



TNT Express

2Q14 results presentation

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Improved performance

Group

- Reported operating income €8m positive (2Q13: €287m negative), reported revenues €1,662m (-5.9%)
- Higher adjusted operating income €82m (2Q13: €60m), adjusted revenues €1,703m (-3.6%) but restated for disposal China Domestic and sale Dutch TNT Fashion Business adjusted revenues + 1.1%
- Better results in all segments apart from UK Domestic as part of Europe Main
- Outlook Strategy on track: cost reduction programme €33m achieved in the quarter (1Q14: €30m)
- Period end net cash €395m (1Q14: €402m)

Segments

- Europe Main: Results flat reflecting uneven economic growth and competitive pressures
- Europe Other & Americas: Profit growth supported by solid yield development
- Pacific: Market remained difficult, but targeted cost initiatives improved profitability
- AMEA: Strong across-the-board performance
- Brazil Domestic: Recovery continued and moved into profit after first quarter breakeven

Outlook Strategy

- 2Q14 restructuring-related charges and restructuring-related implementation cost €74m
- On-going investment in Liège Eurohub and road infrastructure
- New segmental reporting to be implemented at 4Q14, with full reconciliation
- Capital Markets Day confirmed for 18th February 2015

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

- Continued to improve our profitability with larger customers
- Making progress with 'We love SMEs' sales focus, preparing brand campaign for Q4 and new digital channel
- In the process of creating focused domestic businesses with clear value creation plans

Invest in performance & productivity

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

- Broad range of initiatives launched to improve our service at customer level ('Perfect Transaction')
- Approved substantial infrastructure improvement plans in Australia, Italy, UK and European Air Hub in Liege
- Defined plan and executing on further strengthening our unique road network with substantial capex

Organise to win

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

- Restructuring of management board completed, new top structure
- On track for creating more focused businesses in Domestic and Int'l Europe



2Q14 & YTD financial highlights

(€m)	2Q14	2Q13	%chg YoY	1H14	1H13	%chg YoY
Reported revenues	1,662	1,766	-5.9	3,270	3,488	-6.3
Adjusted revenues*	1,703	1,766	-3.6	3,376	3,488	-3.2
Reported operating income	8	(287)		25	(68)	
Adjusted operating income*	82	60	36.7	133	81	64.2
Net cash from operating activities	69	74	-6.8	40	258	-86.0
Net cash from (used in) investing activities	12	(19)	163.1	(2)	(48)	95.8

- Revenues and operating income include Brazil Domestic revenues previously reported as discontinued while comparing 2Q13
- Comparable numbers still include China Domestic and Fashion. Excluding these adjusted revenue growth increased by 1.1%
- Reported operating income 2Q13 impacted by goodwill impairments €296m and value adjustments €53m

* The adjusted figures are at constant currency (2013 rates) and exclude the impact of certain one-off charges. Please see 2Q14 press release for details of these adjustments.



2Q14 & YTD statement of income

(€m)	2Q14	2Q13	%chg YoY	1H14	1H13	%chg YoY
Revenues	1,662	1,766	-5.9	3,270	3,488	-6.3
Operating income	8	(287)		25	(68)	
Net financial expense	(6)	(5)	-20.0	(9)	(12)	25.0
Results from associates and joint ventures	2	1	100.0	4	3	33.3
Income taxes	(3)	(12)	75.0	(19)	(82)	76.8
<i>Effective tax rate</i>	75.0%	-412.4		95.0%	-106.4	
Profit for the period	1	(303)		1	(159)	

- Adjusting for disposals and currency, revenues increased by 1%
- Reported operating income improved from a negative €68m to a profit of €25m

* Brazil Domestic historically restated (previously reported as discontinued) and China Domestic included in 2Q13



Operating income – required accounting changes

(€m)	2Q14 adjusted*	2Q13 adjusted**	Aircraft dep'n	One-offs	Restated 2Q13 reported	IFRS II	Brazil Domestic	Previous 2Q13 reported
Europe Main	45	46	(1)	← 242	(195)			(195)
Europe Other & Americas	19	15		(4)	19	(1)		20
Pacific	3	1			1	(2)		3
AMEA**	21	15	(2)	54	(37)			(37)
Brazil Domestic	2	(4)			(4)		(4)	
Unallocated	(8)	(13)		58	(71)			(71)
Total	82	60	(3)	350	(287)	(3)	(4)	(280)

- In 2013 : - Brazil Domestic was reported as a discontinued operation
- no depreciation was charged on the two B747s reported as assets held for sale

* The adjusted figures are at constant currency (2013 rates) and exclude the impact of certain one-off charges – see 2Q14 press release for details of these adjustments.

** 'New 2Q13 adjusted' includes China Domestic's €1m operating profit



2Q14 and YTD statement of cash flows

(€m)	2Q14	2Q13	%chg YoY	1H14	1H13	%chg YoY
Cash generated from operations	69	74	-6.8	36	258	-86.0
Net cash from operating activities	(11)	(41)	73.2	(75)	180	-141.7
Net cash used in investing activities	12	(19)	210.5	(2)	(48)	95.8
Net cash used in financing activities	(8)	(21)	29.5	(23)	(22)	-4.5
Total changes in cash	(7)	(17)	58.9	(100)	110	190.9

- Net cash from operating activities was impacted by tax payment of €50m for the UPS termination fee
- Net cash from investing activities included receipt for the sale of Fashion €39m
- Capex 2.2% of revenues (1HY14 1.9%)
- Trade working capital 8.8% of revenues
- Solid net cash of €395m

Europe Main

(€m)	2Q14	2Q13	%chg YoY	1HY14	1HY13	%chg YoY
Adjusted revenues	799	816	-2.1	1,589	1,631	-2.6
Adjusted operating income	45	46	-2.2	83	75	10.7
Avg daily cons ('000)	659	694	-5.0	659	694	-5.0
RPC (€) (at constant FX)	19.5	19.0	2.6	19.5	18.8	3.7
Avg daily kilos ('000)	11,158	11,359	-1.8	11,139	11,214	-0.7
RPK (€) (at constant FX)	1.15	1.16	-0.9	1.15	1.16	-0.9

- Uneven economic growth and competitive pressures
- Operating income recovery in all units excluding UK Domestic, revenues broadly flat with small increase in volume mitigated by yield pressure
- UK Domestic impacted by competition and revenue quality
- Italian market remains challenging despite contract pruning

Europe Other & Americas

(€m)	2Q14	2Q13	%chg YoY	1HY14	1HY13	%chg YoY
Adjusted revenues	296	283	4.6	587	557	5.4
Adjusted operating income	19	15	26.7	36	24	50.0
Avg daily cons ('000)	109	111	-1.8	109	109	0.0
RPC (€) (at constant FX)	43.9	41.2	6.6	43.6	40.8	6.9
Avg daily kilos ('000)	4,236	4,169	1.6	4,237	4,149	2.1
RPK (€) (at constant FX)	1.13	1.09	3.7	1.12	1.07	4.7

- Performance was better than prior year in most units
- Continue to reposition away from lower yielding customers
- Improvement in all three KPIs of Revenue Per Consignment, Average Daily Kilos & Revenue Per Kilo

Pacific

(€m)	2Q14	2Q13	%chg YoY	1HY14	1HY13	%chg YoY
Adjusted revenues	164	164	0.0	328	331	-0.9
Adjusted operating income	3	1		0	(1)	
Avg daily cons ('000)	82	80	2.5	80	78	2.6
RPC (€) (at constant FX)	32.4	33.1	-2.1	32.9	34.0	-3.2
Avg daily kilos ('000)	3,073	3,038	1.2	2,691	2,997	-1.2
RPK (€) (at constant FX)	0.86	0.87	-1.1	0.89	0.88	1.1

- Underlying economic conditions remain challenging
- Near-term fixes have supported profitability
- Revenue protection and targeted cost initiatives coming through
- Long-term improvement initiatives underway to deliver benefit in longer term

AMEA

(€m)	2Q14	2Q13	%chg YoY	1HY14	1HY13	%chg YoY
Adjusted revenues	236	287	-17.8	450	549	-18.0
Adjusted operating income	21	15	40.0	28	10	
Avg daily cons ('000)	60	102	-41.2	59	96	-38.5
RPC (€) (at constant FX)	63.6	45.4	40.1	61.2	45.7	33.9
Avg daily kilos ('000)	1,199	8,435	-85.8	1,136	7,702	-85.2
RPK (€) (at constant FX)	3.18	0.55		3.20	0.57	

- Year-on-year comparisons distorted by sale of China Domestic. Excluding China Domestic, adjusted revenue growth at 6.3%, with higher volumes and stable revenue quality
- Adjusted operating income up 40%, with higher volumes and stable revenue quality
- Good intercontinental capacity utilisation
- Profitability improved in all units

Brazil Domestic

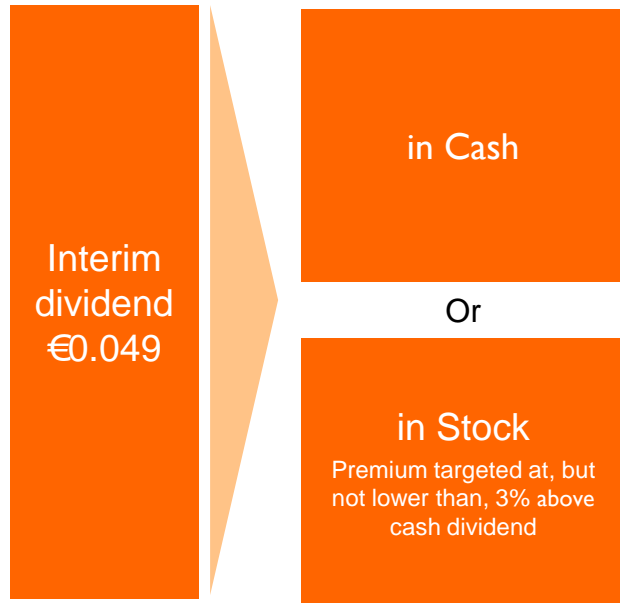
(€m)	2Q14	2Q13	%chg YoY	1HY14	1HY13	%chg YoY
Adjusted revenues	89	80	11.3	168	151	11.3
Adjusted operating income	2	(4)		2	-14	
Avg daily cons ('000)	32	33	-3.0	30	31	-3.2
RPC (€) (at constant FX)	44.9	39.6	13.4	44.6	38.7	15.2
Avg daily kilos ('000)	3,158	3,210	-1.6	3,066	3,039	0.9
RPK (€) (at constant FX)	0.46	0.40	15.0	0.44	0.40	10.0

- Recovery continued with segment moving into profit for both 2Q and the Half Year
- Adjusted revenues once again increased by 11%
- Commercial and operational improvements underpin strengthening performance

Unallocated

- Sale of Dutch operations of TNT Fashion completed
- Innight performance under pressure - new management appointed

Interim dividend 2014



Interim pro forma dividend of €0.049 per share declared representing 40% of IH14 normalised net income – in line with dividend guidelines

IH14 Reported Net Profit	€ (3)m
Attributable to shareholders	
Adjustments (net of tax)	
+ Restructuring related	
+ Deliver implementation cost	
+ Impairment / Value adjustments	
- Profit on sale of Fashion NL	
IH14 Normalised Net Income	€ 66m

Normalised net income based on IH14 profit adjusted for one-offs (after tax)

2014 guidance

- Assuming stable or continued improving external conditions:
 - Combined Europe Main and Europe Other & Americas operating results to show positive development
 - Asia Middle East & Africa and Brazil Domestic operating results to be significantly better than prior year
 - Pacific operating results to remain under pressure
 - Europe investments in marketing and brand increases by €15-20m
 - Unallocated around €(30)m
- Business as usual capex (excluding Outlook initiatives) up to around 3% of revenues