PRESS RELEASE

31 October 2011 Hoofddorp, The Netherlands

3Q11 results: Europe resilient, focus on recovering profitability Asia-Pacific and Americas

- Reported revenues €1,777m (+1.3%); adjusted revenues (at constant FX) €1,788m (+1.9%)
- Reported operating income €32m (-13.5%); adjusted operating income (at constant FX and excluding one-offs) €43m (-46.9%)
- Brazil operational KPIs continue to improve; strong pipeline but revenue not yet sufficient to cover past loss of major customers
- Deadlines reiterated: 2H12 for Brazil turnaround and 2013 for profitability China domestic
- Net cash from operating activities €33m and net cash used in investing activities €26m
- Net debt €104m (2Q11: €107m)
- First phase of €50m indirect cost savings successfully implemented; approximately €20m annualised savings to be realised in 2011, with €11m of associated costs in 3Q11 (€28m year to date)
- Additional operational cost savings and improvement measures, including significant flexibilisation of Asia-Europe capacity, currently being identified

Summary: Consolidated results (€m)

		Reported			Adjusted (non-GAAP)		
	Notes	**3Q11**	3Q10	*%chg*	**3Q11**	3Q10	*%chg*
Revenue	1	**1,777**	1,754	*1.3*	**1,788**	1,754	*1.9*
Operating income	2	**32**	37	*-13.5*	**43**	81	*-46.9*
Operating income margin (%)		***1.8***	*2.1*		***2.4***	*4.6*	
Profit attributable to shareholders		**5**	14	*-64.3*			
Cash generated from operations		**70**	67	*4.5*			
Net cash from operating activities		**33**	41	*-19.5*			
Net cash used in investing activities		**(26)**	(32)	*18.8*			
Net debt		**104**					

Notes: Non-GAAP adjustments
(1) 3Q11: €11m FX
(2) 3Q11: €11m restructuring/one-offs
(2) 3Q10: €41m demerger related (€13m costs, €15m pensions, €13m profit pooling), €3m restructuring/one-offs

The 3Q11 revenue development reflects the combination of muted growth in EMEA, continuing growth in Asia Pacific and lower revenues in Americas (Brazil). Year on year, operating income was down mostly because of larger losses in Americas (Brazil) and in Asia-Pacific. Non-allocated was positive as a result of lower overhead and project-related costs, charge out to business units and beneficial phasing of certain costs.

Commenting on the results, Marie-Christine Lombard, CEO said:

'During the quarter, the performance in our European home market was resilient, benefiting from our broad product portfolio, customer focus and cost control. Our €50m indirect cost savings programme is proceeding to plan, with a significant share of the initiatives now implemented. Further operational improvements are being identified to secure profitability in an uncertain economic environment, such as reducing network costs and increasing the flexibility of our Asia-Europe capacity. Meanwhile, we are taking all measures to ensure our emerging platforms meet near-term deadlines.'

2011 aims

Given its challenging trading environment, TNT Express' aims for the year are:

- Europe & MEA revenue to achieve muted growth, with an underlying operating margin of 8-9%
- Asia Pacific's 2H11 operating result to continue 1H11 trend; focus on optimising intercontinental capacity exposure
- Americas' continuing negative performance being addressed through a full range of corrective measures
- Other networks to perform somewhat below the prior year
- Cash flow to be supported by tight cash capex and working capital management
- Annualised ~€50m cost savings, with expected related charges and write-offs of €45-65m. Implementation is underway.

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Revenue and operating income by segment, reported and adjusted

		Reported						Adjusted (non-GAAP)		
Revenue (€m)	Notes	3Q11	3Q10	%chg	FX	Demerger related	Restructuring /one-offs	3Q11	3Q10	%chg
Europe & MEA		1,083	1,083		12			1,095	1,083	1.1
Asia Pacific		460	422	9.0	(5)			455	422	7.8
Americas		116	131	-11.5	4			120	131	-8.4
Other networks		121	119	1.7				121	119	1.7
Non-allocated		(3)	(1)					(3)	(1)	
Total		1,777	1,754	1.3	11			1,788	1,754	1.9
Operating income (€m)										
Europe & MEA	1	69	75	-8.0	1		3	73	78	-6.4
Asia Pacific		(8)	7		(1)			(9)	7	
Americas		(30)	(9)		(2)			(32)	(6)	
Other networks		7	6	16.7				7	7	
Non-allocated	2	(6)	(42)		2		8	4	(5)	
Total		32	37	-13.5			11	43	81	-46.9
Operating income margin (%)										
Europe & MEA		6.4	6.9					6.7	7.2	
Asia Pacific		-1.7	1.7					-2.0	1.7	
Americas		-25.9	-6.9					-26.7	-4.6	
Other networks		5.8	5.0					5.8	5.9	
Non-allocated		-	-					-	-	
Total		1.8	2.1					2.4	4.6	

Notes: Non-GAAP adjustments
(1) 3Q11: €3m restructuring
(2) 3Q11: €8m restructuring

3Q11 segmental performance overview

EMEA

- Muted revenue growth of 1.1% (+2.4% 2Q11)
- International Economy volume development positive, International Express negative and Domestic flat
- Year on year, average consignments per day -0.3% and average kilos per day +1.6%, reflecting growth of higher-weight International Economy products
- Reasonable pricing environment, RPC +1.2% year on year despite pressure on product mix and lower ‘other’ revenues, supported by fuel surcharge – further base-price increases International Economy forthcoming
- Operating income negatively impacted by declining International Express volumes, with its associated higher fixed-cost base
- Most units grew revenues ahead of the prior year period, particularly Eastern Europe

	3Q11	3Q10	%chg	YTD'11	YTD'10	%chg
Average consignments per day ('000)	666	668	-0.3	718	715	0.4
Revenue per consignment (€)	25.3	25.0	1.2	24.6	24.1	2.1
Average kilos per day ('000)	14,044	13,822	1.6	14,517	14,102	2.9
Revenue per kilo (€)	1.20	1.21	-0.8	1.22	1.22	0.0

Note: RPC and RPK at average 2010 currency

Asia Pacific

- Asia Pacific’s average consignments per day -3.2%, reflecting weak Asia-Europe express demand and lower (but higher quality) volumes in Australia; -1.0% average kilos per day the result of targeted growth of lower-weight-per-consignment Domestic China’s Day Definite service
- China Domestic Day Definite service now represents 23% of turnover (2Q11 21%, 3Q10 13%)
- Positive Asia Pacific RPC and RPK supported by higher revenue quality from China Domestic
- Operating results reflect price pressure in International and sub-optimal capacity utilisation, especially on Hong Kong rotations
- Australia performing strongly due to price improvements and cost savings

	3Q11	3Q10	%chg	YTD'11	YTD'10	%chg
Average consignments per day ('000)	181	187	-3.2	182	181	0.6
Revenue per consignment (€)	38.6	34.8	10.9	37.4	34.7	7.8
Average kilos per day ('000)	13,654	13,792	-1.0	13,462	13,477	-0.1
Revenue per kilo (€)	0.51	0.47	8.5	0.51	0.47	8.5

Note: RPC and RPK at average 2010 currency

Americas

- Revenue development not yet sufficient to cover the past loss of major customers, though the pipeline of potential new clients is encouraging
- Operational KPIs, such as on-time delivery, in Brazil improved from 2Q11
- 2H12 turnaround target reiterated; there will be a value assessment in 4Q11
- The rest of Americas performed in line with expectations

	3Q11	3Q10	%chg	YTD'11	YTD'10	%chg
Average consignments per day ('000)	53	59	-10.2	54	62	-12.9
Revenue per consignment (€)	34.7	34.0	2.1	33.5	31.7	5.7
Average kilos per day ('000)	3,118	3,741	-16.7	3,217	4,103	-21.6
Revenue per kilo (€)	0.59	0.54	9.3	0.56	0.48	16.7

Note: RPC and RPK at average 2010 currency

Other Networks, Non-allocated and Other

- Other Networks performed in line with the prior year
- Non-allocated was lower as a result of overhead cost control, reduced project-related costs, charge out to business units and beneficial phasing of certain costs
- Restructuring of indirect costs successfully implemented; more than €20m of annualised savings to be realised in 2011, with €11m of associated costs in 3Q11 (€28m year to date).

Other financial indicators

- ETR distorted by unfavourable mix of income, but the P&L charge in line with prior year
- Net cash from operating activities €33m, 19.5% lower year on year, due to lower operating results, higher other working capital and taxes paid
- Trade working capital stable at 10% of revenues
- Net cash used in investing activities €26m, 18.8% lower year on year, with net capex €6m below the prior year
- Net capex spend 1.7% of reported revenues (year to date 2.4%)
- Net debt €104m (2Q11: €107m)

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Year-to-date 2011: performance commentary

Year to date, reported revenue development has been modest, while operating income has been significantly impacted by one-off and impairment charges in Brazil. On an adjusted basis, operating income for the first nine months is also lower year on year, principally because of ongoing operating losses in Brazil and challenging Asia-Europe trading conditions. EMEA continues its resilient performance, though there has been pressure on product mix. Capex and working capital control have remained in focus for the year-to-date period.

Summary: Consolidated results (€m)

		Reported			Adjusted (non-GAAP)		
	Notes	YTD ' 11	YTD '10	%chg	YTD ' 11	YTD '10	%chg
Revenue	1	**5,373**	5,223	*2.9*	**5,382**	5,223	*3.0*
Operating income	2	**(1)**	156	-	**171**	238	*-28.2*
Operating income margin (%)		***0.0***	*3.0*		***3.2***	*4.6*	
Profit attributable to shareholders		**(97)**	62	-			
Cash generated from operations		**170**	174	*-2.3*			
Net cash from operating activities		**58**	103	*-43.7*			
Net cash used in investing activities		**(114)**	(103)	*-10.7*			
Net debt		**104**					

Notes: Non-GAAP adjustments

(1) YTD 2011: FX €92m

(2) YTD 2011: €4m FX, €8m demerger related (€(11)m pensions, €14m share-based payments, €5m costs), €160m restructuring/one-offs (€16m restructuring, €12m software impairment, €120m impairment Brazil (€105m goodwill and €15m customer relationships), €12m one-offs Brazil)

(2) YTD 2010: €78m demerger related (€27m costs, €24m pensions, €27m profit pooling), €4m restructuring/one-offs (€6m restructuring, €(2)m book gain aircrafts)

Revenue and operating income by segment, reported and adjusted

		Reported						Adjusted (non-GAAP)		
Revenue (€m)	Notes	YTD '11	YTD '10	%chg	FX	Demerger related	Restructuring /one-offs	YTD '11	YTD '10	%chg
Europe & MEA		**3,371**	3,305	*2.0*	17			**3,388**	3,305	*2.5*
Asia Pacific		**1,321**	1,204	*9.7*	(10)			**1,311**	1,204	*8.9*
Americas		**344**	379	*-9.2*	1			**345**	379	*-9.0*
Other networks		**342**	339	*0.9*	1			**343**	339	*1.2*
Non-allocated		**(5)**	(4)					**(5)**	(4)	
Total		**5,373**	5,223	*2.9*	9			**5,382**	5,223	*3.0*
Operating income (€m)										
Europe & MEA	1	**274**	268	*2.2*		9	4	**287**	277	*3.6*
Asia Pacific	2	**(34)**	12		(1)	2	4	**(29)**	12	
Americas	3	**(227)**	(36)		(2)	1	132	**(96)**	(32)	
Other networks		**13**	16	*-18.8*				**13**	17	*-23.5*
Non-allocated	4	**(27)**	(104)		7	(4)	20	**(4)**	(36)	
Total		**(1)**	156		4	8	160	**171**	238	*-28.2*
Operating income margin (%)										
Europe & MEA		***8.1***	*8.1*					***8.5***	*8.4*	
Asia Pacific		***-2.6***	*1.0*					***-2.2***	*1.0*	
Americas		***-66.0***	*-9.5*					***-27.8***	*-8.4*	
Other networks		***3.8***	*4.7*					***3.8***	*5.0*	
Non-allocated		**-**	-					**-**	-	
Total		***0.0***	*3.0*					***3.2***	*4.6*	

Notes: Non-GAAP adjustments

(1) YTD 2011: €6m share-based payments, €3m pensions, €4m restructuring

(2) YTD 2011: €2m share-based payments, €4m restructuring

(3) YTD 2011: €1m share-based payments, €120m impairment Brazil (€105m goodwill and €15m customer relationships), €12m one-offs Brazil

(4) YTD 2011: €5m share-based payments, €5m demerger costs, €(14)m pensions, €12m software impairment, €8m restructuring

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS

GENERAL INFORMATION

On 1 June 2011, the demerger of the express business of our former parent TNT N.V., currently named PostNL N.V. ("PostNL"), became effective. At this date, all of the assets and liabilities directly related to TNT N.V.'s express business were transferred under universal succession of title to TNT Express N.V. (the "Company").

For purposes of these consolidated interim financial statements, "TNT Express" refers to the Company and its subsidiaries in relation to the period after the consummation of the demerger and to the express business of TNT N.V. and its subsidiaries prior to the consummation of the demerger. Pursuant to the demerger agreement all of the express business transferred to TNT Express N.V. were, upon consummation of the demerger, deemed to have been for the risk and account of the Company as of 1 January 2011.

BASIS OF PREPARATION

The consolidated interim financial statements of TNT Express for the periods presented have been prepared as if the express business had been part of TNT Express for all such periods, and as if TNT Express existed as a separate group for all periods presented.

The consolidated interim financial statements have been prepared in accordance with IAS 34 ''interim financial reporting''.

TNT Express N.V. is a public listed entity that reports its information on a year-to-date basis ending 1 October 2011. Where material to an understanding of the period starting 1 January 2011 and ending 1 October 2011, further information is disclosed. The interim financial statements were discussed in and approved by the Executive Board. The consolidated interim financial statements should be read in conjunction with TNT Express' 2010 combined financial statements as released on 21 February 2011 and included in its prospectus for first admission to trading and listing, published 11 April 2011.

The significant accounting policies applied in these consolidated interim financial statements are consistent with those applied in the documents listed above for the year ended 31 December 2010.

The measure of profit and loss and assets and liabilities is based on the Group Accounting Policies, which are compliant with International Financial Reporting Standards (IFRS) as adopted by the EU. The pricing of inter-company sales is done at arm's length.

AUDITOR'S INVOLVEMENT

The content of this interim financial report has not been audited or reviewed by an external auditor.

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SEGMENT INFORMATION

TNT Express operates its businesses through four reportable segments: Europe & MEA, Asia Pacific, Americas and Other networks.

The Express business provides on-demand door-to-door express delivery services for customers sending documents, parcels and freight. The Other networks business provides time-critical deliveries to individually agreed service delivery points for business customers during the night.

Revenue and results are impacted by the seasonality of sales whereby Q4 is the strongest quarter in the financial year and Q3 the weakest quarter.

The following table presents the segment information relating to the income statement and total assets of the reportable segments for the first nine months of 2011 and 2010:

in € millions	Europe & MEA	Asia Pacific	Americas	Other networks	Non-allocated	Inter-company	**Total**
Q3 2011 ended at 01 October 2011							
Net sales	3,305	1,315	342	340	0	1	5,303
Inter-company sales	5	0	0	1	0	(6)	0
Other operating revenues	61	6	2	1	0		70
Total operating revenues	3,371	1,321	344	342	0	(5)	5,373
Other income	5	1	1	0	2	1	10
Depreciation/impairment property, plant and equipment	(74)	(23)	(10)	(8)	(6)		(121)
Amortisation/impairment intangibles	(7)	(3)	(123)	0	(36)		(169)
Total operating income	274	(34)	(227)	13	(27)		(1)
Total assets	3,099	711	422	176	353		4,761
Q3 2010 ended at 02 October 2010							
Net sales	3,235	1,194	376	335	0	5	5,145
Inter-company sales	6	0	0	3	0	(9)	0
Other operating revenues	64	10	3	1	0		78
Total operating revenues	3,305	1,204	379	339	0	(4)	5,223
Other income	3	3	3		(1)	1	9
Depreciation/impairment property, plant and equipment	(81)	(19)	(10)	(3)	(7)		(120)
Amortisation/impairment intangibles	(8)	(3)	(5)	(1)	(22)		(39)
Total operating income	268	12	(36)	16	(104)		156
Total assets	3,150	683	567	147	779		5,326

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Consolidated statement of financial position TNT Express NV in € millions	01 Oct 2011	02 Jul 2011	01 Jan 2011	31 Dec 2010
Assets				
Non-current assets				
Intangible assets				
Goodwill	1,578	1,580	1,703	1,703
Other intangible assets	149	153	189	189
Total	1,727	1,733	1,892	1,892
Property, plant and equipment				
Land and buildings	469	467	453	453
Plant and equipment	228	240	245	245
Aircraft	240	245	259	259
Other	98	102	108	108
Construction in progress	22	16	24	24
Total	1,057	1,070	1,089	1,089
Financial fixed assets				
Investments in associates	42	42	42	42
Other loans receivable	3	3	3	3
Deferred tax assets	240	231	230	230
Other financial fixed assets	20	23	19	19
Total	305	299	294	294
Pension assets	31	22	6	6
Total non-current assets	3,120	3,124	3,281	3,281
Current assets				
Inventory	14	15	15	15
Trade accounts receivable	1,066	1,072	1,075	1,075
Accounts receivable	154	161	166	166
Income tax receivable	25	20	26	26
Prepayments and accrued income	200	172	157	157
Cash and cash equivalents	179	253	807	807
Total current assets	1,638	1,693	2,246	2,246
Assets classified as held for sale	3	3	4	4
Total assets	4,761	4,820	5,531	5,531
Liabilities and equity				
Equity				
Equity attributable to the equity holders of the parent	2,923	2,912	3,078	2,994
Non-controlling interests	7	7	8	8
Total equity	2,930	2,919	3,086	3,002
Non-current liabilities				
Deferred tax liabilities	25	31	35	35
Provisions for pension liabilities	45	39	49	49
Other provisions	84	75	77	77
Long term debt	229	226	301	301
Accrued liabilities	5	5	6	6
Total non-current liabilities	388	376	468	468
Current liabilities				
Trade accounts payable	337	344	414	414
Other provisions	97	92	91	91
Other current liabilities	311	391	761	845
Income tax payable	41	38	31	31
Accrued current liabilities	657	660	680	680
Total current liabilities	1,443	1,525	1,977	2,061
Total liabilities and equity	4,761	4,820	5,531	5,531

Consolidated income statement TNT Express NV

in € millions	3Q11	3Q10	YTD 2011	YTD 2010
Net sales	1,754	1,718	5,303	5,145
Other operating revenues	23	36	70	78
Total revenues	1,777	1,754	5,373	5,223
Other income	3	3	10	9
Cost of materials	(119)	(97)	(355)	(290)
Work contracted out and other external expenses	(945)	(892)	(2,813)	(2,694)
Salaries and social security contributions	(552)	(548)	(1,667)	(1,640)
Depreciation, amortisation and impairments	(51)	(53)	(290)	(159)
Other operating expenses	(81)	(130)	(259)	(293)
Total operating expenses	(1,748)	(1,720)	(5,384)	(5,076)
Operating income	32	37	(1)	156
Interest and similar income	4	6	17	15
Interest and similar expenses	(15)	(14)	(50)	(43)
Net financial (expense)/income	(11)	(8)	(33)	(28)
Profit before income taxes	21	29	(34)	128
Income taxes	(16)	(15)	(64)	(63)
Profit for the period	5	14	(98)	65
Attributable to:				
Non-controlling interests	-	-	(1)	3
Equity holders of the parent	5	14	(97)	62
Earnings per ordinary share (in € cents) [1]	0.92		(17.86)	

1 For 2011 based on an average of 543,202,420 of outstanding ordinary shares (2010: 0)

Consolidated statement of comprehensive income TNT Express NV

in € millions	3Q11	3Q10	YTD 2011	YTD 2010
Profit for the period	5	14	(98)	65
Gains/(losses) on cashflow hedges, net of tax	(20)	(1)	(17)	(12)
Currency translation adjustment net of tax	41	(71)	(35)	67
	21	(72)	(52)	55
Total comprehensive income for the period	26	(58)	(150)	120
Attributable to:				
Non-controlling interests	-	-	(1)	3
Equity holders of the parent	26	(58)	(149)	117

The YTD 2011 tax impact on the cash flow hedges is €7m (2010: €6m). There is no tax impact on the currency translation adjustment.

Consolidated statement of cash flows TNT Express NV

over the period	3Q11	3Q10	YTD 2011	YTD 2010
Profit before income taxes	21	29	(34)	128
Adjustments for:				
Depreciation, amortisation and impairments	51	53	290	159
Share based payments		4	19	10
Investment income:				
(Profit)/loss of assets held for sale		(2)	(3)	(7)
Interest and similar income	(4)	(6)	(17)	(15)
Foreign exchange (gains) and losses	3		5	3
Interest and similar expenses	12	14	45	39
Changes in provisions:				
Pension liabilities	(3)	(1)	(28)	(4)
Other provisions	18	(7)	19	(20)
Changes in working capital:				
Inventory				
Trade accounts receivable	10	(28)	(11)	(72)
Other accounts receivable	8	(13)	9	15
Other current assets	(20)	1	(36)	(58)
Trade accounts payable	(6)	13	(71)	(17)
Other current liabilities excluding short term financing and taxes	(20)	10	(17)	13
Cash generated from operations	70	67	170	174
Interest paid	(11)	(9)	(42)	(32)
Income taxes received/(paid)	(26)	(17)	(70)	(39)
Net cash from operating activities	33	41	58	103
Interest received	5	4	17	9
Acquisition of subsidiairies and joint ventures (net of cash)				(23)
Investments in associates		(1)		(8)
Disposal of associates		2		8
Capital expenditure on intangible assets	(5)	(15)	(26)	(33)
Disposal of intangible assets	1			1
Capital expenditure on property, plant and equipment	(26)	(28)	(108)	(70)
Proceeds from sale of property, plant and equipment	(1)	6	6	15
Other changes in (financial) fixed assets		(1)	(3)	(3)
Changes in non-controlling interests		1		1
Net cash used in investing activities	(26)	(32)	(114)	(103)
Shares plans			(9)	
Proceeds from long term borrowings	9		5	4
Repayments of long term borrowings	(10)	(2)	(11)	(14)
Proceeds from short term borrowings	29	36	142	67
Repayments of short term borrowings	(87)	(8)	(143)	(66)
Repayments of finance leases	(8)	(8)	(13)	(14)
Dividends paid	(14)		(14)	
Financing related to PostNL		(28)	(526)	(195)
Net cash used in financing activities	(81)	(10)	(569)	(218)
Total changes in cash	(74)	(1)	(625)	(218)

in € millions

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Consolidated statement of changes in equity TNT Express NV

in € millions	Net investment	Issued share capital	Additional paid in capital	Legal reserves	Other reserves	Retained earnings	Attributable to equity holders of the parent	Non-controlling interests	Total equity
Combined balance at 31 December 2009	2,920			(169)			2,751	3	2,754
Total comprehensive income				55		62	117	3	120
Capital contributions/reductions					64		64		64
Other					(11)		(11)	2	(9)
Total direct changes in equity					53		53	2	55
Combined balance at 02 October 2010	2,920			(114)	53	62	2,921	8	2,929
Combined balance at 31 December 2010	3,065			(71)			2,994	8	3,002
Demerger and related reclassifications	(3,065)	43	3,035	71			84		84
TNT Express N.V. balance at 1 January 2011		43	3,035				3,078	8	3,086
Legal reserves reclassifications				29	(29)				
Total comprehensive income				(52)		(97)	(149)	(1)	(150)
Interim dividend 2011			(14)				(14)		(14)
Share-based compensation					11		11		11
Other					(3)		(3)		(3)
Total direct changes in equity			(14)		8		(6)		(6)
TNT Express N.V. balance at 01 October 2011		43	3,021	(23)	(21)	(97)	2,923	7	2,930

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. INTANGIBLE ASSETS

The movements in the intangible assets are as follows:

in € millions	2011	2010
Balance at 1 January	1,892	1,853
Additions	26	50
Disposals	(1)	(5)
(De)consolidations		(23)
Amortisation	(37)	(39)
Impairments	(132)	
Exchange rate differences	(21)	37
Balance at end of period (1 October 2011, 2 October 2010)	1,727	1,873

The intangible assets of €1,727m consist of goodwill for an amount of €1,578m and other intangibles for an amount of €149m.

The additions to the intangible assets of €26m are related to software licence and software development costs. The total impairment of €132m related to impairment of goodwill (€105m) and customer relationships (€15m), both reported in the first quarter, and software (€12m) in the second quarter. The impairment of goodwill and customer relationships is related to the South American operations as a result of unexpected volume losses and performance pressure. The software impairment is mainly related to a software development project that is no longer deemed viable.

In 2010, additions of €50m consist of software license and software development costs of €33m and goodwill of €17m. The additions to goodwill were a result of the finalisation of the purchase price allocation of the 2009 acquisitions of LIT Cargo (January 2009) and Expresso Araçatuba (April 2009). Following the finalisation of the purchase price allocation for LIT Cargo and Expresso Araçatuba, the fair value of customer relationships was adjusted by €22m.

2. PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment are as follows:

in € millions	2011	2010
Balance at 1 January	1,089	1,077
Capital expenditures in cash	108	70
Capital expenditures in financial leases/other	4	3
Acquisitions		2
Disposals	(2)	(3)
Exchange rate differences	(21)	29
Depreciation and impairments	(121)	(120)
Transfers to assets held for sale		(1)
Balance at end of period (1 October 2011, 2 October 2010)	1,057	1,057

Capital expenditures of €112m consist mainly of investments within Europe & MEA of €47m, Asia Pacific of €20m, Americas of €14m, Other networks of €10m and Non-allocated of €21m. The investments mainly relate to hubs, depots, sorting machinery, vehicles and TNT’s new head office.

3. PENSIONS

Prior to the consummation of the demerger, and in accordance with IAS19.34a, PostNL N.V., as the sponsoring employer for the two Dutch pension funds, recognised in its corporate financial statements the contributions received from the relevant Express group companies as a benefit that offsets the defined benefit employer pension expense. The relevant Express group companies recognised in their financial statements the cost equal to the contributions payable for the period.

As a consequence of the demerger the Company, PostNL and the relevant two Dutch pension funds have entered into an agreement by which the existing execution agreement between PostNL and those funds have been terminated and replaced by new separate execution agreements between those funds and the Company and PostNL respectively. In addition the Company and PostNL entered into an agreement allocating obligations and liabilities of the Company resulting from the PostNL execution agreements with the pension funds concluded in the past also on behalf of the Company.

As a result of the new separate execution agreements, TNT Express recognised a one-off settlement gain of €16m in the second quarter and acts as the sponsoring employer for the two Dutch pension funds with regard to the allocated (former) express employees. In addition, in the consolidated interim financial statements the cost equal to the contributions paid retrospectively have been replaced by the defined benefit employer pension expense.

The amounts expensed in the income statement for defined benefit plans were €13m, excluding the above-mentioned settlement gain, and for defined contribution plans €28m.

4. EQUITY

Taking into account the effect of the demerger. Total equity attributable to equity holders of the parent decreased to €2,923m on 1 October 2011 from €3,078m as per 1 January 2011. This decrease of €155m is mainly due to comprehensive income loss attributable to equity holders of the parent of €149m, of which €97m relates to the loss for the period and a further negative of €52m is due to foreign currency translation and hedge results and €(6)m direct equity movements. These direct equity movements relate mainly to the interim 2011 cash dividend of €(14)m and for €11m to share based compensation.

The Company's authorised share capital amounts to €120m, divided into 750,000,000 ordinary shares with a nominal value of €0.08 each and 750,000,000 Preference shares with a nominal value of €0.08 each.

The Company's issued share capital amounts to €43,456,193.60 divided into 543,202,420 ordinary shares with a nominal value of €0.08 each.

Additional paid-in capital amounts to €3,021m on 1 October 2011 from €3,035m as per 1 January 2011. This decrease of €14m is due to the dividend payment in quarter 3. The amount of paid-in capital recognised for Dutch dividend withholding tax purposes is €798m.

For administration and compliance purposes, a foundation (Stichting Bewaarneming Aandelen TNT) legally holds shares belonging to TNT Express and PostNL employees under (former) incentive schemes which are beneficially owned by the employees. As at 1 October 2011, the number of TNT Express shares involved amounted to 968,603 with a nominal value of €0.08 per share.

Date 31 October 2011

5. NET DEBT

The net debt is specified in the table below:

in € millions	01 Oct 2011	02 Jul 2011	01 Jan 2011	31 Dec 2010
Short term debt	54	134	57	57
Net payable to PostNL	0	0	526	526
Long term debt	229	226	301	301
Total interest bearing debt	283	360	884	884
Cash and other interest bearing assets	(179)	(253)	(807)	(807)
Net receivable from PostNL per 1 Jan 2011			(84)	
Net debt	104	107	(7)	77

The net debt position as at 1 October 2011 increased by €111m compared to 1 January 2011: net cash from operating activities €58m, net cash used in investing activities €(114)m, share based payments €(9)m, dividend payments €(14)m and various non-cash elements in net debt €(32)m.

6. PROVISIONS

The other provisions consist of long-term provisions and short-term provisions for employee benefits, restructuring and claims and indemnities. The long-term and short-term provisions as at 1 October 2011 increased by €14m compared to 1 January 2011.

in € millions	2011	2010
Balance at 1 January	168	153
Additions	51	18
Withdrawals/releases	(32)	(32)
(De)consolidations		(2)
Other	1	2
Exchange rate differences	(7)	6
Balance at end of period (1 October 2011, 2 October 2010)	181	145

The additions of €51m relate to claims indemnities €26m, restructuring €16m, long-term employment benefits €6m and other €3m. The withdrawals of €32m relate to restructuring €15m, claims indemnities €9m, long-term employment benefits €4m and others €4m.

7. TAXES

Effective tax rate	YTD 2011	YTD 2010
Dutch statutory tax rate	25.0%	25.5%
Other statutory tax rates	-3.3%	-2.6%
Weighted average statutory tax rate	21.7%	22.9%
Non and partly deductible costs	-19.5%	11.3%
Non and partly deductible impairments	-86.8%	
Other	-103.6%	15.0%
Effective tax rate	-188.2%	49.2%

The tax expense in the first nine months of 2011 amounted to €64m, comparable to the tax expense of the first nine months of 2010 of €63m. The effective tax rate of -188.2% compares with the rate of 49.2% in the same period last year.

The mix of income from countries in which TNT Express operates resulted in a weighted average statutory tax rate of 21.7% (2010: 22.9%). Several non-deductible costs adversely affected the effective tax rate by -19.5 percentage points (2010: 11.3 percentage points) and the non-deductibility of an impairment charge had a -86.8 percentage point impact (2010: no impact).

The line 'other' shows an impact of -103.6 percentage points (2010: 15.0 percentage points) on the effective tax rate and includes:

- Current year losses for which no deferred tax assets could be recognised due to uncertainty of the recoverability of those assets: –100.7 percentage points (2010: 17.2 percentage points);
- Positive effects in connection with intragroup financing structures: 27.3 percentage points (2010: -12.2 percentage points);
- The remaining 'other' of -30.2 percentage points (2010: 10.0) reflects mainly the net impact of several local taxes.

8. LABOUR FORCE

Employees	01 Oct 2011	01 Jan 2011
Europe & MEA	37,159	36,184
Asia Pacific	33,215	31,924
Americas	11,002	11,081
Other networks	2,482	2,435
Non-allocated	1,573	1,612
Total	85,431	83,236
Average FTEs	**YTD 2011**	**YTD 2010**
Europe & MEA	34,609	34,102
Asia Pacific	32,364	30,083
Americas	11,312	11,762
Other networks	2,249	2,257
Non-allocated	1,545	1,552
Total	82,079	79,756

The average number of full time equivalents working in TNT Express during the first nine months of 2011 was 82,079, which increased by 2,323, mainly due to China and Australia.

9. RELATED PARTIES

Purchases of TNT Express from joint ventures amounted to €20m (2010: €19m). During 2011, no sales were made by TNT Express companies to its joint ventures.

As at 1 October 2011, net amounts due to the joint venture entities amounted to €30m (2 October 2010: €21m). Net amounts due to associated companies amounted to €1m (2 October 2010: €0m).

TNT Express is currently owned by PostNL for 29.9%. It also has trading relationships with a number of other PostNL companies, joint ventures and uncombined companies in which it holds minority shares. In some cases there are contractual arrangements in place under which the TNT Express entities source supplies from such undertakings, or such undertakings source supplies from TNT Express.

The net liabilities towards PostNL of €526m as per 1 January 2011 mainly arose from financing activities which have been fully paid off in the first half year 2011. In addition €65m was settled with PostNL upon assignment of the hedges outstanding on behalf of TNT N.V. and assets were transferred from PostNL to the company caused by the demerger of €34m. Immediately after the demerger a receivable from PostNL of €84m was settled. The net receivable as at 1 October 2011 with PostNL amounts to €3m. The net receivable arises mainly from operational expenses, as the trading activities between TNT Express and PostNL are limited.

10. SUBSEQUENT EVENTS

There have been no material events subsequent to the period end which require further disclosure.

FINANCIAL CALENDAR

Tuesday, 21 February 2011

Publication of 4Q11 results

Additional information available at www.tnt.com/corporate/en/site/home.html#

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WARNING ABOUT FORWARD-LOOKING STATEMENTS