Deliver!

Bernard Bot – CEO a.i.
Jeroen Seyger – CFO a.i.

25 March 2013

Recent history and timeline

- Protracted merger process with UPS ended January 15
- Immediate follow up by Management Board and functions to develop comprehensive profit improvement plan
- Alignment and input Supervisory Board and proposed permanent CEO
- External publication of *Deliver!* today
- Internal explanation and cascading
- Implementation to start immediately

Agenda

Introduction – our challenges

Our strengths and opportunities

What we need to do – *Deliver!*

Finance priorities

Conclusion – We will Deliver!

Strategic challenges and stakeholder priorities

Strategic challenges

- Slow European growth; erratic demand
- Blurring boundaries express and deferred
- Active competition
- Cost inflation
- Too much intercontinental aircraft capacity for core volumes
- China and Brazil Domestic
- Growth B2C and direct to customer

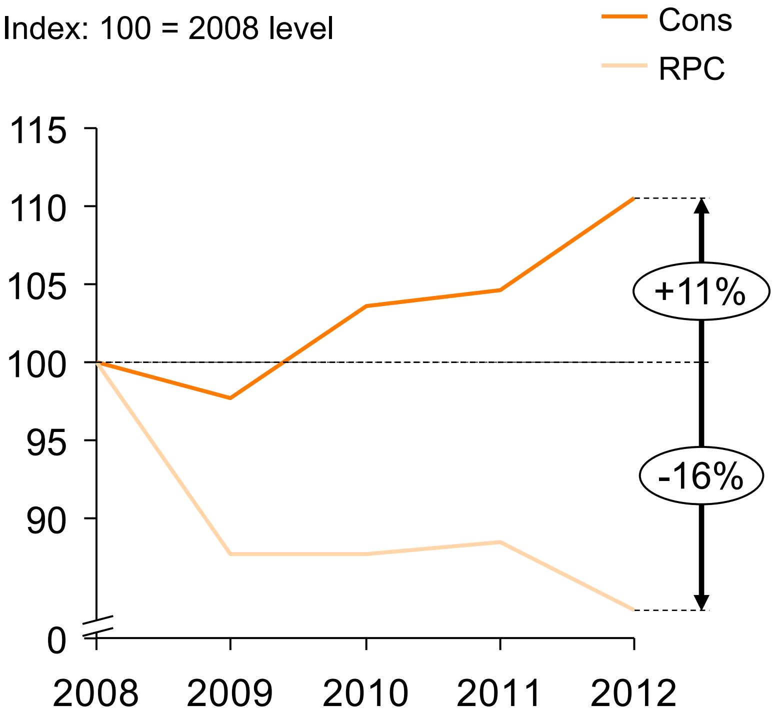
Stakeholder priorities

- Customers: Appreciate TNT Express' distinctive service offer; want value for money
- Employees: Clarity about the future, stability
- Shareholders: Short-term profit improvement and value creation

Difficult market environment in Europe & MEA

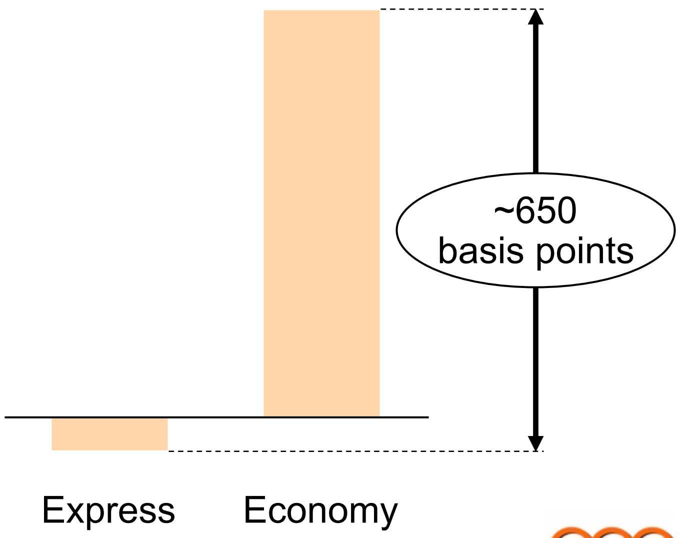
Price pressure with growing volumes

Index: 100 = 2008 level



Change in mix

Average annual TNTE volume growth since 2008 (%)



TNT Express: 2013 will remain challenging

2012: challenging conditions…

- Adjusted revenue and adjusted operating income decrease
- Positive volume development but yield pressure in Europe & MEA
- Strong cost control not enough to maintain profitability
- Better results Asia Pacific on lower revenues
- Reduction of losses in Brazil, turnaround targets not achieved

…expected to continue in 2013

- Continued negative development of operating results in Europe & MEA
- Asia Pacific and Other Americas expected to perform in line with prior year
- Other Networks profitability affected by discontinuation major Fashion contract
- Brazil performance expected to improve but still loss-making

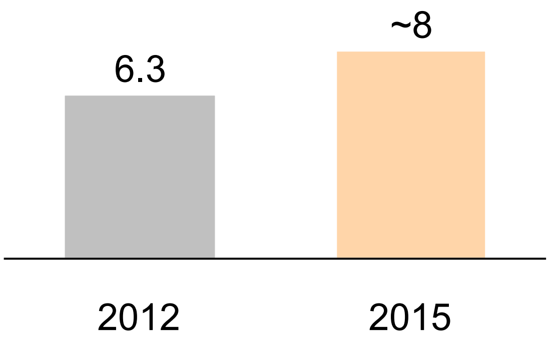
Deliver! programme to improve profitability

Reshape portfolio	• Divest Brazil and China Domestic • Reduce intercontinental fixed air capacity exposure
Focus on distinctive service proposition	• Focus on key areas of strength • Grow International and Special Services, SME and single-source customers, higher weight parcels and palletised freight
Execute better	• Simplify and strengthen organisation • Optimise operating model and realise €220 million improvements annually by 2015
Invest in infrastructure and IT	• Invest in network optimisation and automation • Invest in business supporting and customer IT

TNT express

View on 2015

Europe & MEA Operating income (%)



~2% sales growth for the period (CAGR)

- Uncertain economic climate with limited visibility
- Assumes return to normal economic conditions in Europe (moderate economic growth, 2% annual inflation)

Other

- €220 million improvements from *Deliver!*
- Other geographic segments contribute to profit
- Non-allocated cost ~ €25 million
- ETR ~30%
- Capex 2-3% of revenues (excluding additional investments *Deliver!* programme)
- Trade working capital ~8% of revenues

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TNT Express: distinctive service proposition

Broadest integrated product portfolio

Excellent service to customers

we will *Deliver!*

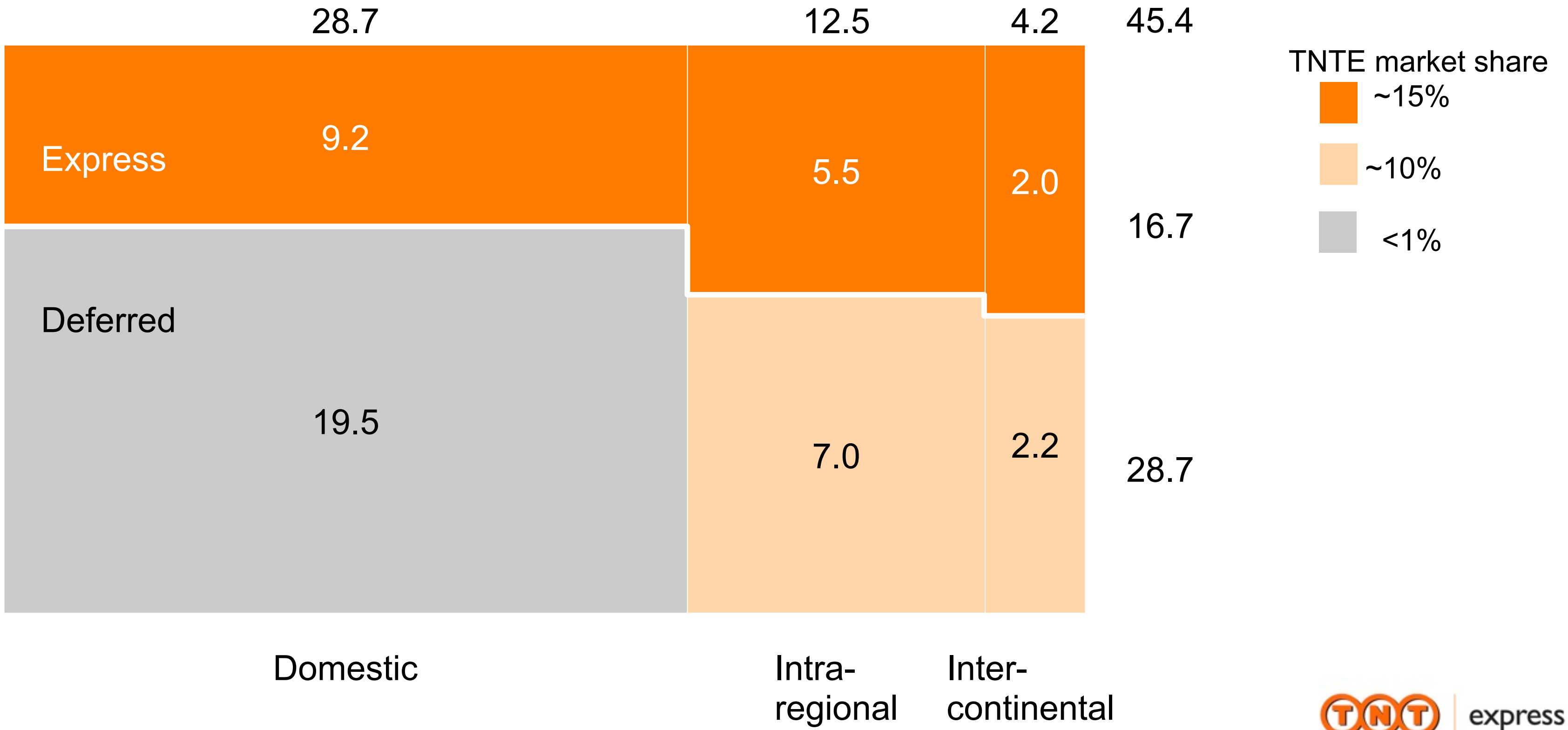
Best European service, worldwide connections

Strong local presence

express

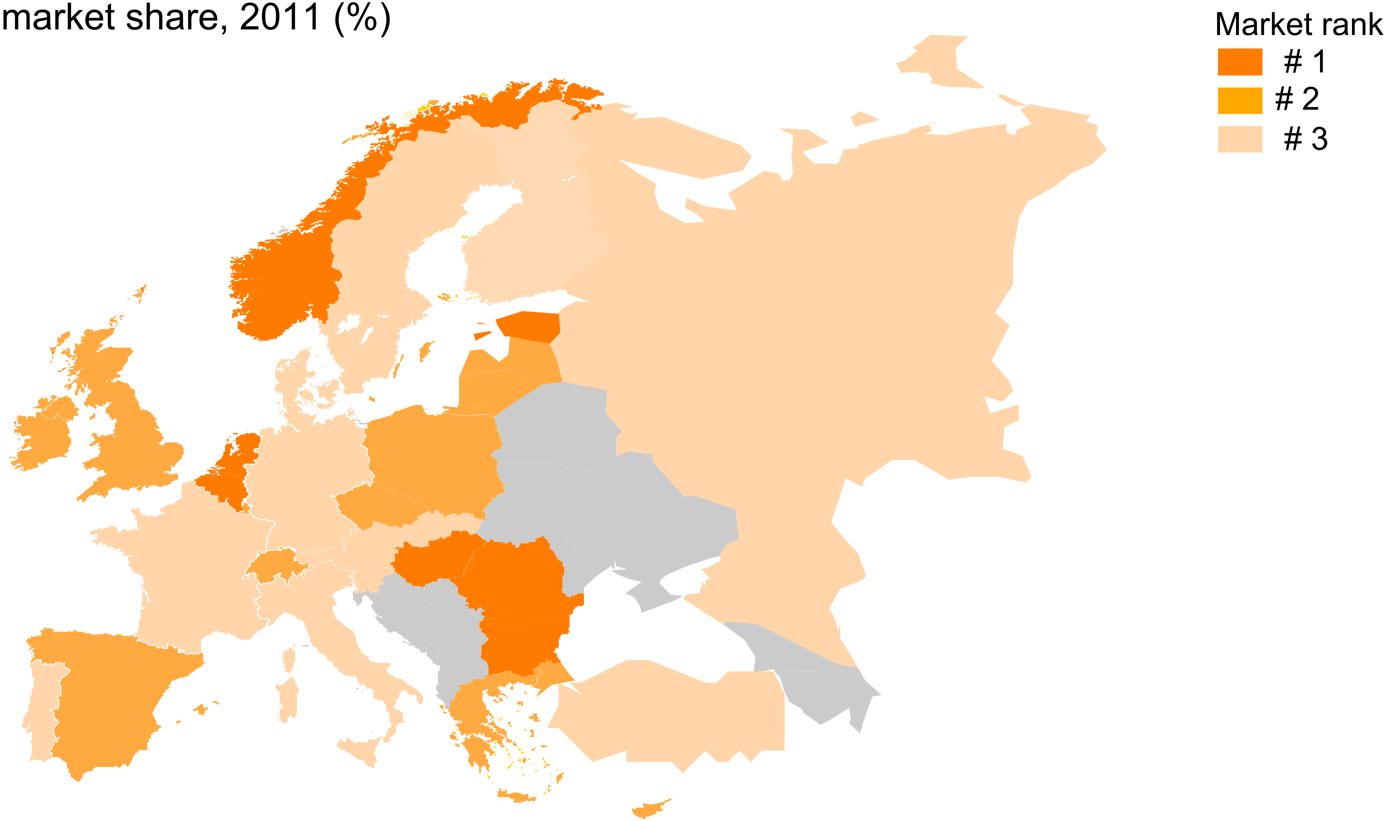
Leader in European Express and Deferred

2011 European B2B parcels and freight, € billion



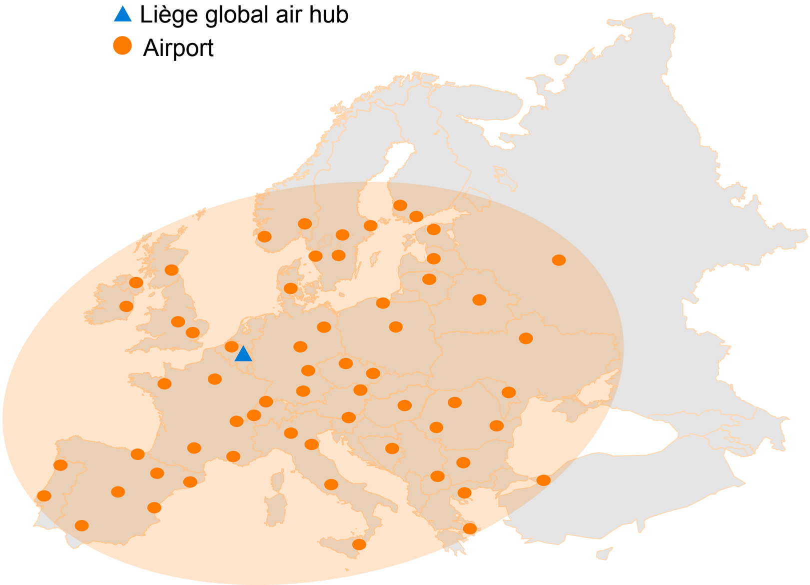
Strong position in all European markets

Intra-regional (excluding domestic) express and deferred market share, 2011 (%)



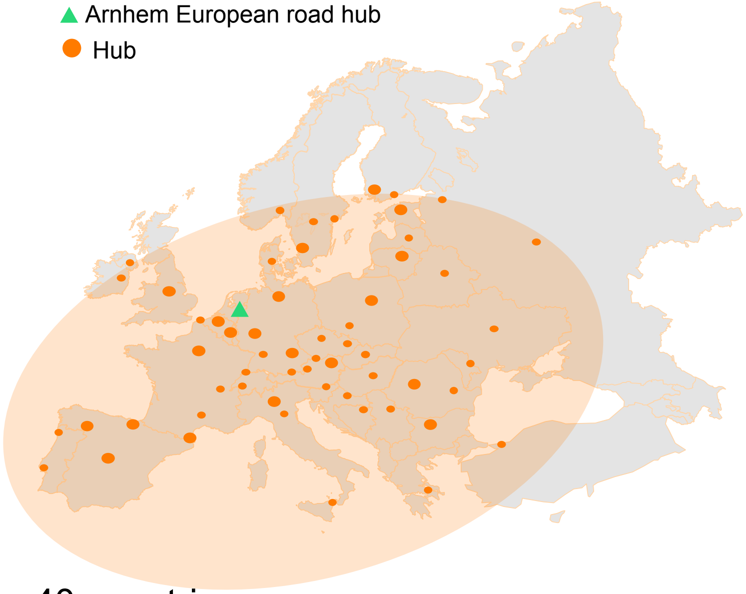
Unique integrated European Air and Road Networks

European Air Network



- 66 airports
- 689 weekly flights
- Late pick-up and early next-day drop-off

European Road Network



- 40 countries
- 556 hubs and depots
- 70% of customers by value can be reached overnight by truck

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Strong worldwide capabilities

Intercontinental coverage and transit time; to/from Europe vs UPS, FedEx and DHL

Intercontinental comparison to other integrators

	Parcels	Freight
Express	≈	≈
Economy	+	++

- Similar offering
- *E.g., Europe to Asia TNTE covers 50 origins, 22 destinations, average speed 2.3 days, equal to average of competition*

- No or only limited network proposition of competitors in Economy Freight

Operating set-up enables broad service offer

Simplified TNT Express operating system

	Customer service	Pick-up/ collection	Sorting/ handling	Transport/ linehaul	Delivery
Parcels		• Vans	• Automated sorting	• Loose loading	• Vans
Freight		• Small trucks • Trailers	• Forklifts	• Cages and pallets	• Small trucks • Trailers
Services	• One desk for all services		• Special Services for non-network solutions		

TNT express

Special Services: tailored solutions for key verticals

High-tech
- Service logistics
- Merge in transit
- Door-to-door airfreight

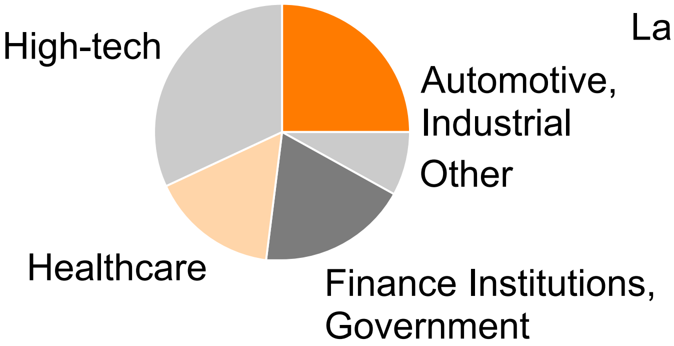
Automotive & Industrial
- Service logistics
- Door-to-door airfreight

Financial & Government
- Dedicated network

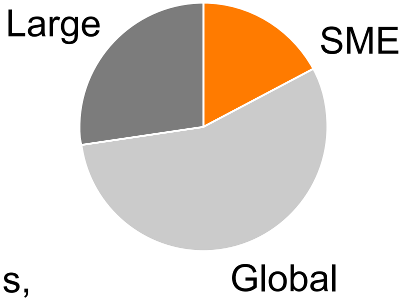
Healthcare
- Clinical trials
- Temperature controlled
- Hospital delivery

Lifestyle & other
- Dangerous goods
- Shop-to-shop

Revenues per vertical



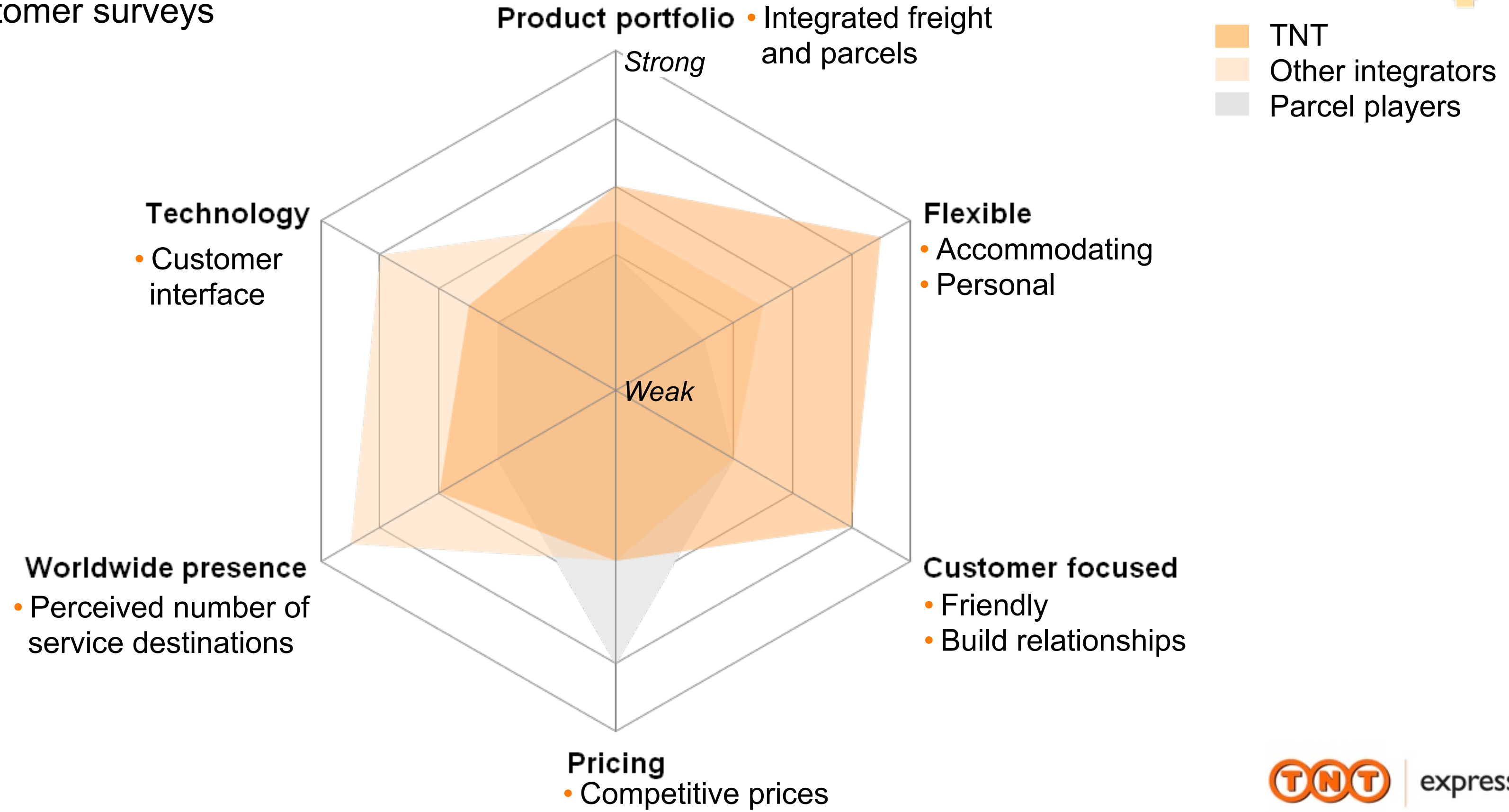
Revenues per segment



100% Special Services revenue = €1 billion

Flexibility and customer focus: distinctive versus competition

Customer surveys



Potential for greater operational excellence

Cost efficiency

- Further standardisation opportunities
- Automation benefits

Greater process discipline

- From local to global optimisation
- Opportunities for consolidation of utility-type activities

CIT investments

- Ease of use
- Market leading functionality

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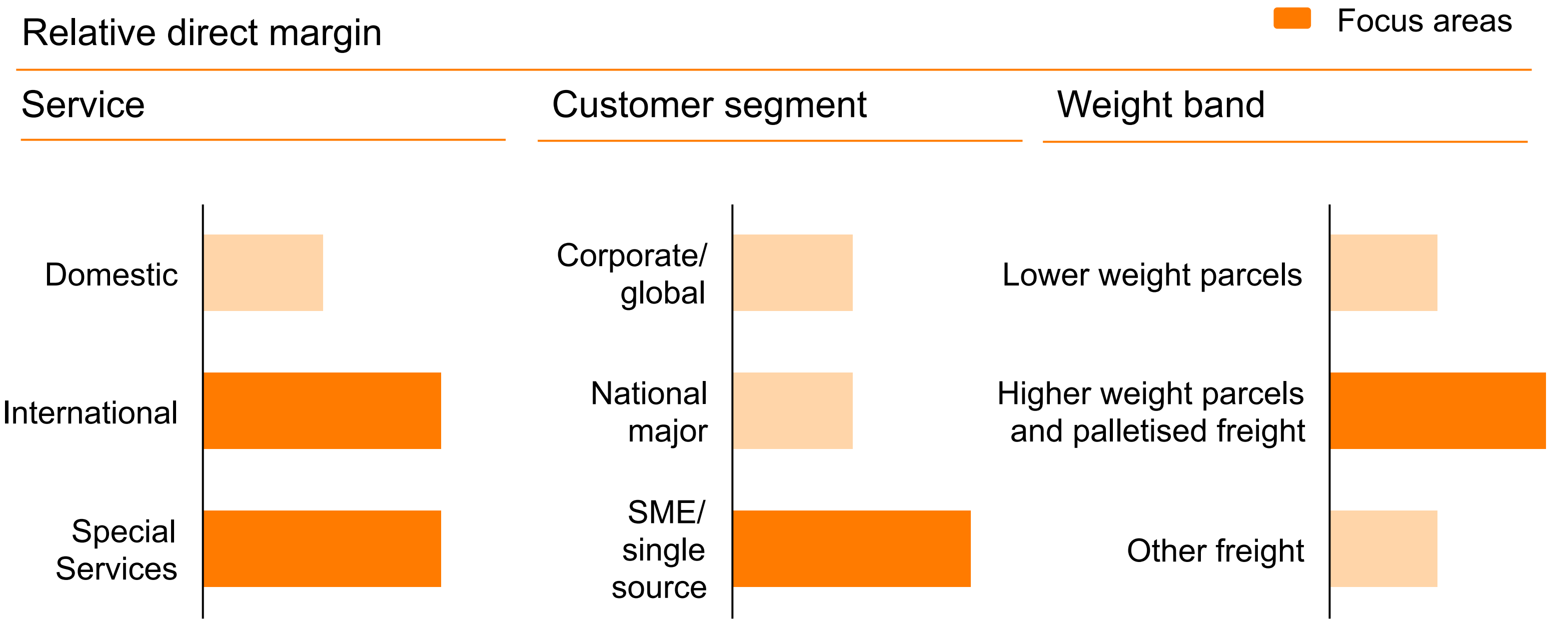
Reshape portfolio

	Status and next steps
China domestic	• Sale process well-advanced • Outcome to be known imminently
Brazil domestic	• Sale announced and process underway • Target sale by end of the year • Turnaround continues; losses reduced in first two months
Fixed intercontinental air capacity	• 2x747 financial leases until 2016/17; 3x777 operating leases until 2023 • Current operation of longhaul fleet covers costs • Various options to reduce capacity exposure being pursued

Grow most profitable segments



Simplify organisation*

Old structure

Executive Board

Functions

- HR
- ICS
- Global Networks & Operations
- Marketing & Sales

3 Regions

- Countries Asia Pacific
- Countries Northern Europe & North America
- Countries Southern Europe, MEA & SA

New structure

Executive Board

Functional Board

- Finance
- HR
- ICS & Shared services
- Marketing & Strategy
- Networks
- Operations & Engineering
- Sales

Business Units

- AMEA**
- Australia/NZ
- Benelux
- Europe/Americas***
- France
- Germany
- Italy
- Other Networks
- UK/Ireland

* Subject to employee representatives approvals

** Asia, Middle East, Africa: Includes Africa, Greater China, India, Japan, Korea, Middle East, South East Asia

*** Includes Austria, Chile and Spanish Speaking South America, Eastern Europe, Nordics, North America, South Eastern Europe, Spain / Portugal, Turkey, Switzerland

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Strong senior management team*

Marketing & Strategy	Sales	Operations & Engineering	ICS & Shared services	HR	Finance
					
Jan Willem Breen	David Burton	Christian Drenthen	Guy Mason	Steven Scheers	Jeroen Seyger
>20 years in Marketing & Sales and strategy	> 30 years including operations, M&S and country and regional management	>25 years in networks, operations, country and regional management	>20 years in transport and IT	>20 years in HR	>20 years in risk mgmt, operations and Finance

* Networks t.b.a.

Optimise operating model and realise improvements

1 Consolidate services

Create regional shared service centres (Operations, Admin and IT)

Create excellence centres in Commercial and IT

Realise additional procurement savings

2 Optimise infrastructure and increase productivity

Concentrate depots and hubs (AU, D, F, I, NL, UK)

Improve depot sorting and loading

Optimise international air and road networks and commercial linehaul

3 Reduce indirect costs

Reduce Central, Regional and Business Unit indirect costs and overheads

Targeted savings = €220 million by 2015

Consolidate services

- Consolidate labour intensive operational data entry at depot level and local administrative back office processes in regional shared service centres
- Concentrate data centres and computer rooms
- Implement global IT service management organisation and centres of excellence for development, testing and support of ICS
- Establish Commercial centres of excellence
- Rationalise and consolidate telecom providers globally
- Capture procurement benefits

1

Services consolidation €50 million

Optimise infrastructure and increase productivity

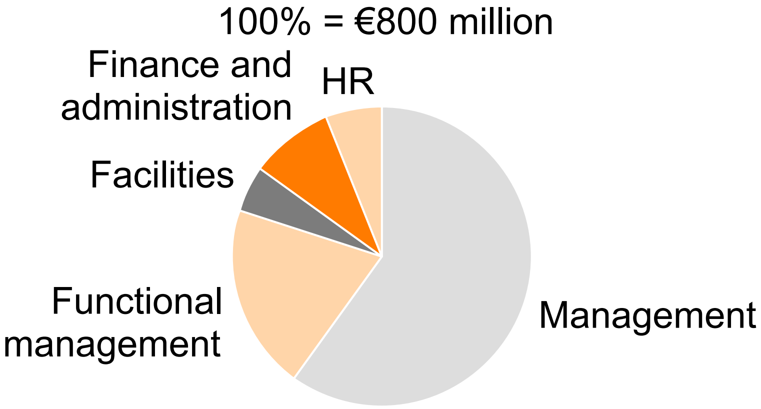
- Restructure and optimise hub and depot network in Australia, France, Germany, Italy, the Netherlands and the UK/Ireland
- Optimise depot sort and load activities by changing depot configuration and processes
- Fully roll out dynamic round planning (daily round optimisation) and PUD best practices
- Implement new air and road network blueprint
  - Optimise use of existing hub and network / linehaul capacity
  - Improve network routings
  - Realise rate reductions from global tendering

2

Infrastructure and productivity
€70 million

Reduce indirect costs

Indirect costs



- Apply best practice functional blueprints globally
- Streamline support functions

3

Indirect
€100 million

Invest in infrastructure and IT

Invest in network optimisation and automation

- Historic depot footprint and instances of lack of automation
- Consolidate into fewer larger depots to reduce occupancy costs, improve process and scale efficiencies where appropriate
- Capture opportunities to automate sort in depots and hubs to increase productivity, facilitate further growth and improve service quality

Invest in business supporting and customer IT

Examples:

- Standardise connections with customer systems and processes
- Invest in simplified labelling
- Develop vertical markets/Special Services solutions
- Further support sales and customer service solutions

Deliver!: ~€200* million in additional investments 2013-15

* Includes €175m in infrastructure and IT and an additional €25m in service consolidation

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Key finance priorities

Profitability	• Support *Deliver!* initiatives • Continuous tax optimisation
Asset efficiency	• Stringent investment selection • Working capital management • Divest non-core • Options to reduce 747/777 capital employed
Balance sheet and financing strategy	• Solid BBB+ / Baa1 credit rating • Sufficient liquidity (cash and committed facilities) • Dividend guideline: around 40% pay-out
Compliance	• Internal control over financial reporting expanded • Risk based internal audit approach • Integrated compliance function

Normalised ETR

	2010	2011	2012
Reported ETR	45%	-58%	272%

Adjustments for non-deductible impairments / costs and for current year losses for which no deferred tax assets can be recognised

+

Exclusion Brazil and China Domestic

Adjusted ETR	**~30%**

- Continuous initiatives to drive cash tax down
- Target to maintain around 30% normalised ETR and cash tax rate over time

Cash management

Net trade working capital

- Net working capital as percentage of revenue reduced with 2% in past 4 years, freeing up >€100m in cash
- Focus on working capital, including non-trade elements to continue
- Future net trade working capital targeted at around 8% of revenue

Capex

- Ongoing capex expense 2-3%
- Additional one-off investments in infrastructure, automation and IT as part of *Deliver!*
- All larger capex reviewed centrally against return on capital and risk

Capital structure

Adjusted net debt

€ million	
Reported net debt 2012	(139)
Lease adjustments	~900
Pension adjustments	~75
De-central cash adjustments	~75
Adjusted* net debt 2012	**~900**

Key elements

- Targeted BBB^{+}/ Baa1 credit rating
- Availability of at least €400-500 million undrawn committed facilities
- TNT Express highly cyclical
- Solid credit rating required for business continuity and demanded by long-term customers
- Current Moody's rating (Baa2 Negative outlook) below target
- Credit rating metrics sensitive: €50-75 million EBIT loss is one notch downgrade

* Adjustments based on S&P methodology

Deliver!: key financials

€ million	Key numbers per 2015		
	Annual saving	Restructuring	Capex
Service consolidation	50	50	25
Infrastructure and productivity	70	20	175*
Indirect cost	100	80	0
Total	**220**	**150**	**200**

- €220 million improvements from *Deliver!*
- €150 million in estimated *Deliver!* restructuring costs, mostly redundancy payments
- €200 million estimated *Deliver!* capex, mostly in infrastructure and IT (in addition to normal capex)
- In total, around 4,000 positions expected to be affected in next three years

* Includes IT investments

View on 2015

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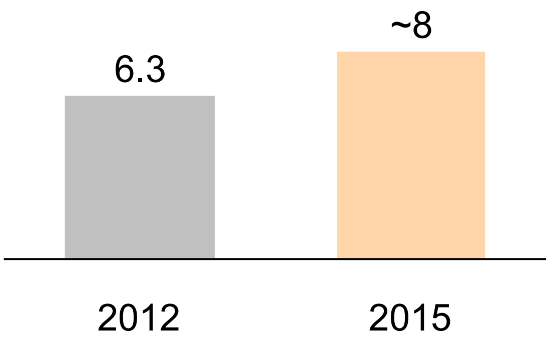

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Conclusion

- Our business faces difficult market conditions
- But we have a unique competitive position
- We have identified specific measures to secure improved and sustainable profitability in the near term
- We will *Deliver!*