

1Q16 results presentation

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25 April 2016



THE PEOPLE NETWORK

1Q16 Outlook progress



FOCUS ON PROFITABLE GROWTH

- Move More by Road
- Drive sales from four priority industries
- Serve more SMEs even better
- Increase profitability Domestic and AMEA
- Revenue growth from SMEs of 6.5%
- Customer satisfaction score at all-time high
- Expanded road network into Eastern Europe
- Improved adjusted operating income in both segments



INVEST IN OPERATIONAL EXCELLENCE

- Realise the Perfect Transaction
- Increase efficiency and productivity in Network Operations
- Transform IT and Global Business Services
- Prioritise Health & Safety practices
- On-time delivery performance improved YoY
- Cash capex of €51 million (3.2% of revenues)
- Plans for new international road transit hub in the UK and new sorter in Nuremberg



ORGANISE TO WIN

- Local Customer Focus, Global Business Services
- Integrated International Europe organisation, focused Domestic organisation
- Strengthen leadership performance culture
- Rolled out Global Business Services (GBS) project in several European and Asian countries
- On-going transformation of IT infrastructure

1Q16 statement of income

(€m) @ respective rates	1Q16	1Q15	%chg YoY
Revenues	1,587	1,622	-2.2
Reported operating income / (loss)	(1)	(11)	90.9
One-offs	10	12	
Adjusted operating income / (loss)	9	1	
Net financial (expense) / income	(5)	(6)	
Results from associates and JVs	0	2	
Income taxes	(8)	(4)	
<i>Effective tax rate</i>	-133%	-27%	
Profit / (loss) for the period	(14)	(19)	

- Reported revenues affected by fewer working days, particularly in Europe
- Underlying comparable revenue growth* of 4.2%
- 1Q16 operating income includes one-off charges of €10 million
- Adjusted operating income of €9 million, up €8 million YoY, includes *Outlook*-related transition and project costs (€9 million)

* Adjusted for currency effects, lower fuel surcharges and working-day effect



1Q16 statement of cash flows

<i>(€m) @ respective rates</i>	1Q16	1Q15	%chg YoY
Cash generated from / (used in) operations	(31)	(93)	
Net cash from / (used in) operating activities	(46)	(111)	
Net cash from / (used in) investing activities	(27)	(51)	
Net cash from / (used in) financing activities	(20)	11	
Total changes in cash	(93)	(151)	
Net cash	145	330	-56.1

- Cash capex of €51 million (3.2% of revenues), compared with €78 million in 1Q15 (4.8% of revenues)
- Trade working capital 7.6% of revenues at end of 1Q16 at respective rates, compared with 8.5% one year earlier
- Net cash position of €145 million (YE15: €231 million), reflecting the investments made as part of the *Outlook* strategy

International Europe

(€m) @ respective rates	1Q16	1Q15	%chg YoY
Revenues	679	663	2.4
Adjusted operating income	(2)	8	
Adjusted operating income margin (%)	-0.3	1.2	
Avg daily cons ('000)	272	243	11.9
RPC (€) (at constant FX @avg15)	42.9	44.7	-4.0
Avg daily kilos ('000)	9,254	8,393	10.3
RPK (€) (at constant FX @avg15)	1.26	1.29	-2.3

- Underlying comparable revenue growth* of 7.8%
- Higher revenues from SMEs (+8.3%)
- Strong increase in volumes, but RPC affected by lower fuel surcharges and higher demand for Economy Express products
- Adjusted operating income of €(2) million impacted by profitability drop in North America, working-day effect and higher network costs, linked to continued investments in Outlook, sales and marketing

* Adjusted for currency effects, lower fuel surcharges and working-day effect



International AMEA

(€m) @ respective rates	1Q16	1Q15	%chg YoY
Revenues	235	233	0.9
Adjusted operating income	15	9	66.7
Adjusted operating income margin (%)	6.4	3.9	
Avg daily cons ('000)	56	55	1.8
RPC (€) (at constant FX @avg15)	74.1	69.8	6.2
Avg daily kilos ('000)	1,351	1,162	16.3
RPK (€) (at constant FX @avg15)	3.05	3.29	-7.3

- Underlying comparable revenue growth* of 8.3%
- 12.1% revenue growth from SME customers
- Return to revenue growth in China, powered by higher sales to SMEs
- Volumes up 1.8%, after declines in 2015, due to improved performance in China; RPC up 6.2%
- Adj. operating income up €6 million YoY to €15 million, driven by revenue growth and strict cost management

* Adjusted for currency effects, lower fuel surcharges and working-day effect



Domestics

<i>(€m) @ respective rates</i>	1Q16	1Q15	%chg YoY
Revenues	575	621	-7.4
Adjusted operating income	9	(4)	
Adjusted operating income margin (%)	1.6	-0.6	
Avg daily cons ('000)	671	656	2.3
RPC (€) (at constant FX @avg15)	15.4	15.5	-0.6
Avg daily kilos ('000)	13,101	12,883	1.7
RPK (€) (at constant FX @avg15)	0.79	0.79	0.0

- Underlying comparable revenue growth* of 0.7%
- Revenue growth in Europe offset revenue declines in Brazil and Australia
- Average daily consignments up 2.3%; RPC and RPK comparable to last year's levels
- Adjusted operating income increased by €13 million YoY to €9 million, reflecting higher profitability in Europe

* Adjusted for currency effects, lower fuel surcharges and working-day effect

Unallocated

<i>(€m) @ respective rates</i>	1Q16	1Q15	%chg YoY
Revenues	102	107	-4.7
Adjusted operating income / (loss)	(13)	(12)	-21.4

- The Unallocated segment consists of Other Networks (TNT Innight), Central Networks and corporate head office functions
- Adjusted operating loss (€13 million) in line with last year

Guidance reiterated

- TNT reiterates its Outlook agenda and guidance for 2018/19, as presented during the capital markets day on 18 February 2015.
- The company expects to achieve structural improvements from 2016 onwards and to see the full benefit of the Outlook strategy from 2018/2019.
- TNT expects continued economic volatility in some markets outside Europe, especially in Brazil.
- TNT anticipates restructuring charges of about €30 million in the second quarter.
- Closing of the FedEx Offer to acquire TNT is anticipated in the first half of calendar year 2016.



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Q & A