Q3 2009 Results

Press release

Table of contents

Q3 2009 Results

Further stabilising business environment in Q3; sharp focus on cost and cash continues to pay off

Group

- Cash flow remains strong; full-year cost-savings targets reaffirmed
- Profit from continuing operations € 102 million, 10% below Q3 2008

Express

- Quarter-on-quarter improvement in Express volumes and weight per consignment
- Continuing success in achieving cost savings: € 128 million in Q3 2009, € 368 million year to date
- Underlying* operating income of € 77 million (€ 99 million in Q3 2008)

Mail

- Addressed mail volume decline in the Netherlands 4.8% in line with trend
- Strong Master plan savings of € 24 million in the quarter
- Operating income in line with Q3 2008

Key figures Q3	As reported			Underlying *		
in € millions, except percentages	Q3 2009	Q3 2008	% Change	Q3 2009	Q3 2008	% Change
Group						
Revenues	2,483	2,687	-7.6%	2,530	2,687	-5.8%
EBITDA	269	297	-9.4%	284	297	-4.4%
Operating income (EBIT)	179	209	-14.4%	194	209	-7.2%
Profit from continuing operations	102	113	-9.7%			
Profit attributable to the shareholders	99	113	-12.4%			
Net cash from operating activities	97	104	-6.7%			
Express						
Revenues	1,467	1,656	-11.4%	1,501	1,656	-9.4%
EBITDA	123	154	-20.1%	139	154	-9.7%
Operating income (EBIT)	63	99	-36.4%	77	99	-22.2%
Mail						
Revenues	956	964	-0.8%	968	964	0.4%
EBITDA	143	147	-2.7%	144	147	-2.0%
Operating income (EBIT)	114	116	-1.7%	115	116	-0.9%

Reconciliation Q3 2009 in € millions	As reported	Express one-offs	FX rates impact	Underlying*
Express	1,467		34	1,501
Mail	956		12	968
Other networks	65		1	66
Non-allocated	(5)			(5)
Total revenues	2,483	0	47	2,530
Express	63	5	9	77
Mail	114		1	115
Other networks	4			4
Non-allocated	(2)			(2)
Operating income (EBIT)	179	5	10	194

* The underlying figures over 2009 are at constant currency and for Express exclude the impact of various one-off charges

CEO Peter Bakker comments:

"In this quarter the trading environment has stabilised further – with some early signs of positive underlying developments. With Q3 being the low volume season, the EBIT of both our divisions is at a satisfactory level.

The rate of decline of Express volumes has modestly improved. In particular, the average weight per consignment developed positively for the first time in a year, while price pressure remained. At the same time, our people continue to deliver on cost.

Mail achieved a solid result helped by strong Master plan savings in the quarter. Discussions with our unions to find ways of achieving necessary cost savings are ongoing.

TNT is optimally positioned to take advantage of a possible economic upturn but also needs to be prepared for continued harsh economic conditions and therefore remains focused on achieving its aggressive cost and cash control targets."

Q3 2009 Group Summary

Group reported revenues declined 7.6% to € 2,483 million due primarily to lower revenues from Express. Reported operating income declined 14.4% to € 179 million also due mainly to lower volumes in Express. Profit attributable to the shareholders came in at € 99 million (€ 113 million in Q3 2008).

Net cash from operating activities was € 97 million, a decrease of € 7 million versus last year, due to an improvement in working capital largely offsetting lower operating profits. Net debt held steady at around € 1.4 billion.

Group underlying* revenues declined 5.8% in Q3 2009. Underlying operating income decreased by 7.2% to € 194 million.

Express underlying* revenues were down 9.4% to € 1,501 million. This decrease is caused by the revenue impact of reduced core consignment volumes (-1.6%), lower fuel surcharges (-3.4%), lower average weight per core consignment (-2.1%) and price/mix and non core business (-2.3%). Air volumes (in kilos) were 8.4% behind last year, and Road volumes 10.1%.

Once again, aggressive cost savings in Express of € 128 million played a significant role in the profitability performance this quarter.

At constant rates of exchange and adjusting for € 5 million relating to various one-off charges, Express's operating income was € 77 million, representing an underlying 5.1% operating margin, which compares with 6.0% last year. Given the typical seasonal weakness of Q3, this margin compares favourably with the 5.8% of Q2 2009 which was 3.1% below Q2 2008.

Overall, **Mail underlying*** revenues were in line with the previous year as Emerging Mail & Parcels offsets declines in Mail Netherlands. Addressed volumes in the Netherlands fell by 4.8%.

Operating income of Mail was almost flat year on year, supported by strong Master plan savings. Underlying Mail operating income was € 115 million, which represents an underlying operating margin of 11.9%, compared to 12.0% in Q3 2008.

The Ecorys report, commissioned by the Dutch unions, which looked into alternative solutions for cost savings at TNT Post concluded that far-reaching cost reductions, including the loss of jobs, are essential if TNT is to remain viable. TNT sees a basis for further discussion in the proposals put forward in this report.

* The underlying figures over 2009 are at constant currency and for Express exclude the impact of various one-off charges

Other Group financial indicators

Net financial expense € 37 million *(Q3 08 € 42 million)*	No material changes
Effective tax rate (ETR): 28.2% *(Q3 08 31.9%)*	Lower weighted average statutory tax rate, due to changes in the mix of income and costs, and continuous optimisation of the tax structure
Net cash from operating activities: € 97 million *(Q3 08 € 104 million)*	Strong performance caused by an improvement in working capital largely offsetting lower operating profits
Net debt (26 September 2009): € 1,369 million *(27 June 2009: € 1,387 million)*	Predominantly due to cash surplus generated in the current quarter
Net Capex: € 32 million *(Q3 08 € 73 million)*	Continuing tight control over investments in current economic environment

* The underlying figures over 2009 are at constant currency and for Express exclude the impact of various one-off charges

Outlook

In February 2009, TNT announced it would not give a 2009 outlook. The following paragraph describes the operating environment TNT sees itself to be in.

TNT assumes that its trading environment is likely to continue to be under pressure still although it seems to show initial signs of recovery through to the end of 2009. In line herewith the first 4 weeks in Q4 2009 of the Express business show an improving volume trend. Given continuing low visibility and the still-tentative economic recovery, however, management continues to refrain from giving a more detailed outlook for 2009.

Express revenues in 2009 are expected to be down compared to 2008, as a result of lower volumes and lower fuel surcharges.

For **Mail** in the Netherlands, as previously indicated, addressed volumes are expected to show an increasing rate of decline compared with the years before 2009, driven by substitution, along with a somewhat weaker price mix. Emerging Mail & Parcels is expected to continue to grow in revenue at a comparable underlying operating margin to 2008.

Cost savings in total of around € 550 – € 600 million, are targeted in 2009 (€ 434 million reached in the first three quarters of the year).

Pension charges to the P&L will go up from € 24 million in 2008 to € 64 million in 2009, as previously indicated.

TNT previously indicated a level of provisions for its cost optimisation initiatives in the period 2008-2010 of € 125-200 million and possible impairments up to € 150 million. TNT has charged € 41 million of provisions for these initiatives in the three quarters of 2009 and € 115 million in 2008 and made impairments of € 44 million in 2008. The indicated range of provisions does not include the possible impact of CLA negotiations for Mail Netherlands.

Group Summary Q3

in € millions, except percentages	As reported Q3 2009	Q3 2008	% Change as reported Operational	Fx	Total
Revenues	2,483	2,687	-5.9%	-1.7%	-7.6%
EBITDA	269	297	-6.0%	-3.4%	-9.4%
Operating income (EBIT)	179	209	-9.6%	-4.8%	-14.4%
Profit from continuing operations	102	113	-4.4%	-5.3%	-9.7%
Profit attributable to the shareholders	99	113	-7.1%	-5.3%	-12.4%
Net cash from operating activities	97	104			-6.7%

Segment Summary Q3

in € millions, except percentages	As reported Q3 2009	Q3 2008	% Change as reported Operational	Fx	Total
Express					
Revenues	1,467	1,656	-9.3%	-2.1%	-11.4%
EBITDA	123	154	-13.0%	-7.1%	-20.1%
Operating income (EBIT)	63	99	-27.3%	-9.1%	-36.4%
Operating margin	4.3%	6.0%			
Mail					
Revenues	956	964	0.4%	-1.2%	-0.8%
EBITDA	143	147	-2.0%	-0.7%	-2.7%
Operating income (EBIT)	114	116	-0.8%	-0.9%	-1.7%
Operating margin	11.9%	12.0%			
Other networks					
Revenues	65	72	-8.3%	-1.4%	-9.7%
EBITDA	4	5	-20.0%		-20.0%
Operating income (EBIT)	4	4			
Operating margin	6.2%	5.6%			
Non-allocated	(2)	(10)	80.0%		80.0%
Operating income (EBIT)	179	209	-9.6%	-4.8%	-14.4%

Group Summary YTD Q3

in € millions, except percentages	As reported YTD Q3 2009	YTD Q3 2008	% Change as reported Operational	Fx	Total
Revenues	7,455	8,219	-7.4%	-1.9%	-9.3%
EBITDA	776	1,088	-26.0%	-2.7%	-28.7%
Operating income (EBIT)	520	822	-33.9%	-2.8%	-36.7%
Profit from continuing operations	266	499	-43.9%	-2.8%	-46.7%
Profit attributable to the shareholders	256	497	-45.7%	-2.8%	-48.5%
Net cash from operating activities	664	569	16.7%		16.7%
Earnings per ordinary share (in € cents)	70.2	136.1			

Segment Summary YTD Q3

in € millions, except percentages	As reported YTD Q3 2009	YTD Q3 2008	% Change as reported Operational	Fx	Total
Express					
Revenues	4,281	4,986	-11.8%	-2.3%	-14.1%
EBITDA	278	523	-40.9%	-5.9%	-46.8%
Operating income (EBIT)	112	358	-62.6%	-6.1%	-68.7%
Operating margin	2.6%	7.2%			
Mail					
Revenues	3,002	3,041	0.1%	-1.4%	-1.3%
EBITDA	498	579	-13.8%	-0.2%	-14.0%
Operating income (EBIT)	413	483	-14.3%	-0.2%	-14.5%
Operating margin	13.8%	15.9%			
Other networks					
Revenues	188	207	-8.7%	-0.5%	-9.2%
EBITDA	10	11	-9.1%		-9.1%
Operating income (EBIT)	8	9	-11.1%		-11.1%
Operating margin	4.3%	4.3%			
Non-allocated	(13)	(28)	53.6%		53.6%
Operating income (EBIT)	520	822	-33.9%	-2.8%	-36.7%

Year-to-date performance

Over the first three quarters of 2009, **Group** revenues decreased over the prior year period by 9.3% and EBIT decreased by 36.7%. Year to date, non-allocated costs were brought down considerably as part of the company's overall push to cut costs (€ 13 million versus € 28 million). Cash performance was very strong due to tight working capital control: net cash from operating activities was up 16.7% despite the decrease in cash from earnings.

Express revenues were impacted by the current economic environment. TNT Express has seen improving underlying results from Q1 to Q3, mainly as a result of implementing cost-savings initiatives. The overall year-on-year volume decline slowed down sequentially through the second and third quarters. In total for the nine months to the end of September, Express reached savings of € 368 million against a full year target of around € 500 million. Year to date Q3 the underlying operating income is € 176 million versus € 358 million in 2008.

Mail revenues were in line with the previous year, with the decline in revenue from the Netherlands almost being matched by good growth from Emerging Mail & Parcels. The trend in Mail Netherlands addressed volumes is in line with our indications.

Press releases since the second quarter

Date	Subject
17 August 2009	• Announcement conversion rate interim dividend 2009
1 September 2009	• TNT Post introduces Digital Stamp
3 September 2009	• TNT on top of the Dow Jones Sustainability Indexes for third consecutive year
8 September 2009	• Urgenda, TNT, Eneco and Tendris launch a tender for 3,000 electric vehicles in three years
14 September 2009	• TNT Post is making its fleet more environmental-friendly with the acquisition of 52 natural-gas powered vehicles
18 September 2009	• TNT increases express capacity between Asia and Europe
26 October 2009	• TNT sees basis for further discussion in Ecorys study for unions

Express overview

Key figures Q3

in € millions, except percentages	Underlying * Q3 2009	Q3 2008	% Change
Revenues	1,501	1,656	-9.4%
EBITDA	139	154	-9.7%
Operating income (EBIT)	77	99	-22.2%
Operating margin	5.1%	6.0%	

* The underlying figures over 2009 are at constant currency and exclude the impact of various one-off charges

Trading environment and operating focus

Trading conditions have shown a further stabilisation in Q3 2009. Customers continue to trade down to more cost-effective delivery solutions and they continue, on a year-on-year basis, to ship lower weights per consignment and lower consignment volumes. However, the underlying rate of volume decline became sequentially less negative compared to Q2 2009.

As has been the case for the whole year, against these tough trading conditions Express' operating focus is on what is in its control. This begins with maintaining service levels (year-on-year improvement was achieved for yet another quarter) while reducing costs. In the quarter, the business has removed € 128 million (excluding procured fuel costs) from the cost base. Year to date, € 368 million of costs were saved compared to the same period in 2008. The full year target of € 500 million is reiterated.

Total underlying operating costs in Q3 2009 were reduced by 8.0%, which significantly exceeds the 2.2% fall in volume of consignments and 4.9% in kilos.

Operational performance indicators

Core kilos: -4.9%
Air: -8.4%, Road -10.1%, Domestic -3.7%

Core consignments: -2.2%

Average weight per core consignment: -2.9%

Fuel-adjusted revenue quality yield on core volumes: -5.9%

Other financial indicators

Cost savings achieved (excl. fuel): € 128 million

Actual costs: -9.5%, € 1,409 million
(Q3 08 € 1,557 million)

Operational performance

Core consignment levels in Q3 are almost back to last-year levels. Core kilos again declined more than consignments, though the rate of decline is becoming less negative and the differential is notably smaller than in the previous quarter; in Q3 2009 weight per core consignment (WPC) was -2.9% versus -8.6% in Q2 2009 and -7.4% in Q1 2009. Combined with a lower rate per kilo plus lower fuel-surcharge revenue, this resulted in 9.4% lower underlying revenue.

Significantly, management focus on cost control, supported by a further stabilising business environment, resulted in a relative improvement in underlying operating margin. This quarter's 5.1% operating margin is only 0.9 percentage points below Q3 2008's 6.0%. The year-on-year gap was 3.1 percentage points in Q2 2009 and 4.5 percentage points in Q1 2009, although this development is helped by easing comparatives. However, compared to 2007's operating margins, the gap also declines.

Revenue analysis Q3	Underlying *			of which	
in € millions, except percentages	Q3 2009	Q3 2008	% Change	Organic	Acq
International & Domestic	1,169	1,341	-12.8%	-12.8%	0.0%
Emerging platforms	332	315	5.4%	-2.9%	8.3%
Express	1,501	1,656	-9.4%	-11.0%	1.6%

*The underlying figures over 2009 are at constant currency

International & Domestic

Within International & Domestic, revenues declined because of lower volumes and lower prices resulting from lower fuel surcharges, lower weights and some pressure on prices. Benelux, Germany, UK and Italy showed the effects of pressure on international products.

Emerging platforms

On a like-for-like basis, revenue year-on-year growth in Q3 2009 was better than in Q2 2009. Of particular note is the relative strength of Hoau domestic in China, which had a 19% growth in revenue.

	As reported			As reported		
in € millions, except percentages and volumes	Q3 2009	Q3 2008	% Change	YTD Q3 2009	YTD Q3 2008	% Change
EXPRESS						
International & Domestic						
Revenues	1,139	1,341		3,381	4,106	
Growth %	-15.1%	0.4%		-17.7%	2.4%	
Organic	-12.9%	4.2%		-14.5%	5.7%	
Acquisition / Disposal	0.0%	0.0%		0.0%	0.0%	
Fx	-2.2%	-3.8%		-3.2%	-3.3%	
Emerging platforms						
Revenues	328	315		900	880	
Growth %	4.1%	10.9%		2.3%	12.8%	
Organic	-2.9%	13.0%		-4.7%	14.9%	
Acquisition / Disposal	8.3%	0.7%		5.1%	2.8%	
Fx	-1.3%	-2.8%		1.9%	-4.9%	
Total Express						
Revenues	1,467	1,656		4,281	4,986	
Growth %	-11.4%	2.3%		-14.1%	4.1%	
Organic	-11.0%	5.8%		-12.7%	7.2%	
Acquisition / Disposal	1.6%	0.1%		0.9%	0.5%	
Fx	-2.0%	-3.6%		-2.3%	-3.6%	
Operating income (EBIT)	63	99		112	358	
Operating margin	4.3%	6.0%		2.6%	7.2%	
Other information Express						
Working days	65	64		186	188	
Core* consignments (in millions)	48.2	49.2	-2.2%	146.5	153.9	-4.8%
Domestic core consignments	37.5	38.0	-1.2%	114.8	118.7	-3.3%
International core consignments	10.7	11.3	-5.3%	31.7	35.2	-10.0%
Core* kilos (in millions)	981.9	1,032.2	-4.9%	2,843.5	3,187.5	-10.8%
Domestic core kilos	719.1	746.8	-3.7%	2,081.4	2,299.0	-9.5%
International core kilos	262.8	285.3	-7.9%	762.1	888.5	-14.2%
Core* revenue quality yield improvement	-9.3%	5.2%				

* Core excludes Special Services, Hoau, Mercurio and LIT Cargo

Mail overview

Key figures Q3	Underlying *		
in € millions, except percentages	Q3 2009	Q3 2008	% Change
Revenues	968	964	0.4%
EBITDA	144	147	-2.0%
Operating income (EBIT)	115	116	-0.9%
Operating margin	11.9%	12.0%	

* The underlying figures over 2009 are at constant currency

Trading environment and operating focus

Q3 2009 was the second quarter of liberalisation in the Netherlands. Addressed mail volumes declined in line with the expected trend, with substitution being the main contributor to the volume decline.

This quarter, TNT achieved € 24 million of Master plain savings, mainly from projects in Operations, Sortation and Marketing and Sales. The total Master plan savings reached € 51 million for the first nine months of 2009, on track for the target of € 60 - € 70 million for 2009.

In Q2 2009, union members rejected the CLA agreement that TNT had negotiated with the unions' leaders. As a consequence, the CLA did not become effective. The unions announced a survey for alternatives to the TNT plans to realise cost savings. On 26 October the trade unions ABVAKABO FNV, BVPP and CNV Publieke Zaak, issued the results of the Ecorys report. Ecorys looked into alternative solutions for the requisite cost savings at TNT Post.

Ecorys subscribes to the view that far-reaching cost reductions, including the loss of jobs, are essential. Ecorys' conclusion confirms the results of the study conducted by the Boston Consulting Group (BCG) in 2007 on behalf of the unions and the Operations Works Council. TNT sees a basis for further discussion in the proposals put forward.

In the second quarter, TNT announced an increased coverage in Germany to more than 40% of all households through a strategic partnership with Georg von Holtzbrinck. On 28 September and 7 October, respectively, TNT received approval from the European Commission and the German Federal Cartel Office.

Operational performance indicators	Other financial indicators
Netherlands addressed mail volumes: -4.8%	Master plan savings achieved: € 24 million

Operational performance

Underlying, the revenue decline in Mail Netherlands was fully offset by 5.9% revenue growth in Emerging Mail and Parcels. Operating income at € 115 million was in line with the third quarter of 2008. This represents a strong result, mainly due to Master plan savings of € 24 million and a good performance in Emerging Mail and Parcels.

Revenue analysis Q3	Underlying *			of which	
in € millions, except percentages	Q3 2009	Q3 2008	% Change	Organic	Acq
Mail	968	964	0.4%	0.8%	-0.4%
of which Emerging Mail&Parcels (excl EMN Germany)	321	303	5.9%	5.9%	0.0%

*The underlying figures over 2009 are at constant currency

Emerging Mail & Parcels revenue grew compared to last year. The main contributors to this growth were the Dutch Parcels business and EMN in the UK.

EMN Germany addressed mail revenue increased by 7% due to a newly won local authority tender, starting business in 3 Regioservice locations and continued good growth in PostCon. Operating income improved, though still remains negative.

in € millions, except percentages and volumes	As reported Q3 2009	Q3 2008	As reported YTD Q3 2009	YTD Q3 2008
MAIL				
Revenues	956	964	3,002	3,041
Growth %	-0.8%	-0.2%	-1.3%	-0.2%
Organic	0.8%	1.8%	0.3%	1.6%
Acquisition / Disposal	-0.4%	-0.1%	-0.2%	-0.2%
Fx	-1.2%	-1.9%	-1.4%	-1.6%
of which Emerging Mail & Parcels (excl Germany)				
Revenues	309	303	934	902
Growth %	2.0%	10.2%	3.5%	10.7%
Organic	6.0%	16.8%	8.5%	17.0%
Acquisition / Disposal	0.0%	-0.4%	-0.3%	-0.9%
Fx	-4.0%	-6.2%	-4.7%	-5.4%
Operating income (EBIT)	114	116	413	483
Operating margin	11.9%	12.0%	13.8%	15.9%
Other information Mail				
Addressed Mail NL volumes (in million items)	950	998	3,164	3,301
Growth %	-4.8%	-3.9%	-4.2%	-3.4%
Working days	65	65	187	189

Consolidated interim financial statements

General information

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

TNT N.V. ('TNT' or the 'Company'), a public limited liability company with its registered seat in Amsterdam, the Netherlands, and its head office in Amsterdam, the Netherlands, provides businesses and consumers worldwide with an extensive range of services for their express delivery and mail needs. TNT's services involve the collection, storage, sorting, transport and distribution of a wide range of items for the Company's customers within specific timeframes, and related data and document management services.

Basis of preparation

The information is reported on a year-to-date basis ending 26 September 2009. Where material to an understanding of the period starting 1 January 2009 and ending 26 September 2009 further information is disclosed. The interim financial statements were discussed in and approved by the Board of Management. The interim financial statements should be read in conjunction with TNT's consolidated 2008 annual report as published on 16 February 2009.

The significant accounting policies applied in these consolidated interim financial statements are consistent with those applied in TNT's consolidated 2008 annual report for the year ended 31 December 2008. In 2009, amendments to IAS 1 are applicable for TNT. These amendments concern mainly the presentation of changes in equity, in which changes as a result of transactions with shareholders should be presented separately. TNT has chosen to present all non-owner changes in equity in two separate statements, namely, a separate income statement and statement of comprehensive income.

The measure of profit and loss and assets and liabilities is based on the TNT Group Accounting Policies, which are compliant with IFRS. The pricing of intercompany sales is done at arm's length.

Segment information

TNT operates its businesses through three reportable segments Express, Mail and Other networks.

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

Revenues and results are impacted by the seasonality of sales whereby Q4 is the strongest quarter in the financial year and Q3 is 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 2009 and 2008:

in € millions	Express	Mail	Other networks	Inter-company	Non-allocated	Total
YTD 2009 ended at 26 September 2009						
Net sales	4,198	2,977	185		0	7,360
Inter-company sales	7	8	1	(16)		0
Other operating revenues	76	17	2			95
Total operating revenues	4,281	3,002	188	(16)	0	7,455
Other income	6	31	1		1	39
Depreciation/impairment property, plant and equipment	(123)	(65)	(1)		(3)	(192)
Amortisation/impairment intangibles	(43)	(20)	0		(1)	(64)
Total operating income	112	413	8		(13)	520
Total assets	4,413	1,589	100		1,572	7,674
YTD 2008 ended at 27 September 2008						
Net sales	4,878	3,013	202		0	8,093
Inter-company sales	4	8	3	(15)		0
Other operating revenues	104	20	2			126
Total operating revenues	4,986	3,041	207	(15)	0	8,219
Other income	6	18	1		1	26
Depreciation/impairment property, plant and equipment	(127)	(69)	(2)		(2)	(200)
Amortisation/impairment intangibles	(38)	(27)	0		(1)	(66)
Total operating income	358	483	9		(28)	822
Total assets	4,486	1,630	103		1,343	7,562

Consolidated statement of financial position

	in € millions	26 Sep 2009	31 Dec 2008
	Goodwill	1,911	1,807
	Other intangible assets	274	256
1	Intangible assets	2,185	2,063
	Land and buildings	803	793
	Plant and equipment	334	336
	Aircraft	286	303
	Other	152	163
	Construction in progress	38	39
2	Property, plant and equipment	1,613	1,634
	Investments in associates	61	64
	Other loans receivable	5	5
	Deferred tax assets	220	205
	Prepayments and accrued income	30	33
	Financial fixed assets	316	307
3	Pension assets	839	726
	Total non-current assets	4,953	4,730
	Inventory	26	24
	Trade accounts receivable	1,336	1,370
	Accounts receivable	205	204
	Income tax receivable	42	37
	Prepayments and accrued income	290	298
5	Cash and cash equivalents	800	497
	Total current assets	2,699	2,430
	Assets held for sale	22	25
	Total assets	7,674	7,185
	Equity attributable to the equity holders of the parent	1,987	1,733
	Minority interests	21	24
4	Total equity	2,008	1,757
	Deferred tax liabilities	357	335
3	Provisions for pension liabilities	307	360
6	Other provisions	193	212
5	Long term debt	1,931	1,845
	Accrued liabilities	5	4
	Total non-current liabilities	2,793	2,756
	Trade accounts payable	445	414
6	Other provisions	184	190
	Other current liabilities	856	890
7	Income tax payable	276	47
	Accrued current liabilities	1,112	1,131
	Total current liabilities	2,873	2,672
	Total liabilities and equity	7,674	7,185

these numbers relate to the notes belonging to these interim financial statements.

Consolidated income statement

in € millions	Q3 2009	Q3 2008	YTD Q3 2009	YTD Q3 2008
Net sales	2,446	2,637	7,360	8,093
Other operating revenues	37	50	95	126
Total revenues	2,483	2,687	7,455	8,219
Other income	9	1	39	26
Cost of materials	(109)	(125)	(306)	(355)
Work contracted out and other external expenses	(1,136)	(1,240)	(3,356)	(3,677)
Salaries and social security contributions	(825)	(854)	(2,571)	(2,634)
Depreciation, amortisation and impairments	(90)	(88)	(256)	(266)
Other operating expenses	(153)	(172)	(485)	(491)
Total operating expenses	(2,313)	(2,479)	(6,974)	(7,423)
Operating income	179	209	520	822
Interest and similar income	3	17	18	48
Interest and similar expenses	(40)	(59)	(136)	(162)
Net financial (expense)/income	(37)	(42)	(118)	(114)
Results from investments in associates	0	(1)	(12)	(2)
Profit before income taxes	142	166	390	706
7 Income taxes	(40)	(53)	(124)	(207)
Profit for the period from continuing operations	102	113	266	499
Profit from discontinued operations	0	0	0	0
Profit for the period	102	113	266	499
Attributable to:				
Minority interests	3	0	10	2
Equity holders of the parents	99	113	256	497
Earnings per ordinary share (in € cents) [1]	26.9	31.2	70.2	136.1
Earnings per diluted ordinary share (in € cents) [2]	26.9	31.1	69.9	135.5
Earnings from continuing operations per ordinary share (in € cents) [1]	26.9	31.2	70.2	136.1
Earnings from continuing operations per diluted ordinary share (in € cents) [2]	26.9	31.1	69.9	135.5

1. In 2009 based on an average of 364,835,696 of outstanding ordinary shares (2008: 365,181,214). See note 4.
2. In 2009 based on an average of 366,335,541 of outstanding ordinary shares (2008: 366,867,906). See note 4.

Consolidated statement of cash flows

in € millions	Q3 2009	Q3 2008	YTD Q3 2009	YTD Q3 2008
Profit before income taxes	142	166	390	706
Adjustments for:				
Depreciation, amortisation and impairments	90	88	256	266
Share based payments	5	4	14	12
Investment income:				
(Profit)/loss on sale of property, plant and equipment	(8)	0	(15)	(23)
(Profit)/loss on sale of Group companies	0	0	(20)	0
Interest and similar income	(3)	(17)	(18)	(48)
Foreign exchange (gains) and losses	2	1	6	8
Interest and similar expenses	38	58	130	154
Results from investments in associates	1	1	12	2
Changes in provisions:				
Pension liabilities	(71)	(60)	(165)	(150)
Other provisions	(32)	(13)	(41)	(67)
Changes in working capital:				
Inventory	0	1	(1)	1
Trade accounts receivable	(31)	23	56	(39)
Other accounts receivable	(4)	(3)	0	(13)
Other current assets	9	9	(11)	(50)
Trade accounts payable	4	(2)	5	21
Other current liabilities excluding short term financing and taxes	36	(69)	64	76
Cash generated from operations	178	187	662	856
Interest paid	(52)	(31)	(110)	(105)
Income taxes paid	(29)	(52)	112	(182)
Net cash from operating activities	97	104	664	569
Interest received	7	14	25	41
Acquisition of group companies (net of cash)	(3)	(1)	(83)	(4)
Disposals of group companies and joint ventures	0	0	23	0
Investment in associates	(3)	(6)	(11)	(12)
Capital expenditure on intangible assets	(12)	(17)	(39)	(55)
Disposal of intangible assets	0	0	1	0
Capital expenditure on property, plant and equipment	(33)	(58)	(130)	(192)
Proceeds from sale of property, plant and equipment	13	2	34	33
Other changes in (financial) fixed assets	0	(1)	1	2
Changes in minority interests	(6)	0	(5)	1
Net cash used in investing activities	(37)	(67)	(184)	(186)
Repurchases of shares	0	(28)	0	(308)
Cash proceeds from the exercise of shares/options	0	0	1	1
Proceeds from long term borrowings	11	562	57	562
Repayments to long term borrowings	(5)	0	(7)	(2)
Proceeds from short term borrowings	0	31	166	166
Repayments to short term borrowings	0	(83)	(345)	(128)
Repayments to finance leases	(3)	(2)	(13)	(10)
Dividends paid	(34)	(122)	(34)	(324)
Net cash used in financing activities	(31)	358	(175)	(43)
Changes in cash from continuing operations	29	395	305	340
Cash at beginning of the period	**772**	**235**	**497**	**295**
Exchange rate differences	(1)	2	(2)	(3)
Changes in cash from continuing operations	29	395	305	340
Cash at end of period as reported	**800**	**632**	**800**	**632**

Consolidated statement of changes in equity

in € millions	Issued share capital	Additional paid in capital	Translation reserve	Hedging reserve	Other reserves	Retained earnings	Attributable to equity holders of the parent	Minority interest	Total equity
Balance at 31 December 2007	182	982	(82)	(22)	0	871	1,931	20	1,951
Total comprehensive income			(25)	(7)	0	497	465	2	467
Final dividend previous year						(202)	(202)		(202)
Appropriation of net income					669	(669)	0		0
Interim dividend current year						(122)	(122)		(122)
Repurchases and cancellation of shares	(5)	(106)			(195)		(306)		(306)
Share based compensation					12		12		12
Other					3		3	0	3
Total direct changes in equity	(5)	(106)	0	0	489	(993)	(615)	0	(615)
Balance at 27 September 2008	177	876	(107)	(29)	489	375	1,781	22	1,803
Balance at 31 December 2008	173	876	(212)	(35)	497	434	1,733	24	1,757
Total comprehensive income			27	(14)	0	256	269	10	279
Stock dividend previous year	4	(4)					0		0
Appropriation of net income					434	(434)	0		0
Interim dividend current year	1	(1)				(34)	(34)		(34)
Repurchases and cancellation of shares							0		0
Share based compensation					14		14		14
Other					5		5	(13)	(8)
Total direct changes in equity	5	(5)	0	0	453	(468)	(15)	(13)	(28)
Balance at 26 September 2009	178	871	(185)	(49)	950	222	1,987	21	2,008

Consolidated statement of comprehensive income

in € millions	Q3 2009	Q3 2008	YTD Q3 2009	YTD Q3 2008
Profit for the period	102	113	266	499
Gains/(losses) on cashflow hedges, net of tax	(7)	(13)	(14)	(7)
Currency translation adjustment net of tax	(42)	24	27	(25)
Other comprensive income for the period	(49)	11	13	(32)
Total comprehensive income for the period	53	124	279	467
Attributable to:				
Minority interest	3	0	10	2
Equity holders of the parent	50	124	269	465

Notes to the consolidated interim financial statements

1. Intangible assets

The movements in the intangible assets are as follows:

in € millions	2009	2008
Balance at 1 January	2,063	2,119
Additions	119	62
Disposals	(1)	0
(De)consolidations	36	1
Exchange rate differences	32	(12)
Amortisation and impairments	(64)	(66)
Balance at end of period	2,185	2,104

The comparative figures relate to the nine month period ended 27 September 2008

The additions to the intangible assets consist of € 80 million goodwill mainly arising from the acquisitions of LIT Cargo and Expresso Araçatuba and € 39 million of capital expenditure totaling € 119 million. Consolidations of € 36 million relate to the first time inclusion of the intangibles of new acquisitions.

The closing balance of the period as at 26 September 2009 relates to goodwill for an amount of € 1,911 million. Compared to 1 January 2009, goodwill, including foreign currency differences of €24 million, increased by € 104 million mainly due to the 2009 acquisition of Expresso Araçatuba in Brazil and LIT Cargo in Chile as well as some minor acquisitions. The acquisition costs for the 2009 acquisitions and the related goodwill are summarised below.

Company name	Segment	Month aquired	% owner	Acquisition costs	Goodwill on acquisition
LIT Cargo	Express	February	100%	39	15
Expresso Araçatuba	Express	May	100%	49	49
Other acquisitions (including contingent consideration for Araçatuba)				21	16
Total				109	80

2. Property, plant and equipment

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

in € millions	2009	2008
Balance at 1 January	1,634	1,785
Capital expenditures	130	193
Acquisitions	29	1
Disposals	(14)	(9)
Exchange rate differences	29	(34)
Depreciation and impairments	(192)	(200)
Transfers to assets held for sale	(3)	(1)
Balance at end of period	1,613	1,735

The comparative figures relate to the nine month period ended 27 September 2008

Capital expenditures of € 130 million mainly concern investments within Express of € 85 million and Mail of € 43 million. The investments mainly relate to depots and hubs, vehicle replacements and sorting machinery. Acquisitions of € 29 million mainly relate to property, plant and equipment of LIT Cargo of € 21 million and Expresso Araçatuba of € 6 million following first-time consolidation of these entities in 2009. Disposals relate mainly to sale of buildings and deconsolidation of Spring Aspac assets following the sale in Q2 2009. The exchange rate differences are due mainly to the strengthening of the British pound to the euro and are recorded in equity.

3. Pensions

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 € 113 million and the pension liabilities decreased by € 53 million, resulting in a net € 166 million movement. This movement is the net result of the recorded defined benefit pension costs of € 47 million in the first nine months of 2009 and contributions paid by TNT to the pension funds and early retirement payments for a total amount of € 213 million. In Q3 2009, €86 million was paid, which is higher than the € 75 million paid in Q2 2009 and € 52 million paid in Q1 2009. Of the year to date total of these contributions €168 million related to Mail in the Netherlands. The higher payments in Q3 are due to the timing of contributions and additional payments in order to further strengthen the financial position of the pension funds following the requirements of the Dutch Central Bank (DNB). During the third quarter 2009, the coverage ratio of TNT's main pension fund increased to 109% compared to 100% at the end of the second quarter.

Pension costs in the first nine months of 2009 of € 47 million are above the € 18 million pension costs of the same period last year due to a lower expected return on assets and a lower discount rate. Of the total pension costs, € 34 million relates to Mail in the Netherlands.

4. Equity

Total equity increased to € 2,008 million on 26 September 2009 from € 1,757 million as per 31 December 2008. This increase of € 251 million is mainly due to comprehensive income of € 279 million, of which € 266 million is profit for the first nine months, and (€28 million) is direct equity movement, mainly (€ 34 million) dividend and € 14 million share based compensation.

In Q3 2009, TNT paid a 2009 interim dividend of € 34 million in cash and issued 2.0 million new shares as stock dividend with a corresponding nominal value of € 1 million. In Q2 2009, TNT issued 9.0 million shares following the payout of stock dividend related to 2008. As a result, the number of issued and outstanding shares increased from 360.0 million in December 2008 to 371.0 million on 26 September 2009.

(in millions)	26 Sep 2009	31 Dec 2008	27 Sep 2008
Number of issued and outstanding shares	371.0	360.0	360.0
Shares held by the company to cover share plans	0.1	1.1	1.1
Shares held by the company for cancellation	0	0	0
Year-to-date average number of shares	364.8	363.6	365.2
Year-to-date average number of diluted shares	1.5	1.1	1.7
Year-to-date average number of shares on a fully diluted basis	366.3	364.7	366.9

5. Net debt

The net debt is specified in the table below:

	26 Sep 2009	31 Dec 2008	27 Sep 2008
Short term debt	238	396	831
Long term debt	1,931	1,845	1,844
Total interest bearing debt	2,169	2,241	2,675
Cash and other interest bearing assets	(800)	(497)	(636)
Net debt	1,369	1,744	2,039

* Net debt does not include adjustments for operating leases and pension liabilities that are incorporated in the definition of total debt used for credit rating purposes.

The net debt position as at 26 September 2009 improved by € 375 million compared to December 2008 due to a reduction of interest bearing debt of € 72 million and an increase of cash and cash equivalents of € 303 million. Cash was positively impacted by net cash from operating activities of € 664 million partly offset by net cash used in investing and financing activities (€ 359 million). The net cash from operating activities was positively impacted by € 113 million inflow of working capital and a net tax refund totaling € 112 million, which is predominantly due to preliminary income tax refunds from the Dutch tax authorities relating to prior years.

6. Provisions

The other provisions consist of long term provisions and short term provisions for restructuring, claims and indemnities and other employee benefits. In the first nine months of 2009 the balance of the long term and short term provisions decreased by € 25 million, from € 402 million to € 377 million.

in € millions	2009	2008
Balance at 1 January	402	362
Additions	65	43
Withdrawals	(101)	(86)
(De)consolidations	2	(1)
Interest	6	0
Other/releases	(5)	(8)
Exchange rate differences	8	(5)
Balance at end of period	377	305

The comparative figures relate to the nine month period ended 27 September 2008

The additions of € 65 million relate mainly to restructuring projects of € 37 million within Express and € 9 million within the Mail division and additions to non-employee-related provisions of € 10 million and provision for claims and insurance of € 5 million. The additions in Q3 2009 were limited to €1 million within Mail.

The restructuring projects within Express relate to restructurings mainly within Europe and South America as reported in Q2 2009. These restructuring programmes cover approximately 1,300 employees. The restructuring within Mail relates to one-off restructuring programmes within Document Management of € 3 million, Parcels Belgium of €1 million and ongoing restructuring programmes of € 5 million. Total outstanding restructuring provisions as per Q3 2009 amounted to € 168 million of which € 133 million within Mail and €33 million within Express.

The withdrawals of € 101 million for the first nine months of 2009 relate to withdrawals of € 55 million within the Express division for settlement payments following restructuring programmes in Europe and settlement of commitments. Within the Mail division € 40 million was withdrawn from restructuring provisions following settlement payments within Mail Netherlands mainly following the execution of Master plan initiatives and settlement payments within the joint venture 'Postkantoren'. Other withdrawals of € 5 million relate to the settlement of claims. In Q3 2009, withdrawals were € 35 million of which € 14 million within Mail and € 16 million within Express.

7. Taxes

Effective tax rate	YTD Q3 2009	YTD Q3 2008
Dutch statutory tax rate	25.5%	25.5%
Other statutory tax rates	1.2%	2.0%
Weighted average statutory tax rate	26.7%	27.5%
Non and partly deductible costs	2.5%	1.1%
Exempt income	-1.7%	0.0%
Other	4.3%	0.7%
Effective tax rate	31.8%	29.3%

The effective tax rate as at 26 September 2009 amounted to 31.8%, which is higher than the comparable effective tax rate of 29.3% per the third quarter of 2008.

The effective tax rate increased by 2.5% due to non and partly deductible costs (interest and depreciation) in certain countries. The exempt income refers to the sale of G3 Worldwide Aspac PTE Ltd. to Singapore Post in Q2. The effective tax rate decreased by 1.7% due to the tax-exempted realised gain of € 20 million (€ 14 million after adjusting minority interest) under the participation exemption. The line other shows an increase of the effective tax rate of 4.3% for the first nine months of 2009 and relates to current year losses for which no deferred tax assets could be recognised due to uncertainty regarding the recoverability of such assets, partly balanced by the tax impact related to changes in the mix of income.

As per 26 September 2009, the income tax payable amounted to € 276 million and increased by € 229 million compared to December 2008. This increase is predominantly due to preliminary tax refunds from the Dutch tax authorities.

8. Contingent liability

As announced on 16 June 2009, TNT Post Germany entered into a strategic partnership with the Georg von Holtzbrinck publishing group. On 28 September 2009, the acquisition of the 50% joint ventures was approved by the European Union. The "Kartelambt" in Germany approved the acquisition of the five minority participations on 7 October 2009. The consideration for the shares will amount to € 12 million of which € 6.5 million was paid in October 2009.

TNT Post has ongoing discussions with the Dutch oversight body "OPTA" relating to level and detail of cost information to be provided to OPTA relating to the Universal Service Obligation. This information is input for the setting of the starting tariffs for the universal service. On 24 June 2009, OPTA imposed a first order for a penalty payment of € 1 million and on 29 September 2009, OPTA imposed a second order for a penalty payment of € 5 million as OPTA is of the opinion that TNT Post does not comply with preliminary ruling by the administrative judge on cost information. Both imposed penalties have not been paid as TNT, after consulting OPTA, has provided additional information on 29 October 2009 which according to TNT is considered to be sufficient and in line with the preliminary ruling. OPTA is expected to decide on Tuesday 3 November 2009 at the earliest.

9. Labour force

The headcount at the end of the quarter as well as the average number of full time equivalents is specified in the table below

Employees	26 Sep 2009	31 Dec 2008
Express	74,861	75,537
Mail	75,601	86,052
Other networks	1,369	1,385
Non-allocated	343	271
Total	152,174	163,245
Average FTE's	**YTD Q3 2009**	**YTD Q3 2008**
Express	72,395	70,748
Mail	40,161	42,284
Other networks	1,196	1,130
Non-allocated	263	255
Total	114,015	114,417

The average number of full time equivalents working in Express during the first nine months of 2009 was 72,395, which is increased due to acquisitions in 2009 and increase full time equivalents in emerging countries partly offset by restructurings.

The average number of full time equivalents working in Mail during the first nine months of 2009 was 40,161, a decrease of 2,123 compared to December 2008 following staff reductions within operations in the Netherlands.

10. Related parties

At 26 September 2009, TNT's related party transactions for the year to date totalled € 5 million (2008: € 11 million). Purchases by TNT from joint ventures amounted to € 54 million (2008: € 66 million). The net amounts due to the joint venture entities amounted to € 93 million (2008: € 41 million). As at 26 September 2009, the net amount due from associated companies amounted to € 3 million (2008: € 3 million).

11. Subsequent events

On 27 October, the trade unions ABVAKABO FNV, BVPP and CNV Publieke Zaak jointly presented the result of a study performed by research agency Ecorys which looked into alternative solutions for the requisite cost savings at TNT Post. The unions commissioned the study after the in-principle agreement on the Operations Collective Labour Agreement was jointly rejected by the union members in late April 2009. Ecorys subscribes to the view of TNT that far-reaching cost reductions, including the loss of jobs at TNT Post, are essential if the company is to remain viable.

TNT sees a basis for further discussion in the proposals put forward by research agency Ecorys in its report, with cutbacks in conditions of employment remaining necessary to safeguard jobs.

Other

Working days	Q1	Q2	Q3	Q4	Total
Express					
2005	64	63	65	64	256
2006	64	60	64	63	251
2007	64	60	64	64	252
2008	61	63	64	66	254
2009	61	60	65	68	254
Mail					
2005	62	63	64	64	253
2006	65	62	65	63	255
2007	64	61	65	64	254
2008	62	62	65	66	255
2009	61	61	65	68	255

Financial calendar

Thursday 3 December 2009
Analysts' Meeting

Monday 22 February 2010
Publication of Q4 2009 and Full Year Results

Thursday 8 April 2010
General Meeting of Shareholders

Monday 3 May 2010
Publication of Q1 2010 Results

Monday 2 August 2010
Publication of Q2 2010 Results

Monday 1 November 2010
Publication of Q3 2010 Results

Additional information available at

http://group.tnt.com

Investor Relations

Cees Visser
Director Investor Relations
Phone +31 20 500 62 41
Email cees.visser@tnt.com

Andrew Beh
Deputy Director Investor Relations
Phone +31 20 500 8717
Email andrew.beh@tnt.com

Yolanda Bolleurs
Manager Investor Relations
Phone +31 20 500 8514
Email yolanda.bolleurs@tnt.com

Group Communications / Media Relations

Ernst Moeksis
Director Media Relations
Phone +31 20 500 6171
Email ernst.moeksis@tnt.com

Daphne Andriesse
Senior Press Officer Media Relations
Phone +31 20 500 6224
Email daphne.andriesse@tnt.com

Cyrille Gibot
Senior Press Officer Media Relations
Phone +31 20 500 6223
Email cyrille.gibot@tnt.com

Published by TNT N.V.

Neptunusstraat 41-63
2132 JA Hoofddorp
P.O. Box 13000
1100 KG Amsterdam
Phone +31 20 500 6000
Fax +31 20 500 7000
Email investorrelations@tnt.com

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.