Q1 2009 results

Press release

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Resilient cash flow in challenging operating environment

Group

- Q1 2009 results impacted by continued declines in volumes
- Positive operating income in current economic circumstances, at € 163 million
- Good free cash flow at € 114 million

Express

- Continued recessionary pressure on volumes, though decline seems stable since February
- Revenue decline of 15.5%, of which 5.1% due to lower fuel surcharge and foreign exchange
- Cost savings ahead of plan: in excess of € 100 million (more than 7% of cost base) achieved in Q1 2009
- Operating income strongly impacted by severe volume declines in weeks 1 and 2 offset by positive Easter impact in weeks 12 and 13
- Operating income of € 20 million on revenues of € 1,364 million

Mail

- Overall revenues at constant rates of exchange in line with last year
- Addressed mail volumes in the Netherlands 4.7% below Q1 2008
- Emerging Mail & Parcels good revenue growth and operating income
- Negative product mix development, price pressure and higher operating expenses in Mail Netherlands
- Operating income € 149 million, 23.2% below Q1 2008

Key figures Q1 in € millions, except percentages	As reported Q1 2009	 Q1 2008	 % Change	Underlying * Q1 2009	 Q1 2008	 % Change
Group						
Revenues	2,444	2,723	-10.2%	2,509	2,723	-7.8%
EBITDA	245	381	-35.7%	255	388	-34.3%
Operating income (EBIT)	163	289	-43.6%	174	296	-41.2%
Profit from continuing operations	75	179	-58.1%	85	184	-53.8%
Profit attributable to the shareholders	76	179	-57.5%	86	184	-53.3%
Net cash from operating activities	157	250	-37.2%			
Express						
Revenues	1,364	1,614	-15.5%	1,411	1,614	-12.6%
EBITDA	72	160	-55.0%	81	160	-49.4%
Operating income (EBIT)	20	106	-81.1%	30	106	-71.7%
Mail						
Revenues	1,026	1,049	-2.2%	1,044	1,049	-0.5%
EBITDA	176	231	-23.8%	177	238	-25.6%
Operating income (EBIT)	149	194	-23.2%	150	201	-25.4%

* The underlying figures over 2009 are at constant currency and exclude the impact of a restructuring provision in Express (€ 3 m). The underlying figures over 2008 exclude the impact of an impairment related to Postkantoren in Mail (€ 7 m).

Reconciliation Q1 2009 in € millions	As reported	Express restructuring	FX rates impact	Underlying
Express	1,364	0	47	1,411
Mail	1,026		18	1,044
Other networks	60			60
Non-allocated	(6)			(6)
Total revenues	2,444	0	65	2,509
Express	20	3	7	30
Mail	149		1	150
Other networks	1			1
Non-allocated	(7)			(7)
Operating income (EBIT)	163	3	8	174

CEO Peter Bakker comments:

"The global economic operating environment has remained challenging. Despite this environment, I am pleased with the quick response of our management teams around the world. Significant cost savings have already been achieved without any sacrifice in our service levels towards our customers. The first quarter 2009 results continued the trend we saw at the end of 2008 and the beginning of this year.

International express volumes are under significant pressure and Domestic volumes saw declines as well, but as of February we saw no further acceleration in the decline. Our cost savings initiatives in Express have delivered first results and are clearly ahead of our previously guided savings target range for the full year.

Mail performance was good but impacted by higher employee-related expenses, a disadvantageous product mix and price pressure. With the Dutch mail market now fully open to competition, a further significant decrease of cost levels is required going forward. It is a regrettable situation that the union members rejected the in-principle collective labour agreement. As we have always said, this leaves TNT no choice but to develop and implement far-reaching restructuring plans.

Nothing has changed with respect to our previously indicated cautious stance towards 2009: we assume trading conditions of Q1 2009 to persist through the rest of the year, although recent stabilisation in Express is a welcomed situation."

Q1 2009 Summary

Group underlying revenues were -7.8% in Q1 2009. Underlying operating income decreased by € 122 million or 41.2% to € 174 million.

The profit for the period, on an underlying basis, was € 85 million (-53.8%).

In **Express,** Q1 2009 underlying revenues fell 12.6% versus the prior year, due in part to the impact of lower fuel surcharge (2.2%). Overall core kilos declined 8.8%, excluding weeks 1, 2, 12 and 13 (because these weeks are not comparable with the prior year).

For the full quarter, International kilos were -17.0% and Domestic -10.6%. The decrease in consignments (5.4%) was less than the decrease in kilos (12.4%). This has caused the average weight per consignment to come down (7%), impacting revenue per consignment and yield. This was most marked in premium products. Fuel-adjusted revenue quality yield was -4.9%.

TNT has successfully implemented its **cost savings** initiatives in Express. Cost savings outpaced the decline in consignments significantly. Where consignments, being the major driver for costs, were down 5.4%, expenses were down 8.2%. Cost-control measures have achieved in excess of € 100 million savings in the quarter.

At constant rates of exchange and excluding the impact of a restructuring provision, operating income was € 30 million (down 71.7% from Q1 2008).

In **Mail**, underlying revenues were in line with last year. Addressed volumes in the Netherlands showed a 4.7% volume decline and 3.7% adjusted for working days, which is better than our expected long-term trend. Emerging Mail and Parcels, excluding Germany, again produced strong revenue growth and operating income. Germany clearly improved revenue and operating income.

Compared to last year, underlying operating income was € 150 million (-25.4%), mainly as a result of lower volumes, a disadvantageous product mix and price pressure combined with higher operating expenses due to the 1 April 2008 CLA, higher pension costs, and lower Sale of Buildings in the Netherlands.

The union members have recently rejected the in-principle collective labour agreement. New consultations on the social plan are now required. TNT remains open to further talks with the unions on serious alternatives, but will now pursue significant restructurings to realise the target of € 395 million of Master plan savings. These savings are essential to cope with the expected volume declines of around 6% per year going forward.

Financial review

Group revenues for the quarter were € 2.4 billion, or € 2.5 billion at constant rates of exchange. At constant rates of exchange, Express revenues were down by 12.6% and Mail revenues by 0.5%.

Group reported operating income for the quarter was € 163 million.

Non-allocated costs of € 7 million for the quarter were € 4 million lower than last year, partly due to head office cost savings. The net financial expense of € 40 million was € 8 million more than in Q1 2008, partially due to changes in the interest results on foreign exchange contracts (caused by changes in the underlying interest rates per currency).

Net cash from operating activities was € 157 million. The year-on-year decrease is lower than the decrease in profit before tax, mainly due to an improvement in trade working capital and taxes paid.

The ETR increased from 30.1% in Q1 2008 to 38.5% in Q1 2009 because of a profit mix shift due to a significant decrease of profits in Express International and Domestic business lines.

Capital structure

Net debt at 28 March 2009 was € 1,722 million in line with Q1 2008 (€ 1,722 million) and FY 2008 (€ 1,744 million). Net Capex was € 54 million (Q1 2008 € 69 million) and acquisitions were € 41 million.

Pensions

As announced along with our 8 April 2009 AGM Business Update, the additional cash out for funding of the Dutch pension funds in 2009 is expected to be around € 50 million rather than the previously indicated around € 140 million (the P&L charge remains a € 40 million year-on-year increase). This reduction from € 140 million to € 50 million is caused by:

- The decision by the Dutch Minister for Social Affairs and Employment to extend the period during which a pension plan needs to recover its financial buffers from three years to five years.
- Instead of additional one-off contributions to restore to the minimum required coverage ratio of 105% in five years, it has been established to apply a solvency mark-up to the regular contributions, so that the coverage ratio will be up from 93% to 120% in fifteen years and to 105% within the required timeframe of five years.

Outlook

As previously indicated, TNT assumes the severe pressure on the global economy to persist through all of 2009.

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

For **Mail** in the Netherlands, as previously guided, addressed volumes are expected to show an increasing rate of decline, because of substitution, along with a somewhat weaker price mix. As the union members recently voted down the in-principle collective labour agreement, new steps are being detailed. Emerging Mail & Parcels is expected to continue to grow in revenue at a comparable operating margin to 2008.

Cost savings in total of around € 400 million are targeted in 2009.

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

Other information regarding 2009 Outlook:

TNT expects non-allocated costs to stay at around € 35 million for the year.

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 € 3 million of provisions for these initiatives in Q1 2009. The indicated range of provisions excludes the possible impact of CLA negotiations.

Group Summary Q1

in € millions, except percentages	As reported Q1 2009	As reported Q1 2008	% Change as reported Operational	% Change as reported Fx	% Change as reported Total	Underlying * Q1 2009	Underlying * Q1 2008
Revenues	2,444	2,723	-7.8%	-2.4%	-10.2%	2,509	2,723
EBITDA	245	381	-33.9%	-1.8%	-35.7%	255	388
Operating income (EBIT)	163	289	-40.8%	-2.8%	-43.6%	174	296
Profit from continuing operations	75	179	-53.6%	-4.5%	-58.1%	85	184
Profit attributable to the shareholders	76	179	-53.0%	-4.5%	-57.5%	86	184
Net cash from operating activities	157	250			-37.2%		

Segment Summary Q1

in € millions, except percentages	As reported Q1 2009	As reported Q1 2008	% Change as reported Operational	% Change as reported Fx	% Change as reported Total	Underlying * Q1 2009	Underlying * Q1 2008
Express							
Revenues	1,364	1,614	-12.6%	-2.9%	-15.5%	1,411	1,614
EBITDA	72	160	-51.2%	-3.8%	-55.0%	81	160
Operating income (EBIT)	20	106	-74.5%	-6.6%	-81.1%	30	106
Operating margin	1.5%	6.6%				2.1%	6.6%
Mail							
Revenues	1,026	1,049	-0.5%	-1.7%	-2.2%	1,044	1,049
EBITDA	176	231	-23.4%	-0.4%	-23.8%	177	238
Operating income (EBIT)	149	194	-22.7%	-0.5%	-23.2%	150	201
Operating margin	14.5%	18.5%				14.4%	19.2%
Other Networks							
Revenues	60	64	-6.3%		-6.3%	60	64
EBITDA	2	1	100.0%		100.0%	2	1
Operating income (EBIT)	1	0				1	0
Operating margin	1.7%					1.7%	
Non-allocated	(7)	(11)	36.4%		36.4%	(7)	(11)
Operating income (EBIT)	163	289	-40.8%	-2.8%	-43.6%	174	296

* The underlying figures over 2009 are at constant currency and exclude the impact of a restructuring provision in Express (€ 3 m). The underlying figures over 2008 exclude the impact of an impairment related to Postkantoren in Mail (€ 7 m).

Date	Subject
16 February 2009	• TNT acquires LIT Cargo of Chile - TNT gains strong position in Chilean domestic express market, a key platform for expansion in South America
19 February 2009	• TNT announced that the Supervisory Board will propose to the Annual General Meeting of Shareholders on 8 April 2009 (AGM) to appoint Ms P.M. (Nelly) Altenburg (1952) as new member of the Supervisory Board of TNT N.V.
20 February 2009	• TNT has taken note of the Cabinet's intention to liberalise the Dutch postal market as of 1 April 2009 - Peter Bakker: 'TNT is prepared for full liberalisation and has included the impact in the volume prognoses given at the recent publication of the annual results 2008'
27 February 2009	• TNT receives Lufthansa's "Cargo Climate Care Award"
5 March 2009	• Ernst Moeksis named Director Media Relations of TNT
9 March 2009	• TNT and unions reach in-principle agreement on new CLAs at TNT Post
17 March 2009	• TNT expands its Economy Express service to/from Malta
19 March 2009	• 150 TNT post offices in Albert Heijn
24 March	• TNT Post delivers 24 million mail items from Essent CO2-neutrally
2 April 2009	• TNT and Con-way Freight start partnership to provide cost-efficient express freight services to/from the USA
8 April 2009	• TNT's Annual General Meeting (AGM) of Shareholders adopts dividend for 2008 • During the AGM announcements were made regarding the retirement / reappointment of members of the Supervisory Board and the Board of Management • Furthermore the AGM adopted all resolutions that were held for voting
23 April 2009	• TNT respects, but regrets the trade union members' rejection of the in-principle agreement on a new three-year collective agreement for TNT Post operations staff in the Netherlands
24 April 2009	• TNT signed an agreement with Singapore Post and Royal Mail on the exit of Singapore Post from the joint venture Spring Global Mail
28 April 2009	• TNT to acquire Brazilian delivery partner Expresso Araçatuba

Express summary

Key figures Q1	Underlying *		
in € millions, except percentages	Q1 2009	Q1 2008	% Change
Revenues	1,411	1,614	-12.6%
EBITDA	81	160	-49.4%
Operating income (EBIT)	30	106	-71.7%
Operating margin	2.1%	6.6%	

*The underlying figures over 2009 are at constant currency and exclude the impact of a restructuring provision (€ 3 m).

Though the global operating environment has remained challenging, the rate at which core Express volumes declined has stabilised since February.

A lot of TNT's clients are shipping lower volumes because of the economic situation. In these times TNT continues to work at aligning its cost base to these lower volumes whilst maintaining very high quality levels.

Underlying Q1 2009 revenues were down 12.6%, principally because of lower revenue per consignment caused by lower weight per consignment and lower yield. Core kilos in the first quarter were down 10.4% (Air 22.8%, Road 14.4% and Domestic 8.8%), excluding weeks 1, 2, 12 and 13 (because these weeks are not comparable with the prior year). For the same period, consignments were down 2.9%. Excluding fuel, revenue yield on core volumes was -4.9%. Compounding the impact of lower revenue per consignment, International volumes remained under strong pressure and Domestic volumes also declined.

However, in terms of both weight and consignments, the rate at which volumes declined in each of these categories was stable through the quarter – the first stabilisation of volume declines since Q2 2008. This outturn is in line with previous indications.

On an underlying basis, the operating margin was 2.1%, which compares with 6.6% in Q1 2008. Operating income decreased because of significantly depressed volumes and lower weight per consignment, which was most evident in premium products.

The year-on-year decline in operating income derives in part from € 11 million one-off expenses in the quarter, including an additional € 3 million restructuring charge and additional bad debt provisions following the challenging business conditions.

TNT is successfully rolling out its cost savings programmes. Network savings, particularly the scaling down of the air network, were key. Tariff renegotiations with sub-contractors have been successful and all cost categories are well controlled. TNT plans additional redundancies of around 600 FTEs, which will contribute around € 10 million to the 2009 Express EBIT.

In Q1 2009, the cost savings programmes delivered in excess of € 100 million. Through this successful rollout, costs fell 8.2%, which is higher than the percentage decline of consignments.

Revenue analysis Q1	Underlying *			of which	
in € millions, except percentages	Q1 2009	Q1 2008	% Change	Organic	Acq
International & Domestic	1,162	1,348	-13.8%	-13.8%	0.0%
Emerging platforms	249	266	-6.4%	-7.9%	1.5%
Express	1,411	1,614	-12.6%	-12.8%	0.2%

*The underlying figures over 2009 are at constant currency and exclude the impact of a restructuring provision (€ 3 m).

International & Domestic revenues fell by an underlying 13.8% over Q1 2008 to € 1,162 million.

Within International & Domestic, all **large European countries** (UK, France, Benelux, Germany and Italy) experienced revenue declines because of continuing weak volumes – though that volume decline through the quarter was at worst stable. All business units saw a drop in International product revenues and most reported lower Domestic product revenues.

Emerging platforms underlying revenues declined by 6.4%, reflecting the slowdown in all business units. China experienced the sharpest decline due to the large fall in export activities in January and February, although domestic volumes have developed strongly since Chinese New Year (resulting in an overall Q1 underlying revenue decline of only 1.6% in Domestic China) and international volumes have also recovered well since then. South America reported lower revenues, though the Middle East continued to grow.

Mail summary

Key figures Q1

in € millions, except percentages	Underlying * Q1 2009	Q1 2008	% Change
Revenues	1,044	1,049	-0.5%
EBITDA	177	238	-25.6%
Operating income (EBIT)	150	201	-25.4%
Operating margin	14.4%	19.2%	

* The underlying figures over 2009 are at constant currency. The underlying figures over 2008 exclude the impact of an impairment related to Postkantoren in Mail (€ 7 m).

Revenue analysis Q1

in € millions, except percentages	Underlying * Q1 2009	Q1 2008	% Change	of which Organic	Acq
Mail	1,044	1,049	-0.5%	-0.1%	-0.4%
of which Emerging Mail&Parcels (excl EMN Germany)	326	294	10.9%	12.3%	-1.4%

* The underlying figures over 2009 are at constant currency. The underlying figures over 2008 exclude the impact of an impairment related to Postkantoren in Mail (€ 7 m).

Overall underlying **Mail** revenues declined by 0.5%. Substantial revenue growth in Emerging Mail & Parcels nearly offset the revenue decline in the Netherlands.

The addressed mail volumes in the Netherlands were down 4.7%, mainly caused by substitution. Adjusted for working days, addressed volumes decreased by 3.7%, which is lower than our expected long-term trend. In addition, a disadvantageous product mix and price pressure in the Netherlands impacted the results.

Compared to last year underlying Mail operating income decreased faster than revenue declined as a result of higher operating expenses due to the collective labour agreement that started on 1 April 2008, higher pension charges, lower Sale of Buildings and other one-offs. The increased expenses were only partially offset by € 8 million Master plan savings.

Mail Netherlands and related business saw a revenue decline of 5.8%. On 24 April 2009 TNT announced an agreement with Singapore Post and Royal Mail on the exit of Singapore Post from the joint venture Spring Global Mail. The parties agreed that Singapore Post will acquire the Asia-Pacific business of Spring Global Mail and at the same time will exit the global joint venture.

The union members have recently rejected the in-principle agreement on the new **collective labour conditions**. New consultations on the social plan are now required. TNT remains open to further talks with the unions on serious alternatives, but will now pursue significant restructurings to realise the target of € 395 million of Master plan savings.

As per 1 April 2009 the postal market in the Netherlands has **liberalised**.

The government has consistently set two conditions for the liberalisation of the Dutch postal market, i.e. sound arrangements for employment conditions in the postal sector and a level playing field in the European postal market.

The first of these conditions appears to have been met in the eyes of the government with a minimum standard for the terms and conditions of employment set by General Administrative Order. Though TNT does not feel that all conditions regarding level playing field have been met, TNT is prepared for full liberalisation.

Emerging Mail & Parcels showed strong revenue growth and a good EBIT due to a strong performance from Parcel Service.

In Emerging Mail & Parcels (excluding EMN Germany), addressed mail revenues in EMN increased by around 30% mainly because of a strong UK development where TNT increased market share considerably. Revenues of EMN unaddressed, where incumbents have strong historical positions, were impacted by the economic downturn, with price and volume pressure. Parcels revenue also saw a strong development.

In **EMN Germany**, revenue grew about 7%, with PostCon performance being strong. Operating income in EMN Germany also clearly improved with almost 28%, but was still negative.

in € millions, except percentages and volumes	Q1 2009	Q1 2008	% Change
EXPRESS			
International & Domestic			
Revenues	1,103	1,348	
Growth %	-18.2%	1.0%	
Organic	-13.8%	3.8%	
Acquisition / Disposal	0.0%	0.0%	
Fx	-4.4%	-2.8%	
Emerging platforms			
Revenues	261	266	
Growth %	-1.9%	17.2%	
Organic	-7.9%	13.7%	
Acquisition / Disposal	1.5%	8.8%	
Fx	4.5%	-5.3%	
Total Express			
Revenues	1,364	1,614	
Growth %	-15.5%	3.3%	
Organic	-12.8%	5.2%	
Acquisition / Disposal	0.2%	1.3%	
Fx	-2.9%	-3.2%	
Operating income (EBIT)	20	106	
Operating margin	1.5%	6.6%	
Other information Express			
Working days	61.0	61.0	
Core* consignments (in millions)	48.4	51.1	-5.4%
Domestic core consignments	38.1	39.4	-3.3%
International core consignments	10.3	11.7	-12.3%
Core* kilos (in millions)	917.3	1,047.3	-12.4%
Domestic core kilos	670.7	750.2	-10.6%
International core kilos	246.6	297.1	-17.0%
Core* revenue quality yield improvement	-6.9%	5.3%	

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

in € millions, except percentages and volumes	Q1 2009	Q1 2008
MAIL		
Revenues	1,026	1,049
Growth %	-2.2%	-0.9%
Organic	-0.1%	0.4%
Acquisition / Disposal	-0.4%	0.0%
Fx	-1.7%	-1.3%
of which Emerging Mail & Parcels (excl Germany)		
Revenues	308	294
Growth %	4.8%	11.4%
Organic	12.3%	17.4%
Acquisition / Disposal	-1.4%	-1.1%
Fx	-6.1%	-4.9%
Operating income (EBIT)	149	194
Operating margin	14.5%	18.5%
Other information Mail		
items)	1,143	1,199
Growth %	-4.7%	-3.1%
Working days	61	62

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 28 March 2009. Where material to an understanding of the period starting 1 January 2009 and ending 28 March 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 accounting policies applied in these interim financial statements are consistent with those applied in TNT's consolidated 2008 annual report.

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.

The information in these interim financial statements is unaudited.

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.

In the following table a reconciliation is presented of the segment information relating to the income statement and total assets of the reportable segments for the first quarters of 2009 and 2008:

in € millions	Express	Mail	Other networks	Inter-company	Non-allocated	Total
Q1 2009 ended at 28 March 2009						
Net sales	1,340	1,017	59		0	2,416
Inter-company sales	3	3	0	(6)		0
Other operating revenues	21	6	1			28
Total operating revenues	1,364	1,026	60	(6)	0	2,444
Other income	0	5	0		0	5
Depreciation/impairment property, plant and equipment	(39)	(21)	(1)		(2)	(63)
Amortisation/impairment intangibles	(13)	(6)	0		0	(19)
Total operating income	20	149	1		(7)	163
Total assets	4,339	1,682	98		1,468	7,587
Q1 2008 ended at 29 March 2008						
Net sales	1,588	1,041	63		0	2,692
Inter-company sales	1	3	0	(4)		0
Other operating revenues	25	5	1			31
Total operating revenues	1,614	1,049	64	(4)	0	2,723
Other income	0	10	0		0	10
Depreciation/impairment property, plant and equipment	(42)	(23)	(1)		0	(66)
Amortisation/impairment intangibles	(12)	(14)	0		0	(26)
Total operating income	106	194	0		(11)	289
Total assets	4,515	1,610	105		957	7,187

		in € millions	28 Mar 2009	31 Dec 2008
		Goodwill	1,839	1,807
		Other intangible assets	270	256
1	Intangible assets		2,109	2,063
		Land and buildings	817	793
		Plant and equipment	345	336
		Aircraft	297	303
		Other	156	163
		Construction in progress	41	39
2	Property, plant and equipment		1,656	1,634
		Investments in associates	68	64
		Other loans receivable	5	5
		Deferred tax assets	212	205
		Prepayments and accrued income	34	33
	Financial fixed assets		319	307
3	Pension assets		748	726
	Total non-current assets		4,832	4,730
		Inventory	25	24
		Trade accounts receivable	1,349	1,370
		Accounts receivable	238	204
		Income tax receivable	46	37
		Prepayments and accrued income	347	298
		Cash and cash equivalents	726	497
	Total current assets		2,731	2,430
	Assets held for sale		24	25
	Total assets		7,587	7,185
		Equity attributable to the equity holders of the parent	1,832	1,733
		Minority interests	25	24
	Total equity		1,857	1,757
		Deferred tax liabilities	337	335
3		Provisions for pension liabilities	344	360
5		Other provisions	208	212
4		Long term debt	1,921	1,845
		Accrued liabilities	5	4
	Total non-current liabilities		2,815	2,756
		Trade accounts payable	424	414
5		Other provisions	183	190
		Other current liabilities	1,018	890
		Income tax payable	83	47
		Accrued current liabilities	1,207	1,131
	Total current liabilities		2,915	2,672
	Total liabilities and equity		7,587	7,185

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

in € millions	Q1 2009	Q1 2008
Net sales	2,416	2,692
Other operating revenues	28	31
Total revenues	2,444	2,723
Other income	5	10
Cost of materials	(96)	(111)
Work contracted out and other external expenses	(1,087)	(1,193)
Salaries and social security contributions	(863)	(887)
Depreciation, amortisation and impairments	(82)	(92)
Other operating expenses	(158)	(161)
Total operating expenses	(2,286)	(2,444)
Operating income	163	289
Interest and similar income	10	18
Interest and similar expenses	(50)	(50)
Net financial (expense)/income	(40)	(32)
Results from investments in associates	(1)	(1)
Profit before income taxes	122	256
Income taxes	(47)	(77)
Profit for the period from continuing operations	75	179
Profit from discontinued operations	0	0
Profit for the period	75	179
Attributable to:		
Minority interests	(1)	0
Equityholders of the parents	76	179
Earnings per ordinary share (in € cents)	21.2	48.7
Earnings per diluted ordinary share (in € cents)	21.1	48.5
Earnings from continuing operations per ordinary share (in € cents)	21.2	48.7
Earnings from continuing operations per diluted ordinary share (in € cents)	21.1	48.5

in € millions	Q1 2009	Q1 2008
Profit before income taxes	122	256
Adjustments for:		
Depreciation, amortisation and impairments	82	92
Share based payments	4	4
Investment income:		
(Profit)/loss on sale of property, plant and equipment	(5)	(10)
Interest and similar income	(10)	(18)
Foreign exchange (gains) and losses	2	5
Interest and similar expenses	48	45
Results from investments in associates	1	1
Changes in provisions:		
Pension liabilities	(37)	(46)
Other provisions	(18)	(25)
Changes in working capital:		
Inventory	(1)	0
Trade accounts receivable	41	(57)
Other accounts receivable	(33)	28
Other current assets	(74)	(58)
Trade accounts payable	3	(11)
Other current liabilities excluding short term financing and taxes	70	126
Cash generated from operations	195	332
Interest paid	(22)	(28)
Income taxes paid	(16)	(54)
Net cash from operating activities	157	250
Interest received	11	14
Dividends received	0	0
Acquisition of group companies (net of cash)	(41)	(1)
Disposals of group companies and joint ventures	0	0
Investment in associates	(5)	(1)
Disposals of associates	0	0
Capital expenditure on intangible assets	(12)	(16)
Disposal of intangible assets	0	0
Capital expenditure on property, plant and equipment	(54)	(68)
Proceeds from sale of property, plant and equipment	12	15
Other changes in (financial) fixed assets	0	3
Changes in minority interests	1	0
Net cash used in investing activities	(88)	(54)
Repurchases of shares	0	(109)
Cash proceeds from the exercise of shares/options	0	0
Proceeds from long term borrowings	46	0
Repayments to long term borrowings	0	(1)
Proceeds from short term borrowings	166	43
Repayments to short term borrowings	(50)	(39)
Repayments to finance leases	(3)	(2)
Dividends paid	0	0
Financing relating to our discontinued operations	0	0
Net cash used in financing activities	159	(108)
Changes in cash from continuing operations	228	88
Cash at beginning of the period	**497**	**295**
Cash from divested business	0	0
Exchange rate differences	1	(5)
Changes in cash from continuing operations	228	88
Cash at end of period as reported	**726**	**378**

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
Profit for the period						179	179	0	179
Gains/(losses) on cashflow hedges, net of tax				(15)			(15)		(15)
Currency translation adjustment			(69)				(69)		(69)
Total recognised income for the year	0	0	(69)	(15)	0	179	95	0	95
Final dividend previous year						0	0		0
Appropriation of net income					0	0	0		0
Interim dividend current year						0	0		0
Repurchases and cancellation of shares	0	(106)			0		(106)		(106)
Share based compensation					4		4		4
Other			0		0		0	0	0
Total direct changes in equity	0	(106)	0	0	4	0	(102)	0	(102)
Balance at 29 March 2008	182	876	(151)	(37)	4	1,050	1,924	20	1,944
Balance at 31 December 2008	173	876	(212)	(35)	497	434	1,733	24	1,757
Profit for the period						76	76	(1)	75
Gains/(losses) on cashflow hedges, net of tax				(17)			(17)		(17)
Currency translation adjustment			35				35		35
Total recognised income for the year	0	0	35	(17)	0	76	94	(1)	93
Final dividend previous year						0	0		0
Appropriation of net income					0	0	0		0
Interim dividend current year						0	0		0
Repurchases and cancellation of shares	0	0			0		0		0
Share based compensation					4		4		4
Other			0		1		1	2	3
Total direct changes in equity	0	0	0	0	5	0	5	2	7
Balance at 28 March 2009	173	876	(177)	(52)	502	510	1,832	25	1,857

1. Intangible assets

The movements in the intangible assets are as follows:

in € millions	Q1 2009	Q1 2008
Balance at 1 January	2,063	2,119
Additions	30	20
Disposals	0	0
(De)consolidations	17	2
Exchange rate differences	19	(23)
Amortisation and impaiments	(20)	(26)
Balance at end of period	2,109	2,092

The comparative figures relate to the three month period ended 29 March 2008

The closing balance of the period as at 28 March 2009 relates to goodwill for an amount of € 1,839 million and other intangible assets of € 270 million. In Q1 2009, goodwill increased by €32 million following the 2009 acquisition of LIT Cargo in Chile within the Express division resulting in goodwill of €17 million and foreign currency effects of €15 million relating to goodwill denominated in non-euro currencies recognised in the past

Other intangible assets increased by €14 million mainly due to the acquired intangibles of LIT Cargo.

On 16 February 2009 TNT announced the acquisition of 100 % of the shares of LIT Cargo. The acquisition price of Lit Cargo is €39 million.

LIT Cargo is a leading express delivery company in Chile and gives TNT a strong nationwide road network and a strengthening of its position in the country's domestic express delivery market. Furthermore, it adds a key building block to the development of its South American Road Network (SARN), linking Chile to Brazil and Argentina.
6

The pro-forma pre-acquisition balance sheet and the preliminary opening balance sheet of the acquired business are summarised below. The purchase price allocation of this acquisition has not been finalised yet.

	LIT Cargo	
Balance sheets	Pre-acquisition	Post-Acquisition
Goodwill	0	15
Other non-current Assets	22	38
Total non-current Assets	22	53
Total current Assets	9	9
Total assets	31	62
Equity	9	39
Non-current liabilities	9	11
Current liabilities	13	12
Total Liabilities and Equity	31	62

The other non-current assets in the pre – acquisition balance sheet mainly relate to property, plant and equipment. Included in the post-acquisition balance sheet is an amount of approximately €16 million relating to separately identified customer list and brand name.

2. Property, plant and equipment

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

in € millions	Q1 2009	Q1 2008
Balance at 1 January	1,634	1,785
Capital expenditures	55	71
Acquisitions	22	0
Disposals	(6)	(4)
Exchange rate differences	14	(33)
Depreciation and impairments	(62)	(66)
Transfers to assets held for sale	(1)	(1)
Balance at end of period	1,656	1,752

The comparative figures relate to the three month period ended 29 March 2008

Capital expenditures of €55 million concerns investments within Express of €43 million and Mail of €12 million. The investments mainly relate to investments in depots and hubs, vehicle replacements and sorting machinery. Acquisitions of €22 million relate to property, plant and equipment of LIT Cargo. The exchange differences are due to the weakening in Q1 of the Euro compared to our main foreign currencies. The exchange differences are recorded in equity. Capital expenditures in Q1 2009 are lower than in Q1 2008 as a result of intensified investment review following TNT's focus on cash.

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 €22 million and the pension liabilities decreased by €16 million resulting in a net increase of €38 million. This movement is the net result of the recorded defined benefit pension costs of €15 million in Q1 2009 and early retirement payments and contributions paid by TNT to the pension funds for a total amount of €53 million. No additional payments to the pension fund following the recovery plan have been paid in Q1 2009. Pension costs in Q1 2009 of €15 million are above the pension cost of Q1 2008 of €6 million due to a lower expected return on assets and a lower discount rate.

4. Net debt

The net debt is specified in the table below.

	28 Mar 2009	29 Mar 2008
Short term debt	529	795
Long term debt	1,921	1,305
Total interest bearing debt	2,450	2,100
Cash and other interest bearing assets	(728)	(378)
Net debt	1,722	1,722

* 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 per Q1 2009 remained at a comparable level compared to Q1 2008 being €1,722 million (December 2008: €1,744 million) consisting of €529 million of current borrowings and €1,921 million of long term debt offset by €728 million cash and other interest bearing assets. Compared to December 2008 short term debt increased by €133 million and long term debt increased by € 76 million following issued commercial paper and private placements. Cash and other interest bearing assets increased by €231 million to €728 million in Q1 2009.

5. Provisions

The other provisions consist of long term provisions and short term provisions for restructuring, claims and indemnities and other employee benefits. The balance of the long and short term provisions decreased by €11 million in Q1 2009 mainly due to withdrawals of € 23 million following restructuring payments within the Express division of €7 million and payments relating to other employee-related obligations of € 6 million within the Mail division. Included in the additions is € 3 million for Express.

in € millions	Q1 2009	Q1 2008
Balance at 1 January	402	362
Additions	8	5
Withdrawals	(23)	(27)
(De)consolidations	3	0
Other/releases	(1)	0
Exchange rate differences	2	(5)
Balance at end of period	391	332

The comparative figures relate to the three month period ended 29 March 2008

6. Shares

(in millions)	28 Mar 2009	29 Mar 2008
Number of issued and outstanding shares	360.0	379.2
Shares held by the company to cover share plans	1.0	1.7
Shares held by the company for cancellation	0	11.0
Average number of shares	359.0	367.5
Average number of diluted shares	1.4	1.2
Average number of shares on a fully diluted basis	360.4	368.7

7. 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:

in € millions	Q1 2009	Q1 2008
Express	74,044	74,725
Mail	75,717	81,754
Other Networks	1,330	1,372
Non-allocated	343	244
Employees at period end	151,434	158,095
Express	69,139	69,785
Mail	39,145	41,260
Other Networks	1,082	1,125
Non-allocated	258	237
Average FTE's up to and incl. the period	109,624	112,407

Total headcount as at Q1 2009 of 151,434 decreased by approximately 11,000 compared to December 2008 following restructuring plans and mobility arrangements.

The average number of full time equivalents working in TNT Express during the first quarter of 2009 was 69,139, a decrease of 646 staff (0.9%) compared to the same period in 2008.

The average number of full time equivalents working in TNT Mail during Q1 2009 was 39,145 being a decrease of 2,115 compared to Q1 2008 following staff reductions within operations in the Netherlands due to declining volumes and efficiency improvements partly off set by staff increases due to expansion in EMN Germany and the UK.

8. Subsequent events

During the Annual General Meeting of Shareholders held on 8 April 2009 the 2008 financial statements have been adopted and the dividend over 2008 at € 0.34 per ordinary share has been determined, which has already been paid in cash as an interim dividend in 2008. In addition it was decided to pay a stock dividend of one ordinary share for every 40 ordinary shares out of the share premium reserve.

In April 2009 the trade union members have rejected the in-principle agreement (reached on 9 March 2009) on a new three-year collective agreement for TNT Post operations staff in the Netherlands.

On 24 April 2009, TNT signed an agreement with Singapore Post and Royal Mail on the exit of Singapore Post from the joint venture Spring Global Mail. The parties agreed that Singapore Post would acquire the Asia-Pacific business of Spring Global Mail and at the same time will exit the global joint venture. TNT and Royal Mail will continue to own 100% of Spring Global Mail. TNT's share in the joint venture will increase from 51% to 67.55%.

On 28 April, TNT signed an agreement to acquire Expresso Araçatuba Transportes e Logística Ltda, an express delivery company in Brazil. TNT will acquire 100% control of the company with effect from the expected closing date of the transaction in May 2009. The total acquisition price on a cash and debt free basis amounted to € 54 million, with the share purchase split into two stages. The initial purchase of 51% of the shares for € 26 million will be made at closing date. The purchase of the remaining 49% shares for € 25 million will be made in May 2010.

Expresso Araçatuba has been a key delivery partner for TNT Mercurio in Brazil's Central West and North regions since 1999. The acquisition will strengthen TNT's position in the Brazilian domestic market and provides a foundation for further development of transport flows between Brazil, Chile and Argentina.

The pro-forma pre-acquisition balance sheet and the preliminary opening balance sheet of the acquired business are summarised as follows:

	Expresso Araçatuba	
Balance sheets	Pre-acquisition	Post-Acquisition
Goodwill	0	37
Other non-current Assets	7	22
Total non-current Assets	7	59
Total current Assets	15	15
Total assets	22	74
Equity	7	51
Non-current liabilities	4	4
Current liabilities	11	19
Total Liabilities and Equity	22	74

The other non-current assets in the pre – acquisition balance sheet mainly relate to property, plant and equipment. Included in the post-acquisition balance sheet is an amount of approximately €15 million relating to separately identified intangible assets following the acquisition.

Total current assets and liabilities relate mainly to working capital items and cash. In the preliminary opening balance sheet €8 million of additional contingent liabilities have been identified.

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

Monday 27 July 2009
Publication of 2009 second quarter and half year results

Tuesday 28 July 2009
Interim ex-dividend listing

Tuesday 4 August 2009
Interim dividend 2009 payment date

Monday 2 November 2009
Publication of 2009 third quarter results

Thursday 3 December 2009
Analysts' Meeting

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