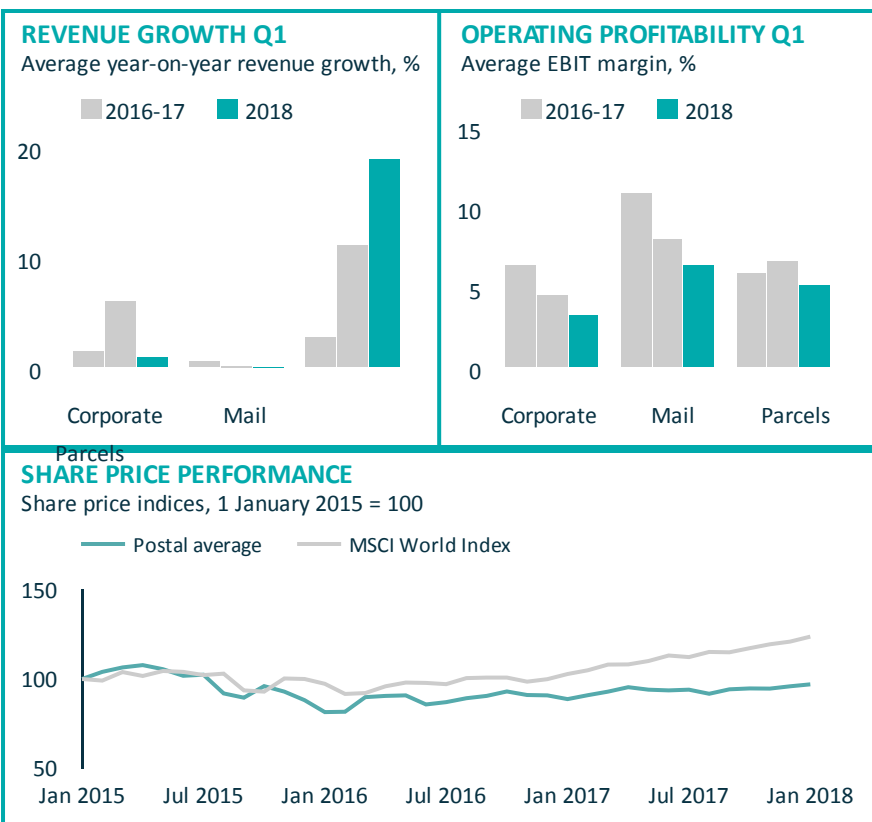


FIRST QUARTER | 2018 | INDUSTRY AVERAGE

SCOPE 17 POSTAL OPERATORS	CORPORATE 1.1% REVENUE GROWTH		3.7% EBIT MARGIN		MAIL 0.0% REVENUE GROWTH	PARCELS 19.2% REVENUE GROWTH
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E-COMMERCE DRIVES Q1'18 GROWTH

Slower revenue growth: corporate revenue grew 1.1% on average in Q1 2018, based on the 17 posts reporting public quarterly figures. Many operators noted that revenue growth was lower due to fewer working days and an earlier Easter holiday, and that parcel volume growth partially offset declining mail volumes. Insurance premiums were lower for posts with significant financial services revenue, impacting Japan Post and Chunghwa Post.

E-commerce driving parcels growth: Parcel volume was up 12.1% while mail fell 6.7% in Q1, based on nine operators' results. For parcels, B2C e-commerce remains the engine of industry growth. PostNL reports that 42% of its revenue is from e-commerce-related activities, while bpost's acquisition of Radial in 2017 boosted its parcels revenue growth. Excluding bpost, parcel revenue growth averaged 8.9% in Q1'18. Competition in the market remains fierce: both Österreichische Post and Singapore Post note increasing price pressure. Meanwhile, e-substitution continues to drive mail volume decline. A lack of political and election mail exacerbated admail declines for USPS and Deutsche Post DHL; Österreichische Post noted additional revenue due to elections.

Most posts reduce capex: only four of 11 posts increased capex in Q1 2018. Deutsche Post DHL increased investment significantly in expanding its Express division hubs; and Österreichische Post invested in its capacity expansion programme. In 2018, bpost plans to invest €140m in new subsidiaries.

Operator	Latest	CORPORATE							MAIL		PARCELS	
		Revenue €m	Revenue Δ YOY	EBIT €m	EBIT margin	Assets €m	Capex €m	Share price Δ in Q1	Revenue Δ YOY	EBIT margin	Revenue Δ YOY	EBIT margin
*Average	null	null	1.1%	null	3.7%	null	null	null	0.0%	7.1%	19.2%	5.8%
Bpost	Q1'18	916	27.0%	105	11.4%	3,092	15	-32.0%	-3.9%	21.1%	121.6%	2.7%
CTT Portugal Post	Q1'18	177	0.0%	10	5.4%	1,594	13	-11.0%	-0.8%	null	21.8%	null
Canada Post	Q1'18	1,474	4.4%	69	4.7%	5,895	25	null	-4.5%	null	16.7%	null
Chunghwa Post	Q1'18	2,376	-18.9%	49	2.1%	199,222	null	null	16.2%	null	null	null
Deutsche Post DHL	Q1'18	15,232	-1.1%	905	5.9%	47,599	796	-5.0%	1.7%	8.3%	4.9%	12.2%
Japan Post	Q1'18	26,470	-4.6%	1,483	5.6%	null	null	-2.0%	6.2%	2.7%	null	null
Omniva	Q1'18	25	-7.7%	0	0.0%	76	null	null	null	null	null	null
Osterreichische Post	Q1'18	525	4.3%	57	10.9%	1,776	41	4.0%	-2.2%	19.0%	12.8%	8.2%
Pos Malaysia	Q1'18	142	2.7%	null	null	735	null	-27.0%	-6.6%	-24.1%	5.4%	14.5%
PostNL	Q1'18	879	0.7%	30	3.4%	2,081	20	-20.0%	-5.3%	0.8%	22.9%	7.5%
PostNord	Q1'18	976	-1.6%	-8	-0.8%	2,298	null	null	-8.5%	null	3.5%	null
Poste Italiane	Q1'18	2,884	1.8%	702	24.4%	212,487	56	28.0%	0.8%	11.6%	null	null

Notes: Latest public quarterly reports used for all operators except Royal Mail, which provides half-yearly reports and therefore excluded from industry averages. Not all operators' financial year matches the calendar year; quarters refer to calendar years. Quarterly figures may be calculated by subtracting prior quarterly results when only cumulative figures are available. Reported figures are unaudited for many operators. Business unit revenue attributed to the most relevant segment based on where the majority of revenues reside. Multiple business units may be allocated to one segment. Share price change calculated over the quarter, using the first day of the first month of the quarter compared with the first day of the subsequent quarter. Close prices for all operators.