

3Q14 RESULTS PRESENTATION

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27 October 2014



THE PEOPLE NETWORK

Third-quarter overview

Group

- Reported operating income €47m negative (3Q13: €3m positive) impacted by restructuring provisions and provision of €50m for French competition case, reported revenues €1,646m (-2.0%)
- Adjusted operating income up 28.2% to €50m (3Q13: €39m), adjusted revenues down 3.0%, but up 2.7% if restated for disposal of China Domestic and Dutch fashion business
- Period end net cash €414m (2Q14: €395m)

Segments

- Europe Main: Adjusted revenues slightly lower, impacted by slower European economy, pricing pressures, contract pruning in Italy
- Europe Other & Americas: Impact from price pressure in some markets, tough trading conditions in Russia and Ukraine. Operating income in line with last year
- Pacific: Better performance as a result of higher volumes and indirect cost savings
- AMEA: Adjusted performance improved as planned, supported by better revenue quality
- Brazil Domestic: Recovery continued, with a second consecutive quarter of adjusted operational profit

Outlook strategy

- *Deliver!*-related savings of €28m in 3Q14 and expected to be around €120m for FY 2014
- 3Q14 restructuring-related charges and restructuring-related implementation costs €46m (mainly France and unallocated), full-year expectations of approximately €185m
- Four-year €185m investment (2014-17) announced in international European road network to increase productivity and improve service
- Expected non-cash goodwill impairment of €32m as a result of the new reporting structure to be implemented from 4Q14: International Europe, Domestic, International AMEA

Outlook initiatives on track

Focus on profitable growth

1. Move More by Road
2. Drive sales from four priority industries
3. Serve more SMEs even better
4. Increase profitability Domestic

- Creation of 'Industry Value Propositions' to better leverage our vertical industry expertise
- Launch of international marketing and brand campaign ('The People Network') to drive sales from SMEs
- Improving performance in AMEA, Pacific, Brazil, parts of Europe

Invest in operational excellence

5. Realise the Perfect Transaction
6. Increase efficiency and productivity
7. Establish superior revenue management
8. Prioritise Health & Safety practices

- Four-year €185m investment (2014-17) in TNT's international European road network
- Wide range of initiatives to improve service to customers ('Perfect Transaction', 'Perfect Depot')
- Ongoing network investments in Liege EuroHub and domestic businesses: Italy, Australia, UK

Organise to win

9. Create focused and accountable units
10. Strengthen leadership culture

- New management board in place
- Start of implementation of the new segmentation. New structure to be effective from 4Q14

€185m investment in European Road Network

- 4-year €185 million investment (2014-17) to improve performance, productivity and service
- Part of TNT's strategy to 'Move More by Road'
- Investment in automation equipment, facilities, planning tools, trailers
- This includes:
 - New sorting equipment in international road transit hubs, including in France, Germany, the UK, the Benelux, Spain, Poland, Sweden
 - Opening or expanding of new facilities
 - Software and tools for route planning
 - New trailers
- Benefits:
 - Higher speed and reliability of shipment scanning and sorting
 - Better service to customers, including better morning delivery capabilities
 - Reduced unit costs
 - Capacity to accommodate volume increases
 - Improved employee health and safety

3Q14 & YTD financial highlights

(€m)	3Q14	3Q13	%chg YoY	YTD'14	YTD'13	%chg YoY
Reported revenues	1,646	1,680	-2.0	4,916	5,168	-4.9
Adjusted revenues*	1,629	1,680	-3.0	5,005	5,168	-3.2
Reported operating income	(47)	3		(22)	(65)	
Adjusted operating income*	50	39	28.2	183	120	52.5
Net cash from operating activities	71	68	4.4	(4)	248	-101.7
Net cash from (used in) investing activities	(33)	9	-466.7	(35)	(39)	10.3

- Comparable numbers still include China Domestic and Fashion Netherlands.
- Adjusting for disposals, adjusted revenue growth was 2.7%
- Reported operating income decreased €50m, mostly due to €50m provision related to French competition case and restructuring costs
- Adjusted operating income up 28.2% to €50m, as a result of focus on revenue quality and operational efficiencies

* The adjusted figures are at constant currency (2013 rates) and exclude the impact of certain one-off charges. Please see 3Q14 press release for details of these adjustments.

3Q14 & YTD statement of income

(€m)	3Q14	3Q13	%chg YoY	YTD'14	YTD'13	%chg YoY
Revenues	1,646	1,680	-2.0	4,916	5,168	-4.9
Operating income	(47)	3		(22)	(65)	
Net financial expense	(6)	(4)	-50.0	(15)	(16)	6.2
Results from associates and JVs	2	18	-88.9	6	21	-71.4
Income taxes	(5)	(11)		(24)	(93)	
Profit for the period	(56)	6		(55)	(153)	

- Reported revenues include a positive €17m positive FX effect, but no FX effect on the reported operating income
- Reported operating income impacted by restructuring provisions and provision of €50m for French competition case

Operating income – Bridging reported to adjusted

Reconciliation 2014

(€m)	Reported		Adjusted		Adjusted		Adjusted		Reported
	3Q14	One-offs*	3Q14 @avg14	Foreign Exchange	3Q14 @avg13	3Q13	One-offs*	3Q13	
Europe Main	5	29	34	(2)	32	30	25	5	
Europe Other & Americas	10	0	10	2	12	12	1	11	
Pacific	5	1	6	1	7	4	5	(1)	
AMEA	6	0	6	(1)	5	4	(2)	6	
Brazil Domestic	0	1	1	0	1	(4)	1	(5)	
Unallocated	(73)	66	(7)	0	(7)	(7)	6	(13)	
Operating income	(47)	97	50	0	50	39	36	3	

* Please see 3Q14 press release for details of these adjustments.

3Q14 & YTD statement of cash flows

(€m)	3Q14	3Q13	%chg YoY	YTD'14	YTD'13	%chg YoY
Cash generated from operations	91	82	11.0	127	340	-62.6
Net cash from operating activities	71	68	4.4	(4)	248	-101.6
Net cash used in investing activities	(33)	9	466.7	(35)	(39)	-10.3
Net cash used in financing activities	(23)	(7)	228.6	(46)	(29)	58.6
Total changes in cash	15	70	-78.6	(85)	180	-147.2
Net cash	414	346		414	346	

- Capex 2.5% of revenues in 3Q14 and 2.1% YTD'14
- Trade working capital improved to 8.5% of revenues from 8.8% in 2Q14
- Period end net cash improved to €414m from €395m in 2Q14

Europe Main

(€m)	3Q14	3Q13	%chg YoY	YTD'14	YTD'13	%chg YoY
Adjusted revenues	770	776	-0.8	2,359	2,407	-2.0
Adjusted operating income	32	30	6.7	115	105	9.5
Avg daily cons ('000)	601	613	-2.0	639	666	-4.1
RPC (€) (at constant FX)	19.7	19.5	1.0	19.5	19.0	2.6
Avg daily kilos ('000)	10,491	10,596	-1.0	10,916	11,002	-0.8
RPK (€) (at constant FX)	1.13	1.13	0.0	1.14	1.15	-0.9

- Revenues slightly lower, impacted by slower European economy, pricing pressures in UK Domestic and France Domestic, contract pruning in Italy
- Further improvement in adjusted operating income (up 6.7%), supported by cost reductions from reorganisation and focus on revenue quality (RPC up 1.0% overall)
- Continued focus on revenue quality underpins better EBIT performance, particularly in Italy

Europe Other & Americas

(€m)	3Q14	3Q13	%chg YoY	YTD'14	YTD'13	%chg YoY
Adjusted revenues	282	267	5.6	869	824	5.5
Adjusted operating income	12	12	0.0	48	36	33.3
Avg daily cons ('000)	101	100	1.0	106	106	0.0
RPC (€) (at constant FX)	43.2	41.0	5.4	43.5	40.9	6.4
Avg daily kilos ('000)	3,904	3,812	2.4	4,122	4,033	2.2
RPK (€) (at constant FX)	1.11	1.08	2.8	1.12	1.07	4.7

- 5.6% increase in adjusted revenues, continuing positive YTD trend
- Continued revenue growth in Eastern Europe, Southern Europe, South Eastern Europe and Turkey
- Adjusted operating income flat with 3Q13 due to price pressures in some markets, trading impact from challenging conditions in Russia, Ukraine
- Improvements in each of the KPIs of average consignments and kilos per day, RPC and RPK

Pacific

(€m)	3Q14	3Q13	%chg YoY	YTD'14	YTD'13	%chg YoY
Adjusted revenues	154	151	2.0	482	482	0.0
Adjusted operating income	7	4	75.0	7	3	
Avg daily cons ('000)	83	79	5.1	81	78	3.8
RPC (€) (at constant FX)	28.6	29.2	-2.1	31.3	32.3	-3.1
Avg daily kilos ('000)	3,058	3,028	1.0	2,994	3,008	-0.5
RPK (€) (at constant FX)	0.77	0.77	0.0	0.85	0.84	1.2

- Better performance as a result of higher volumes and indirect cost savings
- Consignments up 5.1% in the quarter and average kilos per day up 1%
- Implementation of further efficiency measures and investments on track

AMEA

(€m)	3Q14	3Q13	%chg YoY	YTD'14	YTD'13	%chg YoY
Adjusted revenues	226	270	-16.3	676	819	-17.5
Adjusted operating income	5	4	25.0	33	14	
Avg daily cons ('000)	57	95	-40.0	59	96	-38.5
RPC (€) (at constant FX)	60.6	44.0	37.7	61.0	45.1	35.3
Avg daily kilos ('000)	1,147	7,983	-85.6	1,140	7,798	-85.4
RPK (€) (at constant FX)	3.03	0.52		3.14	0.55	

- Year-on-year comparisons distorted by the sale of China Domestic
- On a comparable basis, adjusted revenues up 9.7% in 3Q
- Adjusted operating income up 25%, with higher intercontinental volumes
- Good long-haul capacity utilisation

Brazil Domestic

(€m)	3Q14	3Q13	%chg YoY	YTD'14	YTD'13	%chg YoY
Adjusted revenues	82	73	12.3	250	224	11.6
Adjusted operating income	1	(4)		3	(18)	
Avg daily cons ('000)	32	31	3.2	31	31	0.0
RPC (€) (at constant FX)	39.1	36.7	6.5	42.7	38.0	12.4
Avg daily kilos ('000)	3,162	3,056	3.5	3,099	3,045	1.8
RPK (€) (at constant FX)	0.40	0.37	8.1	0.43	0.39	10.3

- Recovery continues, with second consecutive quarter of operational profit and significant turnaround in YTD performance
- Adjusted revenues increased by 12.3% (after 11.3% in 2Q14), driven by improvements in both volume and yields
- Good progress against each of the KPIs, with revenue per consignment up 6.5% and revenue per kilo up 8.1%

2014 guidance

- Combined Europe Main and Europe Other & Americas operating results stabilising, even though visibility remains limited
- Asia Middle East & Africa, Brazil Domestic operating results to be significantly better than prior year, Pacific to show better operating results than last year
- Additional investments in marketing and brand of approximately €20m in 4Q
- Unallocated around €(30)m
- Forecasted €70-80m in capex in 4Q



THE PEOPLE NETWORK

THANK YOU