# PRESS RELEASE

2 May 2012 Hoofddorp, The Netherlands

**1Q12 results: Subdued European performance, Asia Pacific and Brazil improve**

- Timetable for completion of proposed UPS offer proceeding as previously indicated
- Reported revenues €1,819m (+1.3%); adjusted revenues (at constant FX) €1,780m (-0.9%)
- Reported operating income €37m (1Q11: €(79)m); adjusted operating income (at constant FX and excluding one-offs) €34m (1Q11: €50m)
- Net cash from operating activities €(2)m, net cash used in investing activities €13m and net debt €36m (4Q11: €7m net debt)
- Indirect cost savings programme launched in May 2011 on track
- Timing of implementation of certain long-term projects that are part of 2012-2013 fixed-cost savings programme temporarily adjusted in light of the proposed UPS offer

**Summary: Consolidated results (€m)**

| | | Reported | | | Adjusted (non-GAAP) | | |
|---|---|---|---|---|---|---|---|
| | Notes | **1Q12** | 1Q11 | *%chg* | **1Q12** | 1Q11 | *%chg* |
| Revenue | (1) | **1,819** | 1,796 | *1.3* | **1,780** | 1,796 | *-0.9* |
| Operating income | (2) | **37** | (79) | | **34** | 50 | *-32.0* |
| Operating income margin (%) | | ***2.0*** | *(4.4)* | | ***1.9*** | *2.8* | |
| Profit attributable to shareholders | | **16** | (106) | | | | |
| Cash generated from operations | | **17** | 3 | - | | | |
| Net cash from operating activities | | **(2)** | (24) | *91.7* | | | |
| Net cash used in investing activities | | **(13)** | (49) | *73.5* | | | |
| Net debt | | **36** | | | | | |

Notes: Non-GAAP adjustments
(1) YTD '12: -€39m FX
(2) YTD '12: -€3m FX
(2) YTD '11: €9m demerger related (€3m pensions, €6m costs), €120m business one-offs (impairment Brazil (€105m goodwill and €15m customer relationships))

In 1Q12, TNT Express experienced mixed economic conditions in Europe and slowing Asia-Europe trading volumes. Europe & MEA was affected by negative price and product mix developments. Results in Asia-Pacific, while under pressure because of weakness out of Asia, benefited from the strong performance of the Australian operations and cost reductions. China Domestic performed according to plan. Americas saw improved performance from Brazil. Non-allocated costs were lower.



More detailed quarterly financial and operational information: www.tnt.com/corporate/1Q12datasheets

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

*'As announced at the beginning of the year, the first quarter of 2012 has been challenging, given the ongoing sluggish business environment. In Europe, cost savings and commercial initiatives are being pursued to mitigate revenue pressure. Profitability in Asia-Pacific improved, despite weak intercontinental demand. Americas also improved, with better results in Brazil. In parallel, we are supporting progress towards completion of the proposed offer by UPS. We anticipate discussing the proposed offer with our shareholders during an Extraordinary Shareholders Meeting to be held in 3Q12.'*

**2012 outlook and aims:**

- Mixed economic conditions in Europe and lower Asia-Europe trading volumes expected to persist
- In Europe & MEA, indirect and fixed cost reduction programmes and commercial initiatives in place to alleviate negative impact trading conditions
- Asia Pacific 1Q12 trends expected to continue; exposure to fixed intercontinental air capacity has been reduced as of 2Q12, with further reductions being investigated
- Americas to benefit from better results in Brazil
- Indirect cost savings programme launched in May 2011 to be completed this year
- Timing of implementation of certain long-term projects that are part of 2012-2013 fixed-cost savings programme temporarily adjusted in light of the proposed UPS offer
- Capital expenditures and working capital targets in line with medium-term aims

**Medium-term outlook and aims:**

- EMEA revenue to grow organically and through new initiatives in adjacent market segments, with an operating margin increasing to 10-11%, assuming normal economic conditions
- Positive contributions from other operating segments
- Capital expenditure of around 3% of total revenue and trade working capital around 10% of total revenue
- Effective tax rate trending towards 31-33%

Date 2 May 2012

## Revenue and operating income by segment, reported and adjusted

| | | Reported | | | | | Adjusted (non-GAAP) | | |
|---|---|---|---|---|---|---|---|---|---|
| Revenue (€m) | Notes | 1Q12 | 1Q11 | %chg | FX | Business one-offs | 1Q12 | 1Q11 | %chg |
| Europe & MEA | | 1,147 | 1,153 | -0.5 | (7) | | 1,140 | 1,153 | -1.1 |
| Asia Pacific | | 430 | 419 | 2.6 | (31) | | 399 | 419 | -4.8 |
| Americas | | 118 | 112 | 5.4 | (1) | | 117 | 112 | 4.5 |
| Other networks | | 126 | 113 | 11.5 | (1) | | 125 | 113 | 10.6 |
| Non-allocated | | (2) | (1) | | 1 | | (1) | (1) | |
| Total | | 1,819 | 1,796 | 1.3 | (39) | | 1,780 | 1,796 | -0.9 |
| | | | | | | | | | |
| Operating income (€m) | | | | | | | | | |
| Europe & MEA | (1) | 68 | 103 | -34.0 | (1) | | 67 | 106 | -36.8 |
| Asia Pacific | (2) | (7) | (18) | 61.1 | 1 | | (6) | (18) | 66.7 |
| Americas | (3) | (23) | (152) | 84.9 | | | (23) | (32) | 28.1 |
| Other networks | | 3 | 4 | -25.0 | | | 3 | 4 | -25.0 |
| Non-allocated | (4) | (4) | (16) | | (3) | | (7) | (10) | 30.0 |
| Total | | 37 | (79) | | (3) | | 34 | 50 | -32.0 |
| | | | | | | | | | |
| Operating income margin (%) | | | | | | | | | |
| Europe & MEA | | 5.9 | 8.9 | | | | 5.9 | 9.2 | |
| Asia Pacific | | -1.6 | -4.3 | | | | -1.5 | -4.3 | |
| Americas | | -19.5 | -135.7 | | | | -19.7 | -28.6 | |
| Other networks | | 2.4 | 3.5 | | | | 2.4 | 3.5 | |
| Non-allocated | | - | - | | | | - | - | |
| Total | | 2.0 | -4.4 | | | | 1.9 | 2.8 | |

## 1Q12 segmental performance overview

### EMEA

| | 1Q12 | 1Q11 | %chg |
|---|---|---|---|
| Adjusted revenues | 1,140 | 1,153 | -1.1 |
| Adjusted operating income | 67 | 106 | -36.8 |
| | | | |
| Average consignments per day ('000) | 754 | 739 | 2.0 |
| Revenue per consignment (€)(1) | 23.3 | 24.0 | -2.9 |
| Average kilos per day ('000) | 14,752 | 14,625 | 0.9 |
| Revenue per kilo (€)(1) | 1.19 | 1.21 | -1.7 |

(1) based on reported revenues @avg11

- 1.1% adjusted revenue decline as a net result of positive volume growth and yield contraction
- Despite slow start of the year, increase in average consignments per day in al l product categories
- Average kilos per day show International Economy kilos growing but slight decline in Domestic and more significant decrease in International Express
- Controlled cost development despite volume growth and inflation; European air network capacity reduced as per 2Q12
- Lower operating income mainly due to negative yield (mix and pricing) and cost inflation

### Asia Pacific

| | 1Q12 | 1Q11 | %chg |
|---|---|---|---|
| Adjusted revenues | 399 | 419 | -4.8 |
| Adjusted operating income | (6) | (18) | 66.7 |
| | | | |
| Average consignments per day ('000) | 158 | 173 | -8.7 |
| Revenue per consignment (€)(1) | 38.8 | 37.3 | 4.0 |
| Average kilos per day ('000) | 9,840 | 12,573 | -21.7 |
| Revenue per kilo (€)(1) | 0.62 | 0.51 | 21.6 |

(1) based on reported revenues @avg11

- Adjusted revenues declined by 4.8% because of lower international revenues, India Domestic divestment and targeted shift away from standard LTL activities China Domestic
- Large decline in volume and large difference between RPC and RPK attributable to India Domestic divestment and increased uptake of Day Definite service in China Domestic
- Day Definite service now represents 34% of China Domestic turnover (1Q11: 18%)
- Lower intercontinental volumes continued; as of 2Q12, half of the capacity of the three Boeing 777 freighters absorbed through code-share and block-space agreement with Emirates Sky Cargo
- Higher operating income due to Australia performing strongly, better performance other Asian activities and general cost control, offsetting weaker China international performance

**Americas**

| | 1Q12 | 1Q11 | %chg |
|---|---|---|---|
| Adjusted revenues | 117 | 112 | 4.5 |
| Adjusted operating income | (23) | (32) | 28.1 |
| | | | |
| Average consignments per day ('000) | 50 | 51 | -2.0 |
| Revenue per consignment (€)(1) | 36.0 | 33.4 | 7.8 |
| Average kilos per day ('000) | 3,078 | 3,204 | -3.9 |
| Revenue per kilo (€)(1) | 0.59 | 0.54 | 9.3 |

(1) based on reported revenues @avg11

- Brazil's revenue increased compared to the prior year as a result of higher prices and continuing volume recovery, with growth in Automotive and Telecom verticals
- Brazil's adjusted operating losses declined compared to 1Q11
- The rest of Americas also performed better than the prior year

**Other Networks and Non-allocated**

- Other Networks declined due to lower results of Innight activities
- Non-allocated improved; net impact of indirect cost reduction measures implemented in 2011 and lower charge out to the segments

**Other financial indicators**

- Effective tax rate of 48.4% reflects the weighted average statutory tax rate in the countries TNT Express operates, several non-deductible costs and losses for which no tax assets could be recognised
- Net cash from operating activities €22m higher than prior year as lower operating income was more than offset by €45m improvement in Trade and Other working capital and €5m lower taxes paid
- Trade working capital stable at ~10% of revenues
- The net cash used in investing activities was €36m lower than last year principally because of €37m lower net capital expenditure (net capex spend 0.9% of reported revenues; 1Q11 included €18m of expenditures related to transfer of real estate from TNT N.V.)
- Net debt €36m (4Q11: €7m)

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### GENERAL INFORMATION

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

TNT Express N.V. is a public limited liability company domiciled in Amsterdam, the Netherlands. The consolidated financial statements include the financial statements of TNT Express N.V. and its consolidated subsidiaries (hereafter referred to as 'TNT Express', 'Group' or 'the company'). The company was incorporated under the laws of the Netherlands and is listed on Euronext Amsterdam. TNT Express provides door-to-door express delivery services for customers sending documents, parcels, freight and special services worldwide, with a focus on time-certain and/or day–certain pick-up and delivery.

### BASIS OF PREPARATION

The information is reported on a year-to-date basis ending 31 March 2012. Where material to an understanding of the period starting 1 January 2012 and ending 31 March 2012, further information is disclosed. The interim financial statements were discussed in and approved by the Executive Board. The interim financial statements should be read in conjunction with TNT Express' consolidated financial statements in the 2011 annual report as published on 21 February 2012.

The significant accounting policies applied in these consolidated interim financial statements are consistent with those applied in TNT Express' consolidated financial statements in the 2011 annual report for the year ended 31 December 2011.

The measure of profit and loss and assets and liabilities is based on the TNT Express Group Accounting Policies, which are compliant with International Financial Reporting Standards (IFRS) as adopted by the European Union (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.

## 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 include TNT Fashion and TNT Innight business. TNT Fashion provides supply change solutions for the fashion industry and fashion retailers. TNT Innight provides time-critical deliveries to individually agreed service delivery points for business customers during the night.

The following table presents the segment information relating to the income statement and total assets of the reportable segments for the first three months of 2012 and 2011:

| in € millions | Europe & MEA | Asia Pacific | Americas | Other networks | Non-allocated | Inter-company | **Total** |
|---|---|---|---|---|---|---|---|
| Q1 2012 ended at 31 March 2012 | | | | | | | |
| Net sales | 1,120 | 428 | 117 | 125 | 0 | | 1,790 |
| Inter-company sales | 1 | 0 | 0 | 1 | 0 | (2) | 0 |
| Other operating revenues | 26 | 2 | 1 | 0 | 0 | | 29 |
| Total operating revenues | 1,147 | 430 | 118 | 126 | 0 | (2) | 1,819 |
| Other income | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Depreciation/impairment property, plant and equipment | (20) | (8) | (3) | (3) | (2) | | (36) |
| Amortisation/impairment intangibles | (2) | (1) | (1) | 0 | (8) | | (12) |
| Total operating income | 68 | (7) | (23) | 3 | (4) | | 37 |
| Total assets | 3,091 | 717 | 318 | 185 | 332 | | 4,643 |
| Q1 2011 ended at 2 April 2011 | | | | | | | |
| Net sales | 1,133 | 416 | 111 | 112 | 0 | 2 | 1,774 |
| Inter-company sales | 3 | 0 | 0 | 1 | 0 | (4) | 0 |
| Other operating revenues | 17 | 3 | 1 | 0 | 1 | | 22 |
| Total operating revenues | 1,153 | 419 | 112 | 113 | 1 | (2) | 1,796 |
| Other income | 3 | | | | | | 3 |
| Depreciation/impairment property, plant and equipment | (27) | (8) | (3) | (2) | (2) | | (42) |
| Amortisation/impairment intangibles | (2) | (1) | (122) | | (8) | | (133) |
| Total operating income | 103 | (18) | (152) | 4 | (16) | | (79) |
| Total assets | 3,135 | 693 | 438 | 173 | 964 | | 5,403 |

Date 2 May 2012

## Consolidated statement of financial position TNT Express N.V.

| in € millions | note | 31 Mar 2012 | 31 Dec 2011 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | | | |
| Goodwill | | 1,481 | 1,483 |
| Other intangible assets | | 138 | 146 |
| Total | (1) | 1,619 | 1,629 |
| Property, plant and equipment | | | |
| Land and buildings | | 480 | 485 |
| Plant and equipment | | 244 | 241 |
| Aircraft | | 48 | 50 |
| Other | | 94 | 100 |
| Construction in progress | | 10 | 23 |
| Total | (2) | 876 | 899 |
| Financial fixed assets | | | |
| Investments in associates | | 20 | 20 |
| Other loans receivable | | 2 | 3 |
| Deferred tax assets | | 246 | 244 |
| Other financial fixed assets | | 17 | 17 |
| Total | | 285 | 284 |
| Pension assets | (3) | 40 | 34 |
| **Total non-current assets** | | 2,820 | 2,846 |
| **Current assets** | | | |
| Inventory | | 15 | 15 |
| Trade accounts receivable | | 1,133 | 1,117 |
| Accounts receivable | | 99 | 139 |
| Income tax receivable | | 15 | 29 |
| Prepayments and accrued income | | 188 | 159 |
| Cash and cash equivalents | (5) | 229 | 250 |
| **Total current assets** | | 1,679 | 1,709 |
| Assets classified as held for disposal | | 144 | 146 |
| **Total assets** | | 4,643 | 4,701 |
| | | | |
| **Liabilities and equity** | | | |
| **Equity** | | | |
| Equity attributable to the equity holders of the parent | | 2,804 | 2,806 |
| Non-controlling interests | | 6 | 6 |
| **Total equity** | (4) | 2,810 | 2,812 |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | | 25 | 26 |
| Provisions for pension liabilities | | 45 | 46 |
| Other provisions | (6) | 97 | 101 |
| Long-term debt | (5) | 210 | 219 |
| Accrued liabilities | | 3 | 4 |
| **Total non-current liabilities** | | 380 | 396 |
| **Current liabilities** | | | |
| Trade accounts payable | | 391 | 435 |
| Other provisions | (6) | 79 | 88 |
| Other current liabilities | | 338 | 309 |
| Income tax payable | | 27 | 31 |
| Accrued current liabilities | | 618 | 630 |
| **Total current liabilities** | | 1,453 | 1,493 |
| **Total liabilities and equity** | | 4,643 | 4,701 |

Date 2 May 2012

## Consolidated income statement TNT Express N.V.

| in € millions | note | 1Q12 | 1Q11 |
|---|---|---|---|
| Net sales | | 1,790 | 1,774 |
| Other operating revenues | | 29 | 22 |
| Total revenues | | 1,819 | 1,796 |
| Other income | | 1 | 3 |
| Cost of materials | | (119) | (116) |
| Work contracted out and other external expenses | | (962) | (941) |
| Salaries and social security contributions | | (583) | (566) |
| Depreciation, amortisation and impairments | | (48) | (175) |
| Other operating expenses | | (71) | (80) |
| Total operating expenses | | (1,783) | (1,878) |
| Operating income | | 37 | (79) |
| Interest and similar income | | 4 | 10 |
| Interest and similar expenses | | (10) | (18) |
| Net financial (expense)/income | | (6) | (8) |
| Profit before income taxes | | 31 | (87) |
| Income taxes | (7) | (15) | (19) |
| Profit for the period | | 16 | (106) |
| Attributable to: | | | |
| Non-controlling interests | | 0 | 0 |
| Equity holders of the parent | | 16 | (106) |
| Earnings per ordinary share (in € cents) [1] | | 2.9 | |

1 Based on an average of 543,202,420 of outstanding ordinary shares (2011: 542,748,930)

## Consolidated statement of comprehensive income TNT Express N.V.

| in € millions | 1Q12 | 1Q11 |
|---|---|---|
| Profit for the period | 16 | (106) |
| Gains/(losses) on cashflow hedges, net of tax | 0 | 3 |
| Currency translation adjustment net of tax | (18) | (56) |
| | (18) | (53) |
| Total comprehensive income for the period | (2) | (159) |
| Attributable to: | | |
| Non-controlling interests | 0 | 0 |
| Equity holders of the parent | (2) | (159) |

The YTD 2012 tax impact on the cash flow hedges is €(1)m (2011: €(1)m). There is no tax impact on the currency translation adjustment.

## Consolidated statement of cash flows TNT Express N.V.

| in € millions | 1Q12 | 1Q11 |
|---|---|---|
| Profit before income taxes | 32 | (87) |
| Adjustments for: | | |
| Depreciation, amortisation and impairments | 48 | 175 |
| Amortisation of financial instruments/ Derivatives | 1 | |
| Share-based compensation | | 3 |
| Investment income: | | |
| (Profit)/loss of assets held for disposal | | |
| Interest and similar income | (4) | (10) |
| Foreign exchange (gains) and losses | 1 | 1 |
| Interest and similar expenses | 9 | 18 |
| Results from investments in associates | | |
| Changes in provisions: | | |
| Pension liabilities | (7) | (1) |
| Other provisions | (11) | 1 |
| Cash from/(used for) financial instruments/derivatives | | |
| Changes in working capital: | | |
| Inventory | | (1) |
| Trade accounts receivable | (19) | (35) |
| Accounts receivable | 12 | 13 |
| Other current assets | (45) | (42) |
| Trade accounts payable | (43) | (68) |
| Other current liabilities excluding short-term financing and taxes | 43 | 36 |
| Cash generated from operations | 17 | 3 |
| Interest paid | (6) | (9) |
| Income taxes received/(paid) | (13) | (18) |
| Net cash from operating activities | (2) | (24) |
| Interest received | 4 | 4 |
| Acquisition of subsidiairies and joint ventures (net of cash) | | |
| Disposal of subsidiaires and joint ventures | | |
| Investments in associates | (1) | |
| Disposal of associates | | |
| Capital expenditure on intangible assets | (4) | (11) |
| Disposal of intangible assets | | |
| Capital expenditure on property, plant and equipment | (16) | (43) |
| Proceeds from sale of property, plant and equipment | 4 | 1 |
| Other changes in (financial) fixed assets | | |
| Changes in non-controlling interests | | |
| Net cash used in investing activities | (13) | (49) |
| Share-based payments | | |
| Proceeds from long-term borrowings | | 1 |
| Repayments of long-term borrowings | (2) | (2) |
| Proceeds from short-term borrowings | 12 | 35 |
| Repayments of shortterm borrowings | (14) | (34) |
| Repayments of finance leases | (2) | (2) |
| Dividends paid | | |
| Financing related to PostNL | | 73 |
| Net cash used in financing activities | (6) | 71 |
| Total changes in cash | (21) | (2) |

## Consolidated statement of changes in equity TNT Express N.V.

| 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 2010 | 3,065 | | | (71) | | | 2,994 | 8 | 3,002 |
| Demerger and related reclassifications | (3,065) | 43 | 3,035 | 71 | | | 84 | | 84 |
| Balance at 1 January 2011 | | 43 | 3,035 | 0 | | | 3,078 | 8 | 3,086 |
| Legal reserves reclassifications | | | | 13 | (13) | | | | |
| Total comprehensive income | | | | (53) | | (106) | (159) | (1) | (160) |
| Other | | | | | 2 | | 2 | | 2 |
| Total direct changes in equity | | | 0 | | 2 | | 2 | | 2 |
| Balance at 2 April 2011 | | 43 | 3,035 | (40) | (11) | (106) | 2,921 | 7 | 2,928 |
| Balance at 31 December 2011 | | 43 | 3,021 | 24 | (12) | (270) | 2,806 | 6 | 2,812 |
| Total comprehensive income | | | | (18) | | 16 | (2) | | (2) |
| Changes in legal reserves | | | | (3) | 3 | | | | |
| Total direct changes in equity | | | | (3) | 3 | | | | |
| Balance at 31 March 2012 | | 43 | 3,021 | 3 | (9) | (254) | 2,804 | 6 | 2,810 |

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. INTANGIBLE ASSETS

The movements in the intangible assets are as follows:

| in € millions | 2012 | 2011 |
|---|---|---|
| Balance at 1 January | 1,629 | 1,892 |
| Additions | 4 | 11 |
| Disposals | 0 | (1) |
| Amortisation | (12) | (13) |
| Impairments | 0 | (120) |
| Exchange rate differences | (2) | (20) |
| Balance at end of period (31 March 2012, 2 April 2011) | 1,619 | 1,749 |

The intangible assets of €1,619m consist of goodwill for an amount of €1,481m and other intangibles for an amount of €138m.

The additions to the intangible assets of €4m are related to software licence and software development costs.

In 2011, the total impairment of €120m related to impairment of goodwill (€105m) and customer relationships (€15m). The impairment of goodwill and customer relationships was related to the South American operations as a result of unexpected volume losses and performance pressure.

### 2. PROPERTY, PLANT AND EQUIPMENT

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

| in € millions | 2012 | 2011 |
|---|---|---|
| Balance at 1 January | 899 | 1,089 |
| Capital expenditures in cash | 16 | 43 |
| Capital expenditures in financial leases/other | 0 | 4 |
| Disposals | (2) | (1) |
| Exchange rate differences | (1) | (18) |
| Depreciation and impairments | (36) | (42) |
| Balance at end of period (31 March 2012, 2 April 2011) | 876 | 1,075 |

Capital expenditures of €16m consist mainly of investments within Europe & MEA of €8m, Asia Pacific of €3m, Americas of €3m and Other networks of €2m. The investments mainly relate to hubs, depots, sorting machinery, depot equipment and vehicles.

### 3. PENSIONS

TNT Express operates a number of post-employment benefit plans around the world. Most of TNT Express' post-employment benefit plans are defined contribution plans. The most significant defined benefit plans are in place in the Netherlands, the United Kingdom, Germany, Australia and Italy.

On the balance sheet, the pension assets and pension liabilities of the various defined benefit pension schemes have been presented separately. The pension assets increased by €6m and pension liability decreased by €1m, resulting in a net movement of €7m. This movement is mainly due to contributions made to the various defined benefits pension schemes over the first three months of 2012.

### 4. EQUITY

Total equity attributable to equity holders of the parent decreased to €2,804m on 31 March 2012 from €2,806m as per 31 December 2011. This decrease of €2m is mainly due to comprehensive income loss attributable to equity holders of the parent of €2m, of which €16m relates to the profit for the period and a negative of €18m due to foreign currency translation and hedge results.

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 remains at €3,021m on 31 March 2012. 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 31 March 2012, the number of TNT Express shares involved amounted to 581,402 with a nominal value of €0.08 per share.

## 5. NET DEBT

The net debt is specified in the table below:

| in € millions | 31 Mar 2012 | 31 Dec 2011 |
|---|---|---|
| Short term debt | 55 | 38 |
| Long term debt | 210 | 219 |
| Total interest bearing debt | 265 | 257 |
| Cash and other interest bearing assets | (229) | (250) |
| Net debt | 36 | 7 |

The net debt position as at 31 March 2012 increased by €29m compared to 31 December 2011. The increase is due to: net cash from operating activities €(2)m, net cash used in investing activities €(13)m and various non-cash elements in net debt €(14)m.

## 6. OTHER PROVISIONS

The other provisions consist of long-term provisions and short-term provisions for employee benefits, restructuring, claims and indemnities and other obligations and risks incurred in the normal course of business. The long-term and short-term provisions as at 31 March 2012 decreased by €13m compared to 1 January 2012.

| in € millions | 2012 | 2011 |
|---|---|---|
| Balance at 1 January | 189 | 168 |
| Additions | 5 | 13 |
| Withdrawals/releases | (16) | (11) |
| Other | (1) | 1 |
| Exchange rate differences | (1) | (4) |
| Balance at end of period (31 March 2012, 2 April 2011) | 176 | 167 |

The additions of €5m relate to claims indemnities €3m and long-term employment benefits €2m. The withdrawals of €16m relate to restructuring €7m, claims indemnities €5m, long-term employment benefits €2m and others €2m.

## 7. TAXES

| Effective tax rate | YTD 2012 | YTD 2011 |
|---|---|---|
| Dutch statutory tax rate | 25.0% | 25.0% |
| Other statutory tax rates | -2.2% | -2.0% |
| Weighted average statutory tax rate | 22.8% | 23.0% |
| Non and partly deductible costs | 6.0% | -2.1% |
| Non and partly deductible impairments | 0.0% | -34.4% |
| Other | 19.6% | -8.3% |
| Effective tax rate | 48.4% | -21.8% |

The tax expense in the first three months of 2012 amounted to €15m (2011: €19m). The effective tax rate was 48.4% (2011: -21.8%).

The mix of income from countries in which TNT Express operates resulted in a weighted average statutory tax rate of 22.8%. Several non-deductible costs adversely affected the effective tax rate by 6.0 percentage points.

The line ‘other’ shows an impact of 19.6 percentage points and includes:

- The net impact of losses for which no deferred tax assets could be recognised due to uncertainty of the recoverability of those assets: 27.2 percentage points;
- Positive effects in connection with intragroup financing structures: -10.8 percentage points;
- The remaining ‘other’ of 3.2 percentage points reflects mainly the net impact of several local taxes and accounting estimates relating to deferred tax balances.

## 8. LABOUR FORCE

| Employees | 31 Mar 2012 | 31 Dec 2011 |
|---|---|---|
| Europe & MEA[1] | 36,103 | 36,262 |
| Asia Pacific | 21,635 | 24,825 |
| Americas | 10,878 | 11,255 |
| Other networks | 2,606 | 2,534 |
| Non-allocated | 1,403 | 1,534 |
| Total | 72,625 | 76,410 |

| Average FTEs | YTD 2012 | YTD 2011 |
|---|---|---|
| Europe & MEA | 34,219 | 34,185 |
| Asia Pacific | 21,879 | 26,084 |
| Americas | 12,249 | 12,101 |
| Other networks | 2,395 | 2,241 |
| Non-allocated | 1,364 | 1,512 |
| Total | 72,106 | 76,123 |

[1] For comparative purposes 2011 numbers have been restated

The average number of full time equivalents working in TNT Express during the first three months of 2012 was 72,106, which decreased by 4,017, mainly due to China and India.

## 9. RELATED PARTIES

Purchases of TNT Express from joint ventures amounted to €7m (2011: €7m). During the first three months of 2012, €0m sales were made by TNT Express companies to its joint ventures.

As at 31 March 2012, net amounts due from the joint venture entities amounted to €29m (2 April 2011: €29m). Net amounts due to associated companies amounted to €1m (2 April 2011: €0m).

TNT Express is currently owned by PostNL for 29.8%. 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.

**10. SUBSEQUENT EVENTS**

On 11 April 2012, the Annual General Meeting adopted the 2011 financial statements and determined the 2011 dividend at €4.4 cents per ordinary shares. After adjusting for the interim dividend of €4.0 cents per ordinary share paid out in August 2011, the final dividend will be €0.4 cents per ordinary share.

During TNT Express' AGM, the following resolutions were also adopted:

- To release from liability the members of the Executive Board and the Supervisory Board for their tasks in so far as these tasks are apparent from the financial statements;
- To approve the new remuneration policy for the Executive Board and the amendments to the remuneration policy of the Supervisory Board;
- To authorise the Executive Board to have the company acquire its own shares to a maximum of 10% of the issued share capital until 11 October 2013;
- To amend the Articles of Association regarding appointment and removal of Executive and Supervisory Board members.

**FINANCIAL CALENDAR**

| | |
|---|---|
| **30 July 2012** | 2Q12 results |
| **29 October 2012** | 3Q12 results |

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

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**WARNING ABOUT FORWARD-LOOKING STATEMENTS**

Some statements in this press release are "forward-looking statements". By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industries in which we operate and management's beliefs and assumptions about future events. You are cautioned not to put undue reliance on these forward-looking statements, which only speak as of the date of this press release and are neither predictions nor guarantees of future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.