Q1 2011 results

Analyst presentation

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TNT

sure we can

Highlights Q1 2011

Mail

- Underlying cash operating income € 76 million
- Addressed mail volumes declined by 8.6%; revenues Mail in NL down 6.3%
- Parcels on track and International improving
- Good performance on net cash from operating activities
- Clarity on new tariff regulation Universal Service Obligation

Express

- Express' quarter as previously indicated in 8 April 2011 Business and Demerger Update
- Immediate actions being taken on Brazil, € 120 million non-cash impairment
- New cost savings targeted at € 40 - 50 million

Demerger update

Q1 results Mail

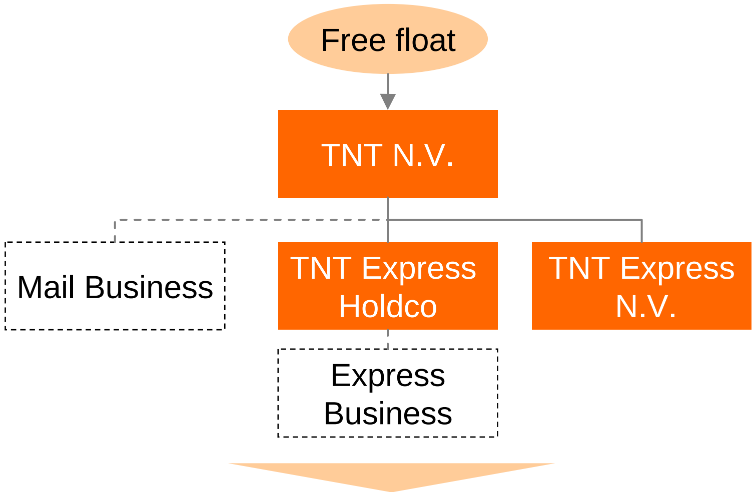
Q1 results Express

Demerger requirements realised

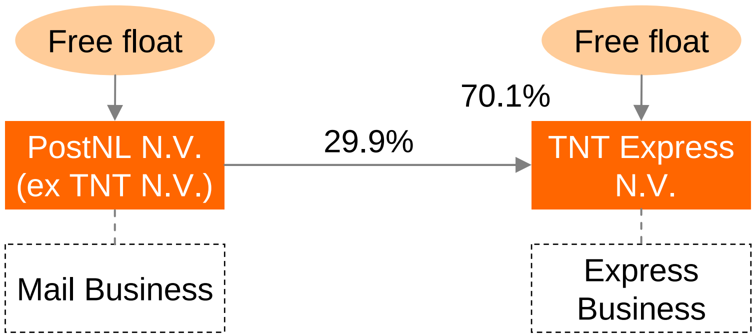
Requirement	Criteria	Outcome
Solid financial position Express and Mail	BBB+ credit rating to sustain cyclical fluctuations Express BBB+ credit rating to sustain restructuring Mail	Post demerger provisional credit ratings • TNT NV / PostNL Baa1 / BBB (excluding disposal value of Express shareholding) • TNT Express NV Baa1 / BBB+
Positive distributable equity	Positive equity at demerger Positive equity sustained over time	Accounting gap at demerger and anticipated future IAS 19-related write-down in equity covered by value Express shareholding
Optimal capital market structure	Most efficient capital market structure Retained shareholding financial only, earmarked for return to shareholder within equity and credit rating headroom	• Express shareholding purely financial, conditions laid down in relationship agreement • Additional returns to PostNL shareholders as soon as possible

Demerger structure

Pre-legal demerger



Post-legal demerger and merger



Description

- Demerger of 70.1% of the shares in TNT Express Holdco and € 84 million receivable to TNT Express N.V.
- Subsequent merger of TNT Express Holdco and TNT Express N.V.
- As part of transactions, each TNT N.V. shareholder to receive 1 ordinary share in the newly listed TNT Express N.V.
- Share capital of TNT Express N.V. to consist of ~542 million ordinary shares

Subject to approval of the demerger proposal as included in the AGM/EGM agenda for 25 May 2011

Additional information to be found in the Prospectus TNT Express N.V. issued 11 April 2011

Relationship agreement and related party transactions

Relationship agreement	• Six months lock up from date of demerger • Maximum offering of 15% of the shares of TNT Express to one party or group of related parties • In case of public offer, obliged to tender if supported by TNT Express or if 50% of the ordinary shares tendered* • PostNL to abstain from voting on specified decisions entailing significant change in identity, demerger or merger
Other	• Separate execution agreements with the Dutch pension funds • Subsidiary cross-guarantees regarding accrued pension benefits up to date of demerger in case of default / bankruptcy • Transitional agreement for period 1-36 months for use of TNT brand by Mail • Limited set of other agreements related to separation

* If Mail's stake is between 29.9% and 25% if 66.67% of the other shares are tendered

Additional information to be found in the Prospectus TNT Express N.V. issued 11 April 2011

AGM / EGM 25 May, demerger effective May 31

2010

2011

Dec | Jan | Feb | Mar | Apr | May

2 Dec
Separation proposal

1 January
Complete internal split

March / Early April
Demerger accounts
Preparation / approval of demerger documents

11 April
Filing demerger docs
Notification of General meeting of shareholders
Publication Express prospectus

2 May	*2011 Q1 results*
3 May	*CMD Express*
9 May	*CMD Mail*
25 May	*General meeting of shareholders* *Demerger effective pending shareholder vote*
26 May	*Expected "AIW" trading Express shares*
31 May	*Legal demerger effective*

Trading of TNT Express N.V. and PostNL N.V. shares

Timetable

Approval demerger proposal	May 25
Expected first trading TNT Express NV on 'as-if-and-when issued' basis	May 26
PostNL N.V. 'ex-spin off'	May 26
Record date	May 30
Execution demerger structure effective	May 31
Allotment, delivery and settlement	May 31
First day of irrevocable trading	May 31

Description

- First trading Express shares and 'ex-spin off' TNT N.V./PostNL N.V. shares expected on 26 May 2011
- Express to trade under symbol 'TNTE', Mail under 'PNL'
- Settlement of trades on First Trading date and first date of irrevocable trading on 31 May 2011

Demerger update

Q1 results Mail

Q1 results Express

Mail business Q1 highlights

TNT Mail

Mail total	• Underlying cash operating income € 76 million (-33.9%) • Strong cash flow due to working capital management • Outlook 2011 unchanged
Mail in NL	• Addressed mail volumes -8.6%; underlying revenues -6.3% • Underlying cash operating income down € 42 million due to lower revenue • Tariff Regulation USO (10% RoS) passed by Parliament • Delivery quality letterboxes 96.7% • Works Council proceeding at Enterprise Chamber ('Ondernemingskamer') against reorganisations procedures
Parcels	• On track
International	• All countries improved on cash operating income performance • Sale of De Belgische Distributiedienst and RSM Italy closed on 8 April with € 116 million cash proceeds

Mail financial highlights

Mail

€ million	Q1 2011	Q1 2010	Change
Revenues	1,112	1,066	4.3%
Reported operating income	125	192	-34.9%
Underlying* operating income	120	180	-33.3%
Underlying* cash operating income	76	115	-33.9%
Net cash from operating activities	84	50	38.0%

- Revenues include € 77 million from the changed VAT regulation in Germany, excluding this effect and the impact of foreign exchange, revenues were down 2.8%
- Decline in underlying operating income
- Underlying cash operating income € 39 million lower mainly as a result of lower revenues
- Net cash from operating activities higher due to working capital management

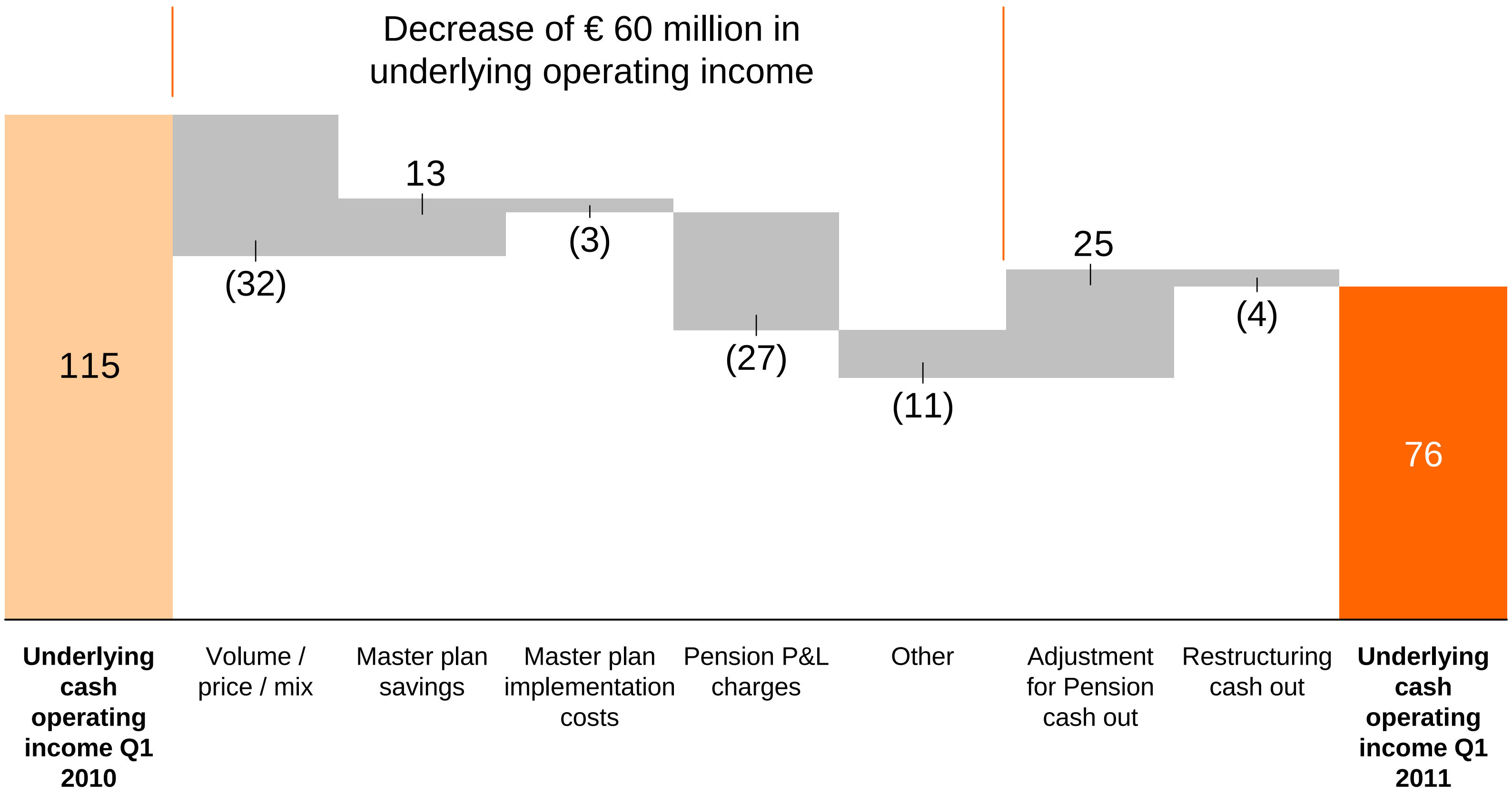
* The underlying figures are at constant currency (2010 rates) and exclude the impact of restructuring costs and other one-offs in 2010 and 2011

Underlying operating income and reconciliation to cash

Mail

€ millions	Q1 2011	Q1 2010
Reported operating income	**125**	**192**
Pensions	(5)	(5)
Profit pooling		(7)
Underlying operating income	**120**	**180**
Restructuring cash outflow	(16)	(12)
Changes in pension liabilities	(28)	(53)
Underlying cash operating income	**76**	**115**

Reconciliation underlying cash operating income Q1 2010 – Q1 2011



Mail

Q1 underlying* results

€ millions	Underlying revenues			Underlying operating income			Underlying cash operating income**		
	Q1 2011	Q1 2010	Change	Q1 2011	Q1 2010	Change	Q1 2011	Q1 2010	Change
Mail in NL	612	653	-6.3%	76	122	-37.7%	56	98	-42.9%
Parcels	153	142	7.7%	26	25	4.0%	27	25	8.0%
International	366	294	24.5%	(2)	(6)	66.7%	(2)	(6)	66.7%
Mail other / intercompany	(24)	(23)		20	39		(5)	(2)	
Total Mail	**1,107**	**1,066**	**3.8%**	**120**	**180**	**-33.3%**	**76**	**115**	**-33.9%**

Mail in NL

- Addressed volumes -8.6%
- Master plan savings € 13 million
- Restructuring cash out € 16 million

Parcels

- Increased volumes 6.1%
- New logistics infrastructure: work started on two depots

International

- Underlying revenues down 1.3%, excluding € 77 million effect from changed VAT regulation in Germany

* The underlying figures are at constant currency (2010 rates) and exclude the impact of restructuring costs and other one-offs in 2010 and 2011

** Underlying cash operating income = underlying operating income minus restructuring cash out and changes in pension liabilities

Q1 statement of income

Mail

€ millions	Q1 2011	Q1 2010
Revenues	1,112	1,066
Operating income	125	192
Net financial expenses	(27)	(27)
Results from associates	0	0
Income taxes	(29)	(43)
Profit from continuing operations	**69**	**122**
Profit from discontinued operations*	54	22
Profit for the period	**123**	**144**
Profit / (loss) attributable to non-controlling interest	0	(1)
Profit attributable to the shareholders	**123**	**143**

* Upon the announcement of the demerger on 2 December 2010 and the finalisation of the internal restructuring late December 2010, the assets and liabilities related to the former Express business have been presented as held for demerger in accordance with IFRS 5 as from 31 December 2010 onwards. As a consequence, no depreciation, amortisation and impairments on fixed assets of Express have been recorded in the TNT N.V. accounts. Therefore, the net result from discontinued operations of Express of € 54 million is € 160 million higher than the result of Express as it would be reported on a standalone basis.

Q1 statement of cash flows

Mail

€ millions	Q1 2011	Q1 2010
EBITDA	149	219
Changes in provisions	(50)	(67)
Changes in working capital	(2)	(68)
Other	(5)	(1)
Cash generated from operations	**92**	**83**
Interest paid	(2)	(3)
Income taxes paid	(6)	(30)
Net cash from operating activities	**84**	**50**

Outlook 2011 reconfirmed

Mail

- Addressed volume decline in the Netherlands of 8 – 10%
- Master plan savings of € 50 - 60 million targeted for the year
- Underlying cash operating income expected to be € 130 – 170 million
- Dividend: around 75% of underlying net cash income, with a minimum payout of € 150 million (interim and final dividends)

Other 2011 additional financial indicators

- *Pensions: gross cash contributions for defined benefit obligations approximately € 265 million – the P&L impact will be adjusted at the moment of demerger*
- *Restructuring cash outflows: around € 80 – 90 million*
- *Effective tax rate: around 25%*
- *Cash capex: around € 200 million*
- *Implementation costs Master plans: around € 70 million*
- *Net financial expense: around € 120 million*
- *Rebranding and additional central costs: around € 30 million*

The above excludes extra one-off costs directly related to the separation currently estimated at around € 35 million. These costs are to be shared by the Mail and Express Businesses.

Demerger update

Q1 results Mail

Q1 results Express

Express business Q1 highlights

EMEA	• Resilient European performance: cost control offsetting negative impacts • Tariff measures and sales initiatives to improve product and customer mix
ASPAC	• Lower China-Europe air volumes at start of the year, recovered since week 10 • Negative impact one-offs • Restructuring costs regional head office
Americas	• Unexpected and recent volume losses and performance pressure in Brazil • Impairment € 120 million • New experienced leadership team in place • Deadline for realising turnaround no later than by 2H 2012
Other	• Restructuring of indirect and non-core activities targeted savings of € 40 - 50 million • Expected related charges and write-offs of € 45 - 65 million

Express financial highlights

Express

€ million	Q1 2011	Q1 2010	Change
Revenues	1,796	1,685	6.6%
EBITDA	96	110	-12.7%
Reported operating income	(79)	59	
Underlying* operating income	49	71	-31.0%
Net cash from operating activities	(24)	(19)	-26.3%

- Revenue growth supported by growth average daily consignments +1.5% and core kilos +6.5%
- Core revenue quality yield (excluding fuel) -1.8%; including fuel -0.4%
- Decline in underlying operating income impacted by negative yield, air network capacity underutilisation, short-term fuel-cost-surcharge lag and losses in Brazil

* The underlying figures are at constant currency (2010 rates) and exclude the impact of one-off charges in 2010 and 2011

Impact of one-off charges and fx

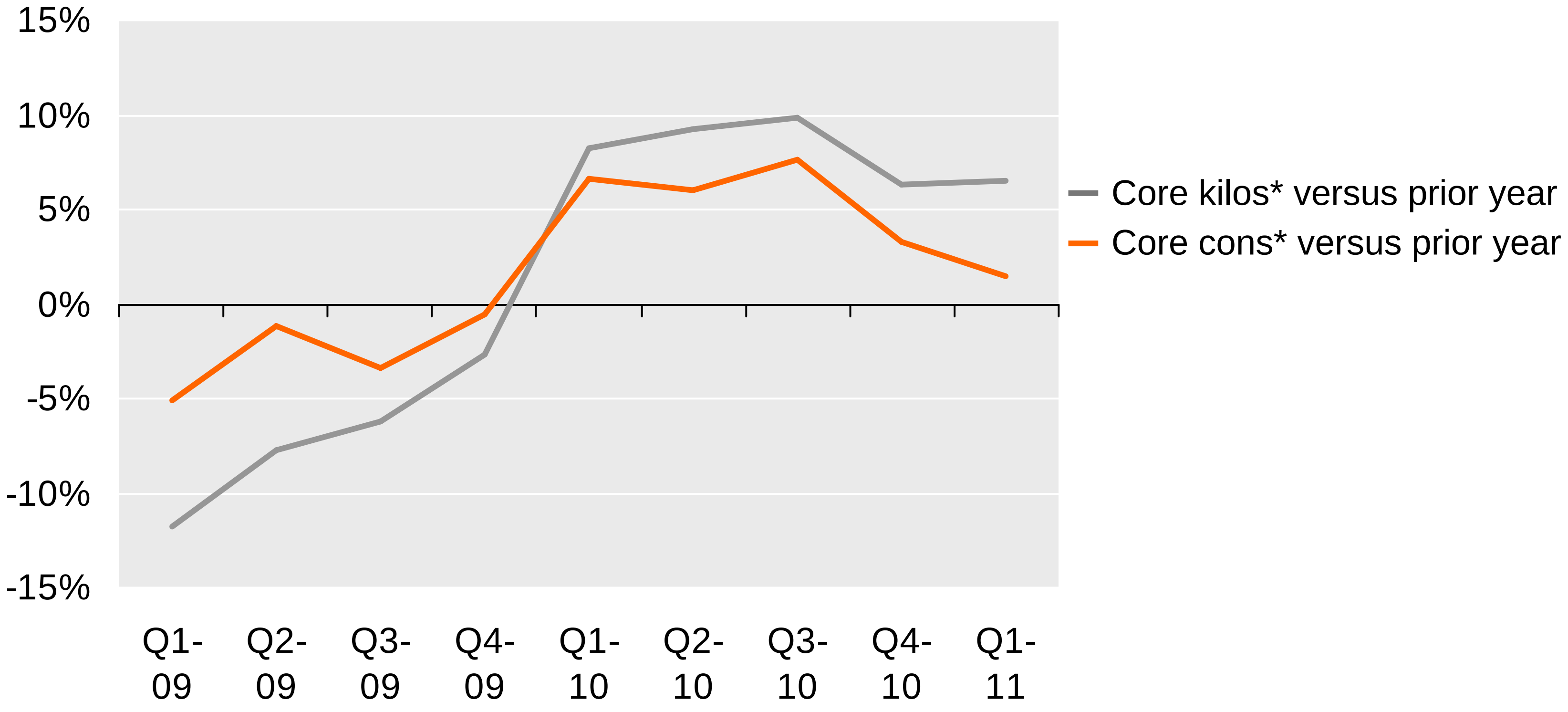
€ millions	Q1 2011	Q1 2010
Reported operating income	**(79)**	**59**
Impairment	120	-
Demerger costs	4	
Pensions	5	5
Profit pooling	-	7
Foreign exchange	(1)	-
Underlying operating income	**49**	**71**

Q1 2011 underlying results

€ millions	Underlying revenues*			Underlying operating income*		
	Q1 2011	Q1 2010	Change	Q1 2011	Q1 2010	Change
Europe & MEA	1,144	1,100	4.0%	105	101	4.0%
Asia Pacific	398	362	9.9%	(17)	(3)	
Americas	105	114	-7.9%	(31)	(12)	
Other networks	113	110	2.7%	4	6	-33.3%
Non-allocated	(1)	(1)		(12)	(21)	
Express	1,759	1,685	4.4%	49	71	-31.0%

* The underlying figures are at constant currency and exclude the impact of restructuring costs and other one-offs in 2010 and 2011

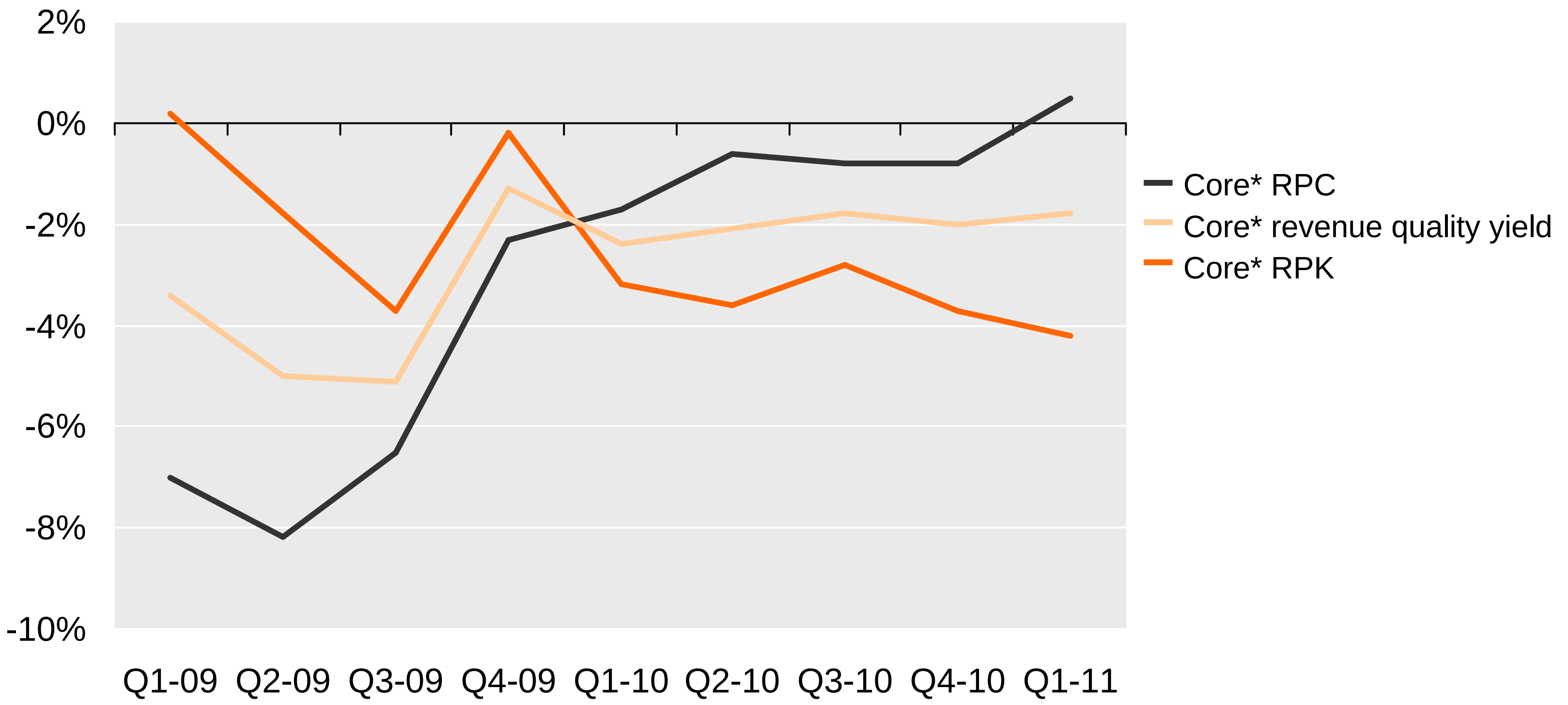
Volumes versus prior year



* Average per working day; core excludes Special Services, Hoau, Mercúrio, Araçatuba and LIT Cargo

Yield

% chg YoY (excluding fuel), at comparable rates



- Q1 2011 core revenue quality yield excluding fuel -1.8%
- Q1 2011 core revenue quality yield including fuel -0.4%

* Core excludes Special Services, Hoau, Mercúrio, Araçatuba and LIT Cargo

Impact restructuring initiatives

TNT Express

Brazil	• Quick fixes and milestones • Deadline turnaround by no later than 2H 2012	• Impairment € 120 million included in Q1 results • Additional losses, restructuring charges and provisions expected in 2011
Indirect and non-core	• Indirect and non-core activities • All functions • Central, regional and operating units • Third-party and staff	• Target € 40-50 million annualised savings • Implementation 2H 2011 • Full impact of savings in 2012 • Total charges expected of € 45 – 65 million, around one-third non-cash

Q1 statement of income

Express

€ millions	Q1 2011	Q1 2010
Revenues	1,796	1,685
Operating income	(79)	59
Net financial expenses	(8)	(9)
Results from associates	0	0
Income taxes	(19)	(28)
Profit / (loss) for the period	**(106)**	**22**
Profit / (loss) attrib to non-controlling interest	0	1
Profit / (loss) attrib to the shareholders	**(106)**	**21**

Q1 statement of cash flows

Express

€ millions	Q1 2011	Q1 2010
EBITDA	96	110
Changes in provisions	0	(9)
Changes in working capital	(97)	(107)
Other	4	3
Cash generated from operations	**3**	**(3)**
Interest paid	(9)	(9)
Income taxes paid	(18)	(7)
Net cash from operating activities	**(24)**	**(19)**
Net cash used in investing activities	(49)	(26)
Net cash used in financing activities	71	18
Total change in cash	**(2)**	**(27)**

2011 Express

TNT Mail

- EMEA revenue to grow modestly, with an underlying operating margin in line with last year (9% or slightly above)
- ASPAC partially to recover on back of now-improving intercontinental volumes
- Americas' continuing negative performance being addressed through a full range of corrective measures
- Other networks to perform in line with the prior year
- Cash flow to be supported by tight cash capex and working capital management
- Costs will be incurred for the demerger, restructuring and impairments

TNT

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