

## Press release

### TNT announces strategy “Vision 2015” and sees continued further stabilisation in its trading environment

- Vision 2015 focuses TNT’s activities on Day-Definite Delivery Services globally and Mail Services in the Netherlands.
- In the Day-Definite Delivery Services four focus areas are defined: European Parcels; Freight; Special Delivery Solutions and Emerging Platforms. All areas offer attractive profitable growth opportunities.
- Mail NL will focus on cash flow, cost adjustment and business renewal in a sharply declining market. European Mail Networks will realise and free up its value through partnerships and sale.
- Starting from a cautious 2010 economic recovery assumption, the Vision 2015 ambitions are translated into clear and attractive financial objectives.

Amsterdam, 3 December 2009 - At its annual Analysts’ Meeting today TNT presents its new “Vision 2015” strategy. Furthermore a business update is given for 2009.

### Focus on Networks successfully completed

The “Focus on Networks” strategy, as established in 2005, has been successfully implemented and delivered its objectives.

- TNT developed a strong and agile Express platform in Europe for “time and day definite delivery services” for Parcels and Freight, which rapidly reacted in a flexible way to significant changes in economic patterns. At the same time potentially leading platforms in the emerging economies of Asia and South America were established.  
The Mail business has been successfully managed in the context of a substantially declining business environment, due to liberalisation and substitution in the core market in the Netherlands. Although revenue outside the Netherlands developed well, this business could not yet bring a sustainable contribution. Overall Mail profits and cash flow therefore decreased largely in line with the volume decline in the core market in the Netherlands.
- TNT delivered a strong track record in satisfying its stakeholders’ requirements. In the period of 2005 – 2009 almost € 4.5 billion (75% of net cash generated), in the form of dividend and share buybacks, has been returned to our shareholders. Our employees and former employees were paid € 17.5 billion in the form of wages, contributions and pensions. Employee engagement scores are at high levels and in the case of restructurings TNT has been able to assist many departing colleagues in finding alternative jobs.  
Customer ratings are strong, service quality levels have continued to improve even during the downturn and a successful model of subcontracting binds many suppliers to our company. Finally TNT was awarded several top recognitions from leading indicators on sustainability, corporate governance, financial reporting, leadership development and investor relations.

### Vision 2015

The “Vision 2015” strategy presented today will encompass the period 2010 – 2015 and aims for well balanced and ambitious business and financial objectives tailored to the different building blocks of TNT’s portfolio. The strategy sets out to capture all TNT’s business opportunities in a way that requirements for healthy shareholder returns and other stakeholder benefits are being optimally met.

## Strategic and Business Context

In reviewing the business context and competitive position of its Express and Mail businesses, TNT has drawn the following conclusions:

- The current economic outlook is still uncertain and TNT takes a cautious view on the short term recovery. Since the start of the economic crisis TNT has seen international core volumes revert back to 2006 levels with European Air volumes dropping back to 2002 levels.
- TNT's current business portfolio consists for part of its revenue of high growth areas in time and day definite delivery services. As a result of continued cost pressure on our customers, the fastest growing sectors in these markets are the lower cost economy and standard services, although the premium international segments are expected to see good growth as well. Customers, faced with the need for greater visibility, reliability and flexibility in their supply chains, will increasingly request solutions tailored to their sectors, creating opportunities for differentiated or new value added services. Furthermore, solutions across different customers in the same sectors are gaining acceptability.
- A big opportunity is the E-commerce sector. Here TNT is well placed to add value in all parts of the delivery chain, both in deliveries and in other services such as online payments and fulfillment.
- The Emerging Platforms in South America and China provide an unrivalled "first mover" competitive advantage and going forward have the potential to become significant in size and results with profitable return on investment levels.
- The Mail business in the Netherlands will be subject to accelerated further volume declines due to substitution and competition, burdened by relatively high labour costs and an uncertain regulatory environment, putting pressure on profits and cash flows going forward. The negotiations with labour unions so far have not delivered a path forward towards structurally closing the wage gap with competition. If that were to remain the case, a deep restructuring will be unavoidable given the sharp decline in volumes and revenues.
- The European Mail Networks business (EMN) is operating in a deteriorating perspective, due to the uncertain implementation of European mail liberalisation, regulatory restraints, price competition, volume declines and high start-up costs.

On the basis of these opportunities and challenges, the Vision 2015 sees TNT aim for a further business transformation towards a more coherent high growth portfolio, with a strong focus on specific parts of the day definite deliveries markets, combined with actively maintaining a sustainable Dutch Mail business.

## Day Definite Delivery Services accelerated

TNT aims to position itself for accelerated growth in its Day Definite Delivery Services. To allow for such acceleration TNT will concentrate its business on four focus areas, European Parcels, Freight, Emerging Platforms and Special Delivery Solutions. The businesses will continue to operate one strong network and common sales platforms, focused on achieving Customer satisfaction and Cost leadership.

- **European Parcels** will target additional growth in the €20 billion Standard Parcels market, by extending its existing leadership position in next day domestic and in economy cross-border parcels. Differentiated solutions will be offered by market segment (Business to Business, Business to Consumer) in each major European geography. In this cost competitive market the achievement of cost leadership through optimising our networks and standardising our operations is essential.
- On the basis of TNT's strong European road network as well as high growth inbound intercontinental volumes, the **Freight** activities will aim to extend TNT's lead in the day definite freight transport within Europe and add global extensions through partnerships like the one with Conway in the USA and our owned networks in all emerging markets. In Europe, TNT expects that over time Freight will grow into partial separate networks to underline cost leadership and customer requirements.

- **Emerging Platforms** will aim to capitalise on its first mover advantage towards leadership positions in the day definite markets of South America and China. Next to that TNT will continue to expand and connect its road networks in “greater ASPAC” (Asia Pacific incl. India and Australia), Middle East / Africa and South America, where TNT has established an excellent competitive basis.
- **Special Delivery Solutions (SDS)** aims to develop focused multi-customer network solutions, that provide dedicated service quality while improving the economics of the TNT delivery networks. Vertical delivery solutions for sectors like pharma, health, electronics, automotive, defense, energy and high-end non-food retail will be developed. TNT is excellently positioned to service the fastest growing market for delivery solutions from E-commerce for which a dedicated solutions team has been put in place to target the chosen supply chains.

## Mail focus on the Netherlands and sustainable cash performance

In the period 2010 – 2015 TNT will focus its mail activities on the business in the Netherlands, which will also include Cendris data and document management, VSP and EMN Belgium.

- **Mail NL** operates in an environment of sharp further volume decline, driven by substitution and competition. The continued implementation of Master plans will include further organisational centralisation and delivery model adjustments leading to significant savings at the originally communicated levels. If no agreement with unions can be reached on the alignment to market level of labour costs, the socially less preferred route of higher employment reduction becomes unavoidable, as revenue in Mail NL is expected to decrease with approximately 4 to 6% per year. TNT will explore business renewal opportunities and other sources of value creation in Mail NL for which TNT plans to set up an investment budget. Further details will be worked out in the coming months. As part of this renewal effort, the Mail activities will over time be prepared to enable participation in partnership options including possible future European Mail incumbent consolidation.
- In this context the remaining European Mail Network business (**EMN**) will be managed for value realisation through partnerships and sale. For EMN Germany, a final review will be undertaken in 2010, in the context of the expected market development including the outcome of the minimum wage court case and the developments regarding the VAT exempt position of the incumbent. TNT expects to give a further update on EMN by the time it announces the full year 2009 results.

## Financials Vision 2015

TNT aims to realise its business objectives as outlined primarily through organic growth complemented by selected acquisitions and strategic partnerships, whilst maintaining a solid BBB+ investment grade credit rating. The following chart presents the resulting financial objectives in more detail.

€ million	Revenues Q4 08 - Q3 09	Annual average revenue growth 2010-2015	EBITDA as % of revenue Q4 08 - Q3 09	Vision 2015 targets
<b>Parcels &amp; Freight</b>	~4,350	7 - 9%	~9%	13 - 16%
<b>Emerging Platforms</b> <i>Australia, Asia, South America and MEA (incl. International flows)</i>	~1,600	10 - 15%	~3%	7 - 10%
<b>SDS</b> <i>Innighit, Fashion, Delivery+, Storapart, VAS UK and E-commerce</i>	~650	14 - 18%	~12%	10 - 14%
<b>Mail NL</b> <i>Mail NL, Data and Document Mgt and Dutch / Belgian activities of EMN</i>	~2,750	(4) – (6)%	Cash EBITDA* ~16%	Cash EBITDA* ~16%
<b>EMN</b> <i>Rest of Europe activities of EMN and Spring</i>	~1,050	Realisation value opportunities		

Note: All figures are rounded and regrouped for indication purposes only; Cash EBITDA is based on reported EBITDA adjusted for provision charges for restructuring and including cash payments on restructuring and pensions.

The current dividend policy will be maintained. Focus on costs and cash will continue to be a key component in financial management going forward.

## Organisation

TNT's organisation will over time reflect the 5 strategic focus areas European Parcels, Freight, Emerging Platforms, Special Delivery Solutions and Mail Netherlands.

For this, a further study on the organisational model and required changes will be executed, which will include the opportunity to significantly optimise overhead cost whilst maintaining high governance quality.

## Business update 2009

The successful focus on cost and cash leading to cost savings YTD Q3 2009 of a total of € 434 million has helped TNT to weather the severe economic conditions.

In line with global economic development TNT saw a sharp decline in volumes against 2008 in the first nine months of 2009 in its Express division. From October 2009 onwards, TNT has seen a positive development of its air volumes against 2008, with road volumes steadily improving as well. Overall Express volumes and revenue in October and November 2009 were still below the comparable 2008 period, but underlying margins have further restored due to continued successful cost savings. Operating margin in Express over the last 2 months was close to last year's level. Mail performance will be in line with expectations for the year 2009, assuming no further CLA impact.

In September, the trade unions in the Netherlands received the outcome of a study into the necessity of measures to address cost levels. The necessity was confirmed and two possible scenarios were provided: lower wage costs without forced redundancies and forced redundancies whilst maintaining the current labour conditions. The trade union members have voted in favour of the second option, and the unions have made their demands known. TNT expects an outcome of the negotiations in the first quarter of 2010.

## Outlook 2010

It is still uncertain how the current further stabilisation of the global economy will shape up over the next year. The development of the Express volumes in the fourth quarter of 2009 and the first quarter of 2010 will be important to determine TNT's view on the underlying strength of the economic recovery.

Mail expects a volume decline in the Netherlands in 2010 of 7-9% due to the first full year effect of liberalisation combined with normal substitution. This does however not change the around 6% per year volume decline average for the period up to 2015.

In this context, TNT will continue to focus on costs and cash and announces a target for 2010 of € 200 million structural savings.

TNT also announces an updated scope for provisions and impairments for 2009/2011 to restructure its operations further. Provisions might be formed up to € 150 million before tax and excluding the possible impact of a new CLA for Mail Netherlands. These provisions are not related to the € 200 million savings targets in 2010, but relate to possible additional steps to be taken in the various lines of business. Impairments (non-cash) are expected at around €100 million in Mail, with the final figure to be communicated at the publication of our annual report 2009.

TNT is confident about its ability to improve its performance further as the global economic recovery continues to take shape.

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## About TNT

TNT provides businesses and consumers worldwide with an extensive range of services for their mail and express delivery needs. Headquartered in the Netherlands, TNT offers efficient network infrastructures in Europe and Asia and keeps optimising its global network performance. TNT serves more than 200 countries and employs more than 152,000 people. Over 2008, TNT reported €11.1 billion in revenues and an operating income of €982 million. TNT is officially quoted on the Amsterdam Stock Exchange. TNT recognises its social responsibility and has formed partnerships with the United Nations World Food Programme and the United Nations Environment Programme to fight hunger and pollution in the world. Our efforts are being recognised; In 2009 TNT again reached the highest score of all companies included in the Dow Jones Sustainability Index. More information about TNT can be found on its website <http://group.tnt.com>.

**For more information and inquiries, please contact:**

### **TNT Media Relations**

#### **Ernst Moeksis**

Director Media Relations  
Phone: +31 20 500 6171  
Mobile: +31 651 189 384  
Email: [ernst.moeksis@tnt.com](mailto:ernst.moeksis@tnt.com)

#### **Daphne Andriess**

Senior Press Officer  
Phone: +31 20 500 6224  
Mobile: +31 610 918 790  
Email: [daphne.andriess@tnt.com](mailto:daphne.andriess@tnt.com)

#### **Cyrille Gibot**

Senior Press Officer  
Phone: +31 20 500 6223  
Mobile: +31 651 133 104  
Email: [cyrille.gibot@tnt.com](mailto:cyrille.gibot@tnt.com)

### **TNT Investor Relations**

#### **Cees Visser**

Director Investor Relations  
Phone: +31 20 500 6241  
Mobile: +31 651 313 645  
Email: [cees.visser@tnt.com](mailto:cees.visser@tnt.com)

#### **Andrew Beh**

Deputy Director Investor Relations  
Phone: +31 20 500 8717  
Mobile: +31 623 703 493  
Email: [andrew.beh@tnt.com](mailto:andrew.beh@tnt.com)

#### **Yolanda Bolleurs**

Manager Investor Relations  
Phone: +31 20 500 8514  
Mobile: +31 612 779 323  
Email: [yolanda.bolleurs@tnt.com](mailto:yolanda.bolleurs@tnt.com)

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