**The Offer expires at 17:40 hours CET on 30 October 2015,
unless extended**

OFFER DOCUMENT

Dated 21 August 2015

regarding

RECOMMENDED CASH OFFER

by

FEDEX ACQUISITION B.V.

(a private limited liability company incorporated under the laws of The Netherlands)

for all issued and outstanding ordinary shares including ordinary shares represented by American depositary shares of

TNT EXPRESS N.V.

(a public limited liability company incorporated under the laws of The Netherlands)

This offer document (the **Offer Document**) contains the details of the recommended public offer by FedEx Acquisition B.V. (the **Offeror**), a wholly-owned indirect subsidiary of FedEx Corporation (**FedEx**), to all holders of issued and outstanding ordinary shares with a nominal value of EUR 0.08 (eight eurocents) each (the **Ordinary Shares**) including all American depositary shares representing Ordinary Shares (each, an **ADS**), each ADS representing one Ordinary Share (Ordinary Shares and ADSs are collectively referred to herein as the **Shares** and each a **Share**, the holders of such Shares the **Shareholders**), in the share capital of TNT Express N.V. (**TNT Express**) to purchase for cash their Shares on the terms and subject to the conditions and restrictions set forth in this Offer Document (the **Offer**). As at the date of this Offer Document, 548,898,900 Ordinary Shares are issued by TNT Express and subject to the Offer, approximately 1.3 million of which are held in the form of ADSs representing approximately 0.24% (zero point twenty-four per cent) of the issued Ordinary Shares.

This Offer Document contains the information required by article 5:76 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht,* **DFSA**) in conjunction with article 8, paragraph 1 of the Dutch Decree on public offers (*Besluit openbare biedingen Wft,* the **Decree**) and has been reviewed and approved by The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten,* the **AFM**).

The position statement of TNT Express dated 21 August 2015 in accordance with article 18, paragraph 2 of the Decree (the **Position Statement**) is included in the same physical binder as this Offer Document, but does not form part of this Offer Document. The information required by article 18, paragraph 2 of the Decree in connection with the Offer is included in the Position Statement. The Position Statement does not form part of the Offer Document and is not subject to prior review and approval of the AFM. The Position Statement is, however, subject to review by the AFM after publication thereof.

Capitalised terms used in this Offer Document have the meaning set out in Section 4 (*Definitions*) or elsewhere in this Offer Document. Capitalised terms used in the Dutch summary included in Section 13 (*Nederlandse samenvatting* (*Dutch language summary*)) have the meaning set out in Section 13.3 (*Definities*).

Shareholders that have tendered their Shares pursuant to the Offer will be paid, on the terms and subject to the conditions and restrictions contained in this Offer Document, in consideration of each Ordinary Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) for acceptance prior to or on the Acceptance Closing Date (each a **Tendered Share**), a cash amount of EUR 8.00 (eight euro) (the **Offer Price**) and Shareholders tendering their ADSs under the Offer will be paid on the terms and subject to the conditions and restrictions contained in this Offer Document in consideration for each ADS validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) a cash amount equal to the U.S. dollar equivalent of the Offer Price, calculated by the Offeror using the spot market exchange rate for the U.S. dollar against the euro published on Bloomberg at noon New York time on the day immediately prior to the date on which funds are received by Citibank, N.A. (the **ADS Tender Agent**), in its capacity as ADS Tender Agent to pay for the ADSs following the Unconditional Date.

The Offer Price includes any (interim) cash or share dividend or other distribution on the Shares that is or may be declared by TNT Express on or prior to the Settlement Date and the record date for such cash or share dividend or other distribution occurs on or prior to the Settlement Date. Consequently, if on or prior to the Settlement Date any cash or share dividend or other distribution is declared in respect of the Shares and the record date for such cash or share dividend or other distribution occurs on or prior to the Settlement Date, the Offer Price will be decreased by an amount per Share equal to any such cash or share dividend or other distribution per Share.

The management board and supervisory board of TNT Express (the **Executive Board** and the **Supervisory Board** respectively, or together the **Boards**) fully support the Offer and the Asset Sale and unanimously recommend the Offer to the Shareholders for acceptance and therefore recommend voting in favour of all resolutions relating to the Offer that will be proposed at the EGM referred to in Section 7 (*Extraordinary general meeting of TNT Express Shareholders*). See Section 6.7 (*Decision making and Recommendation by the Boards*).

PostNL N.V., the main Shareholder of TNT Express, currently holding approximately 14.7% (fourteen point seven per cent) of the Shares, has irrevocably agreed to tender all its Shares under the Offer and to vote in favour of certain resolutions proposed at the EGM. See Section 6.8 (*Irrevocable PostNL*).

The Acceptance Period under the Offer begins at 9:00 hours CET, (3:00 hours New York time) on 24 August 2015 and, unless extended in accordance with Section 5.4 (*The Acceptance Period and extension of the Acceptance Period*), ends at 17:40 hours CET, (11:40 hours New York time) on 30 October 2015. Acceptance under the Offer must be made in the manner specified in this Offer Document. The Offeror has agreed that it will accept valid book-entry tenders of ADSs up until 17:00 hours, New York time, on the Acceptance Closing Date.

Shares tendered on or prior to the Acceptance Closing Time may not be withdrawn, subject to the right of withdrawal of any tender during an extension of the Acceptance Period in accordance with the provisions of article 15, paragraph 3 of the Decree.

At 9:00 hours CET, on 5 October 2015, the EGM will be held at the TNT Centre, Taurusavenue 111, 2132 LS Hoofddorp, The Netherlands, at which meeting the Offer, among other matters, will be discussed in accordance with the provisions of article 18, paragraph 1 of the Decree and certain resolutions will be voted on by the Shareholders. See Section 7 (*Extraordinary general meeting of TNT Express Shareholders*) and the Position Statement. The resolutions that will be voted on by the Shareholders are the Asset Sale and Liquidation Resolutions, the Conversion Resolution and the Governance Resolutions.

The Offeror reserves the right to extend the Offer past the Acceptance Closing Date if one or more of the Offer Conditions are not satisfied and have not been waived by the Acceptance Closing Date in accordance with Section 6.6.2 (*Waiver*). If the Offer is extended past the Acceptance Closing Date, the Offeror will make an announcement to that effect in accordance with the Decree. The provisions of article 15, paragraph 2 of the Decree, require that such an announcement is made within 3 (three) Dutch Business Days following the Acceptance Closing Date. See Section 50 (*Invitation to the Shareholders*).

Unless the Acceptance Period is extended, the Offeror will, in accordance with article 16 of the Decree, announce whether the Offer is declared unconditional (*gestand wordt gedaan*) within 3 (three) Dutch Business Days following the Acceptance Closing Date (the **Unconditional Date**). See Section 5.5 (*Declaring the Offer unconditional*). The Offeror reserves the right to waive certain Offer Conditions, in whole or in part, if relevant and to the extent permitted by applicable law. See Section 6.6 (*Offer Conditions, waiver and satisfaction*).

All announcements in relation to the Offer will be made by a press release and placed on the websites of TNT Express and FedEx. See Section 5.12 (*Announcements*).

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), Shareholders of Tendered Shares will receive the Offer Price in respect of each Tendered Share, and the Offeror shall acquire each Tendered Share, within 5 (five) Business Days following the Unconditional Date (**Settlement**, and the day on which the Settlement occurs, the **Settlement Date**).

If, following the Settlement Date and the Post-Closing Acceptance Period, the number of Shares having tendered for acceptance during the Acceptance Period and the Post-Closing Acceptance Period, together with (i) any Shares directly or indirectly held by the Offeror or any of its Affiliates, (ii) any Shares committed to the Offeror or any of its Affiliates, in writing, and (iii) any Shares to which the Offeror or any of its Affiliates is entitled (*gekocht maar nog niet geleverd*), represent 95% (ninety-five per cent) or more of TNT Express' aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*), the Offeror will initiate a Buy-Out as referred to in Section 6.16.2 (*Buy-Out*).

In order to ensure full integration of the businesses of TNT Express in the FedEx Group, FedEx may choose to implement the Asset Sale and Liquidation of TNT Express if (i) a Minority Exit Opportunity has been completed, (ii) the number of Shares that have been tendered for acceptance during the Acceptance Period, the Post-Closing Acceptance Period and as a result of the Minority Exit Opportunity, together with (a) any Shares directly or indirectly held by the Offeror or any of its Affiliates, (b) any Shares committed to the Offeror or any of its Affiliates, in writing; and (c) any Shares to which the Offeror or any of its Affiliates is entitled (*gekocht maar nog niet geleverd*), on the date of completion of the Minority Exit Opportunity falls within the Asset Sale Range, and (iii) the Asset Sale and Liquidation Resolutions and the Conversion Resolution have been passed. The Boards have agreed to unanimously recommend to the Shareholders to vote in favor of the Asset Sale and Liquidation and Conversion. See Section 6.16.3 (*Asset Sale and Liquidation*).

Distribution of this Offer Document may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Offer Document are urged to inform themselves of any such restrictions which may apply to them and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. The Offeror, FedEx and TNT Express disclaim all responsibility for any violation of such restrictions by any person. See Section 2 (*Restrictions*).

1. TABLE OF CONTENTS

PART I - OFFER DOCUMENT

2. RESTRICTIONS

2.1 General

This Offer Document is not an offer to sell securities and it is not a solicitation of an offer to buy securities, nor shall there be any sale or purchase of securities pursuant hereto, in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the laws of any such jurisdiction. If you are in any doubt as to your eligibility to participate in the Offer, you should contact your professional advisor immediately.

The Offer applies to all the Shares and is made with due observance of such statements, conditions and restrictions as are included in this Offer Document. The Offeror reserves the right to accept any tender pursuant to the Offer, which is made by or on behalf of a Shareholder, even if it has not been effected in the manner set out in this Offer Document. The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholder, in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Document. Notwithstanding the foregoing, acceptances of the Offer by Shareholders not residing in The Netherlands and/or the United States will be accepted by the Offeror if such acceptances comply with (i) the acceptance procedure set out in this Offer Document and (ii) the applicable laws and regulations of the jurisdiction from which such acceptance has been made. Persons obtaining the Offer Document are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents. Neither the Offeror, TNT Express, any of their respective affiliates, managing or supervisory board members, employees nor any of their respective advisors accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who would or otherwise intend to forward this Offer Document or any related document to any jurisdiction outside The Netherlands should carefully read this Section 2 (*Restrictions*) and Section 3 (*Important Information*) before taking any action. The distribution of this Offer Document in jurisdictions other than The Netherlands may be restricted by law and therefore persons into whose possession this Offer Document comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the law of any such jurisdiction.

2.2 United States of America

The Offer is being made for the securities of TNT Express, a public limited liability company incorporated under Dutch law, and is subject to Dutch disclosure and procedural requirements, which differ from those of the United States. The financial information of TNT Express included or referred to herein has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, accordingly, may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the **U.S.**

Exchange Act), and the rules and regulations promulgated thereunder, including Regulation 14E, and is subject to the exemptions from regulation under Regulation 14D and certain provisions of Regulation 14E provided by Rule 14d-1(d) under the U.S. Exchange Act and otherwise in accordance with the requirements of Dutch law. Accordingly, the Offer will be subject to certain disclosure and other procedural requirements, including with respect to the Offer timetable settlement procedures and timing of payments, that are different from those applicable under U.S. tender offer procedures and laws.

The receipt of cash pursuant to the Offer by a U.S. Shareholder may be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under applicable state and local, as well as foreign and other tax laws. See also Section 11 (*Tax aspects of the Offer*). Each Shareholder is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. holders of Shares to enforce their rights and claims arising out of the U.S. federal securities laws, since TNT Express is located in a country other than the United States, and some or all of its officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

To the extent permissible under applicable law or regulations, including Rule 14e-5 of the U.S. Exchange Act, and in accordance with normal Dutch practice, the Offeror and its affiliates or broker (acting as agents for the Offeror or its affiliates, as applicable) may from time to time after the date hereof, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase, Shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In no event will any such purchases be made for a price per share that is greater than the Offer Price. To the extent information about such purchases or arrangements to purchase is made public in The Netherlands, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of TNT Express of such information. No purchases will be made outside the Offer in the United States by or on behalf of the Offeror. In addition, the financial advisors to the Offeror may engage in ordinary course trading activities in securities of TNT Express, which may include purchases or arrangements to purchase such securities. To the extent required in The Netherlands, any information about such purchases will be announced by press release in accordance with Article 13 of the Decree and posted on the website of FedEx at http://investors.fedex.com.

3. IMPORTANT INFORMATION

3.1 Introduction

This Offer Document contains important information that should be carefully read before a decision is made to tender Shares under the Offer. Shareholders are advised to study this Offer Document carefully and to seek independent advice where deemed appropriate in order to reach a balanced judgement of the Offer itself and the contents of the Offer Document. In addition, Shareholders should consult with their tax advisors regarding the tax consequences of tendering their Shares under the Offer.

3.2 Responsibility for information

The information contained in Sections 2 through 6 (excluding Sections 6.10 and 6.11), 9, 10 (paragraphs (iii), (v), (vi), (viii) and (x)), 11, and 13 of this Offer Document has been provided solely by the Offeror. The information contained in Sections 6.10, 7, 8, 10 (paragraphs (iv), (vii) and (ix)) and 15 of this Offer Document has been provided solely by TNT Express. The information contained in pages 1 through 5 and Sections 6.11 and 10 (opening and paragraph (i) and (ii)), 12 and 14 of this Offer Document has been provided by the Offeror and TNT Express together.

The Offeror is exclusively responsible for the accuracy and completeness of the information contained in this Offer Document solely with respect to the information provided by the Offeror. TNT Express is exclusively responsible for the accuracy and completeness of the information contained in this Offer Document solely with respect to the information provided by TNT Express. The Offeror and TNT Express are jointly responsible for the accuracy and completeness of the information contained in this Offer Document provided by the Offeror and TNT Express together.

The auditor’s report included in Section 15.6 and the review report included in Section 15.8 of this Offer Document have been provided by PwC to TNT Express and are identical to the information in the original reports as at the respective dates these reports were issued by PwC.

No person other than the Offeror and TNT Express, and without prejudice to the auditor's and review reports issued by PwC included in this Offer Document, and the Fairness Opinions rendered by Goldman Sachs to the Boards and Lazard to the Supervisory Board (the full text of each Fairness Opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each Fairness Opinion, is included in the Position Statement), is authorised to provide any information or to make any statements on behalf of the Offeror or TNT Express in connection with the Offer or the information contained in the Offer Document. If any such information or statement is provided or made by parties other than the Offeror or TNT Express, such information or statements should not be relied upon as having been provided by or made by or on behalf of the Offeror or TNT Express.

The information included on pages 1 through 5 and in Section 13 (*Nederlandse samenvatting (Dutch language summary)*) regards summarised and translated information, and as the case may be, has been derived from the information included in the other Sections of this Offer Document.

3.3 Accuracy and date of information and presentation of financial information

Each of the Offeror and TNT Express, each solely with respect to the information provided by it, confirms that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, on the date of publication of the Offer Document, the information contained in this Offer Document is in accordance with the facts and contains no omission likely to affect its import.

The information set out in this Offer Document reflects the situation as at the date of this Offer Document, unless specified otherwise. The issue and distribution of the Offer Document does not imply in any respect that the information contained herein will continue to be correct and complete after the date of publication of the Offer Document. The foregoing does not affect the obligation of both the Offeror and TNT Express to make a public announcement pursuant to article 5:25i of the DFSA or article 4 paragraph 1 and paragraph 3 of the Decree, if applicable.

It should be noted that certain financial and statistical information in this Offer Document may have been rounded up or down to the nearest whole number or the nearest decimal and should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Offer Document may vary slightly from the actual arithmetic totals of such information

3.4 Applicable law and jurisdiction

This Offer Document and the Offer are, and any tender, purchase, acceptance or delivery (*levering*) of Shares will be, governed by and construed in accordance with the laws of The Netherlands. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Document, the Offer and/or any tender, purchase, acceptance or transfer (*levering*) of Shares. Accordingly, any legal action or proceedings arising out of or in connection with the Offer Document, the Offer and/or any tender, purchase, acceptance or transfer (*levering*) of Shares must be brought exclusively before such courts.

3.5 Contact details

The Offeror:

FEDEX ACQUISITION B.V.
Address: Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands
Telephone: +1 901 818 7200
E-mail: ir@fedex.com

FEDEX CORPORATION
Address: 942 South Shady Grove Road, Memphis, Tennessee 38120, United States of America
Telephone: +1 901 818 7200
E-mail: ir@fedex.com

TNT Express:

TNT EXPRESS N.V.
Address: Taurusavenue 111, 2132 LS Hoofddorp, P.O. box 13000, 1100 KG Amsterdam, The Netherlands
Telephone: +31 88 393 9500
Fax: +31 (0)88 393 3000
E-mail: investor.relations@tnt.com

The Settlement Agent for Ordinary Shares:

ING BANK N.V.
Address: Foppingadreef 7, 1102 BD Amsterdam, The Netherlands
Telephone: + 31 20 563 6619 and +31 20 563 6546
Fax: + 31 20 563 6959
E-mail: iss.pas@ing.nl

The ADS Tender Agent for ADS:

CITIBANK, N.A.
Address: c/o Voluntary Corporate Actions, P.O. Box 43011, Providence, RI 02940-311, United States of America
Telephone: +1 800 308 7887

The Information Agent:

GEORGESON EUROPE
Address: Westplein 11, 3016 BM Rotterdam, The Netherlands
Telephone:
European Toll Free Helpline: 00800-3915-3915
American Toll Free Helpline: +1 800 561 2871
Email: tnt@georgeson.com

3.6 Language

This Offer Document has been published in English and includes a Dutch summary in Section 13 (*Nederlandse Samenvatting (Dutch Language Summary)*). In the event of differences, whether or not in interpretation, between the English text of the Offer Document on one hand and the Dutch summary on the other hand, the English text shall prevail.

3.7 Availability of copies of Offer Document

Digital copies of this Offer Document are available on the website of TNT Express at www.tnt.com and on the website of FedEx at http://investors.fedex.com. Such websites do not constitute a part of, and are not included or referred to in, this Offer Document. Copies of this Offer Document are also available free of charge from TNT Express, the Settlement Agent, the ADS Tender Agent and the Information Agent at the addresses mentioned above.

3.8 Documentation incorporated by reference

Copies of the Articles of Association and TNT Express' annual reports for the Financial Years 2014, 2013 and 2012, respectively, all of which documents are incorporated by reference in this Offer Document, are also available free of charge at the abovementioned offices of TNT Express and those of the Settlement Agent and on the website of TNT Express at www.tnt.com.

3.9 Forward-looking statements

Certain statements in this Offer Document may be considered forward-looking statements, such as statements relating to the impact of the Offer on the Offeror, FedEx and TNT Express and the expected timing and completion of the Offer. Forward-looking statements include those preceded by, followed by or that include the words may, anticipated, expected or similar expressions. These forward-looking statements speak only as of the date of this Offer Document. Each of the Offeror, FedEx and TNT Express, and any of their respective affiliates, each with respect to the statements it has provided, believes the expectations reflected in such forward-looking statements are based on reasonable assumptions. Nevertheless, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. The forward-looking statements are subject to risks, uncertainties and other factors, many of which are beyond the Offeror's, FedEx's and TNT Express' control, that could cause actual results to differ materially from historical experience or those results expressed or implied in these forward-looking statements. Potential risks and uncertainties include, but are not limited to, (i) the risk that required regulatory approvals may delay the Offer or result in the imposition of conditions that could have a material adverse effect on the Combination or cause the Offeror, FedEx and TNT Express to abandon the Offer, (ii) the risk that the Offer Conditions may not be satisfied, (iii) risks relating to FedEx's ability to successfully operate TNT Express without disruption to its other business activities, which may result in the Combination not operating as effectively and efficiently as expected, (iv) the possibility that the Offer may involve unexpected costs, unexpected liabilities or unexpected delays, (v) the risk that the businesses of the Offeror, FedEx and TNT Express may suffer as a result of uncertainty surrounding the Offer, (vi) the effects of competition (in particular the response to the Transactions in the marketplace) and competitive developments or risks inherent to FedEx's or TNT Express' business plans, (vii) the risk that disruptions from the Transactions will harm relationships with customers, employees and suppliers, (viii) political, economic or legal changes in the markets and environments in which FedEx and/or TNT Express does business, (ix) economic conditions in the global markets in which FedEx and TNT Express operate, (x) uncertainties, risk and volatility in financial markets affecting the Offeror, FedEx and/or TNT Express, and (xi) other factors that can be found in FedEx's and its subsidiaries' and TNT Express' press releases and public filings.

Neither the Offeror, FedEx nor TNT Express, nor any of their respective affiliates and advisors, accepts any responsibility for any financial information contained in this Offer Document relating to the business, results of operations or financial condition of the other or their respective groups. Each of the Offeror, FedEx and TNT Express expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based except as required by applicable laws and regulations or by any competent regulatory authority.

3.10 Financial Advisors

a. Advisor to the Offeror

JPMorgan is acting as financial advisor exclusively to the Offeror and FedEx and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Document) as a client in relation to the Offer and will not be responsible to anyone other than the Offeror for providing the protections afforded to the clients of JPMorgan or for providing advice in relation to the Offer. JPMorgan has issued a fairness opinion to the Board of Directors of FedEx to the effect that, as of the date of the issuance of the fairness opinion and based upon and subject to the qualifications and assumptions set forth therein, the Offer Price is fair, from a financial point of view, to FedEx.

b. Advisors to TNT Express

Goldman Sachs is acting as financial advisor exclusively to the Boards of TNT Express in connection with the Offer and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Document) as a client in relation to the Offer and will not be responsible to anyone other than TNT Express for providing the protections afforded to the clients of Goldman Sachs or for providing advice in relation to the Offer.

Goldman Sachs has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Document.

Lazard is acting as financial advisor exclusively to the Supervisory Board and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Document) as a client in relation to the Offer and will not be responsible to anyone other than the Supervisory Board for providing the protections afforded to the clients of Lazard or for providing advice in relation to the Offer.

Lazard has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Document.

Goldman Sachs issued the Goldman Sachs Fairness Opinion to the Boards dated 6 April 2015 and Lazard issued the Lazard Fairness Opinion to the Supervisory Board dated 6 April 2015. The full text of the Fairness Opinions is included in the Position Statement. The Fairness Opinions are not a recommendation as to whether or not a holder of Shares should tender such Shares in connection with the Offer or any other matter.

c. Responsibility of the advisors

None of the advisors listed in Sections 3.10a (*Advisor to the Offeror*), and 3.10b (*Advisors to TNT Express*) or their respective partners or employees shall have any responsibility, duty of care or liability whatsoever to any party other than, to the extent any such responsibility, duty of care or liability exists, their respective clients, as identified in such Sections, in connection with this Offer Document or the Offer.

4. DEFINITIONS

Acceptance Closing Date	the date on which the Offer expires, being 30 October 2015, or, where appropriate, as extended in accordance with article 15, paragraph 2 of the Decree, or after receiving dispensation from the AFM for a further extension in accordance with Article 5:81 paragraph 3 DFSA and the provisions of this Offer Document
Acceptance Closing Time	the time at which the Offer expires, being at 17:40 hours CET, (11:40 hours New York time) on 30 October 2015, or, where appropriate, as extended in accordance with article 15, paragraph 2 of the Decree, or further extended after the Offeror having received dispensation from the AFM for a further extension in accordance with Article 5:81 paragraph 3 DFSA and the provisions of this Offer Document
Acceptance Level	has the meaning attributed to it in Section 6.6.1A
Acceptance Period	the period during which Shareholders can tender their Shares to the Offeror, which begins at 9:00 hours CET, (3:00 hours New York time) on 24 August 2015 and ends, subject to extension in accordance with article 15 of the Decree or after receiving dispensation from the AFM for a further extension in accordance with Article 5:81 paragraph 3 DFSA, on the Acceptance Closing Time
Admitted Institutions	institutions admitted to Euronext Amsterdam (*aangesloten instelling*), as defined in article 1 of the Securities Giro Act (*Wet giraal effectenverkeer*)
ADRs	American depositary receipts, each evidencing a specific number of ADSs
ADSs	the American depositary shares, each representing one Ordinary Share
ADS Letter of Transmittal	the letter of transmittal that ADS holders receive from the ADS Tender Agent pursuant to which a holder of ADSs may tender such ADSs pursuant to the Offer
ADS Tender Agent	Citibank, N.A.
Affiliate	any corporation, partnership, co-operative or other business or legal entity or person directly or indirectly controlling or controlled by that Party, including any of its subsidiaries and group companies within the meaning of articles 2:24a and

	2:24b of the DCC, respectively
AFM	The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
Agent's Message	a message, transmitted by DTC to, and received by, the ADS Tender Agent and forming a part of a book-entry confirmation, which states that DTC has received an express acknowledgment from the tendering ADS holder that the ADS holder has received and agrees to be bound by the terms of the ADS Letter of Transmittal
Airlines	TNT Airways S.A./N.V. and PAN Air Líneas Aéreas S.A.
Alternative Proposal	has the meaning attributed to it in Section 6.24.1 (*Exclusivity Period*)
Antitrust Authority	has the meaning attributed to it in Section 6.6.3 (*Satisfaction*)
Antitrust Laws	the Dutch Competition Act (*Mededingingswet*), the Hart - Scott - Rodino Act of the United States, the EU Merger Regulation and any other law, regulation or decree (whether national, international, federal, state or local) designed to prohibit, restrict or regulate actions for the purpose or effect of monopolisation or restraint of trade or the significant impediment of effective competition
Applicable Laws	any and all applicable laws (whether civil, criminal or administrative) including common law, statutes, subordinate legislation, treaties, regulations, rules, directives, decisions, by-laws, circulars, codes (including corporate governance codes), orders, notices, demands, decrees, injunctions, guidance, judgments or resolutions of a parliamentary government, quasigovernment, federal, state or local government, statutory, administrative or regulatory body, securities exchange, court or agency in any part of the world which are in force or enacted and are, in each case, legally binding as at the relevant time, and the term Applicable Law will be construed accordingly
Articles of Association	the articles of association of TNT Express, most recently amended as at 26 April 2012, as amended from time to time after the date of this Offer Document
Asset Sale	the sale and purchase of the Business in accordance with the Asset Sale Agreement
Asset Sale Agreement	has the meaning attributed to it in Section 6.16.3 (*Asset Sale*

	and Liquidation)
Asset Sale and Liquidation	has the meaning attributed to it in Section 6.16.3 (*Asset Sale and Liquidation*)
Asset Sale Range	has the meaning attributed to it in Section 6.16.3 (*Asset Sale and Liquidation*)
Asset Sale and Liquidation Resolutions	the resolutions to be adopted by the Shareholders at the EGM as described in Section 7 (*Extraordinary general meeting of TNT Express*)
Board of Directors	the board of directors of FedEx
Boards	the Executive Board and the Supervisory Board
Business	has the meaning attributed to it in Section 6.16.3 (*Asset Sale and Liquidation*)
Business Day	a day (other than a Saturday or Sunday) on which banks, Euronext Amsterdam and NYSE are generally open for normal business in The Netherlands and the United States of America
Buy-Out	has the meaning attributed to it in Section 6.16.2 (*Buy-Out*)
Call Option	has the meaning attributed to it in Section 8.10 (*Foundation*)
Central Works Council	the central works council of TNT Nederland B.V.
CET	Central European Time
Code	has the meaning attributed to it in Section 11.2 (*Material U.S. Federal Income Tax Considerations*)
Combination	the combination of TNT Express and FedEx after Settlement of the Offer
Commencement Date	the date on which the Offer is made
Commitments	has the meaning attributed to it in Section 6.6.3 (*Satisfaction*)
Competition Clearances	has the meaning attributed to it in Section 6.6.1B
Completion	completion of the sale and purchase of the Business in accordance with the Asset Sale Agreement
Conversion	has the meaning attributed to it in Section 6.13 (*Intentions following the Offer being declared unconditional*)
Conversion Resolution	has the meaning attributed to it in Section 7 (*Extraordinary general meeting of TNT Express Shareholders*));

DCC	the Dutch Civil Code *(Burgerlijk Wetboek)*
Decree	the Dutch Decree on Public Offers (*Besluit openbare biedingen Wft*)
DEPO	means the Dutch Exemption Decree Public Offers (*Vrijstellingsbesluit overnamebiedingen Wft*)
Deposit Agreement	has the meaning attributed to it in Section 6.15 (*Termination Deposit Agreement*)
Deposit Agreement Termination Date	has the meaning attributed to it in Section 6.15 (*Termination Deposit Agreement*)
DFSA	the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)
Dutch Business Day	a day (other than a Saturday or Sunday) on which banks in The Netherlands are open for normal business (according to the collective agreement for the banking sector (the *CAO Banken*)
Dutch Corporate Governance Code	the Dutch corporate governance code, dated 1 January 2009 (as amended from time to time) as established under Section 2:391 paragraph 5 of the Dutch Civil Code
Dutch Merger Code	the Merger Code 2000 (*SER-Besluit Fusiegedragsregels 2000)*
DTC	the Depository Trust Company
EGM	the extraordinary general meeting of Shareholders, to be held at 9:00 hours CET on 5 October 2015, at the TNT Centre, Taurusavenue 111, 2132 LS Hoofddorp, The Netherlands, at which, *inter alia*, the Offer will be discussed in accordance with article 18 of the Decree and the Asset Sale and Liquidation Resolutions, Conversion Resolution and Governance Resolutions will be voted on
Eligible Institution	a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a participant in the Securities Transfer Agent Medallion Program or any other "eligible guarantor institution", as such term is defined in Rule 17Ad-15 of the Exchange Act
Employee Share Rights	has the meaning attributed to it in Section 8.13 (*Incentive Plans*)
EU Competition Clearance	Phase I Competition Clearance or Phase II Competition Clearance, allowing the Offeror to acquire and vote on the

	Shares tendered under the Offer as per the Settlement Date
EUR, euro or €	Euro, the legal European currency of the European Monetary Union
Euroclear Netherlands	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch depositary and settlement institute as referred to in the Securities Giro and Transfer Act (*Wet giraal effectenverkeer*)
Euronext Amsterdam	the stock exchange of Euronext Amsterdam, the regulated market of Euronext Amsterdam N.V.
Exclusivity Period	the period commencing on date of the Merger Protocol and ending on the earlier of (i) the date of termination of the Merger Protocol, and (ii) midnight on the Settlement Date
Executive Board	the management board (*raad van bestuur*) of TNT Express
Fairness Opinions	has the meaning attributed to it in Section 6.7 (*Decision making and Recommendation by the Boards*)
FedEx	FedEx Corporation, a public company organised under the laws of the State of Delaware, U.S.A.
FedEx Group	FedEx and its Affiliates from time to time
Financial Year 2012	the financial year of TNT Express ending on 31 December 2012
Financial Year 2013	the financial year of TNT Express ending on 31 December 2013
Financial Year 2014	the financial year of TNT Express ending on 31 December 2014
First Announcement	the joint announcement made by FedEx and TNT Express on 7 April 2015
Foundation	Stichting Continuïteit TNT Express
Foundation Option Agreement	has the meaning attributed to it in Section 8.10 (*Foundation*)
Goldman Sachs	Goldman Sachs International
Goldman Sachs Fairness Opinion	has the meaning attributed to it in Section 6.7 (*Decision making and Recommendation by the Boards*)
Governmental Entity	means any government authority, court of competent jurisdiction, administrative agency or commission or other governmental or regulatory authority or instrumentality, in each case, whether domestic or foreign

Governance Resolutions	the resolutions to be adopted by the Shareholders at the EGM as described in Section 7 (*Extraordinary general meeting of TNT Express Shareholders*)
Governmental or Court Order	has the meaning attributed to it in Section 6.6.1I
Group Companies	all Affiliates of TNT Express
IFRS	International Financial Reporting Standards as adopted by the European Union and part 9 of Book 2 of the DCC
Incentive Plans	has the meaning attributed to it in Section 8.13 (*Incentive Plans*)
Independent Members	Ms. M. Scheltema and Mr. S. Levy
Information Agent	Georgeson Europe
Integration Committee	has the meaning attributed to it in Section 6.21 (*Integration*)
Irrevocable PostNL	has the meaning attributed to it in Section 6.8 (*Irrevocable PostNL*)
IRS	Internal Revenue Service
JPMorgan	J.P. Morgan Securities LLC
Lazard	Lazard B.V.
Lazard Fairness Opinion	has the meaning attributed to it in Section 6.7 (*Decision making and Recommendation by the Boards*)
Liquidation	has the meaning attributed to it in Section 6.16.3 (*Asset Sale and Liquidation*)
Liquidator	has the meaning attributed to it in Section 7 (*Extraordinary general meeting of TNT Express Shareholders*)
Long Stop Date	6 June 2016
Matched Offer	has the meaning attributed to it in Section 6.24.5 (*Matching Right*)
Matching Offer Period	has the meaning attributed to it in 6.24.5 (*Matching Right*)
Matching Right	has the meaning attributed to it in Section 6.24.5 (*Matching Right*)
Material Adverse Effect	any change, event, circumstance or effect (any such items an **Effect**) individually or when taken together with all other Effects, that occurred after the date of the Merger Protocol and

is continuing on the Acceptance Closing Date (and, for the avoidance of doubt, any such Effect occurring before the Commencement Date may be taken into account in the determination at the Acceptance Closing Date of whether a Material Adverse Effect has occurred) that is or is reasonably likely to be materially adverse to the business, the assets, the liabilities, the financial condition or position or capitalization of the TNT Express Group taken as a whole, such that FedEx cannot reasonably be expected to declare the Offer unconditional (*gestand wordt gedaan*) or complete the Asset Sale, as the case may be, **provided**, **however**, that for the purpose of determining whether there has been, or will be, a Material Adverse Effect, the following Effects will not be taken into account:

(a) a general economic decline affecting the companies active in the industry in which the members of the TNT Express Group operate;

(b) any natural disaster, pandemic, act of terrorism, sabotage, armed hostility, military action (including, but not limited to, military action in Syria, Iran, Yemen and Ukraine), or act of God, or any escalation or worsening thereof;

(c) changes in economic, political, or market conditions (including oil prices), including any adverse development regarding the European Union, its member states (including member states leaving such union) and the Eurozone (including one or more member states leaving or forced to leave such zone);

(d) any failure, in and of itself, by TNT Express or the TNT Express Group to meet any internal or published projections, forecasts or revenue or earnings predictions (provided, however, that, in the case of this paragraph (d), the underlying cause for such failure may be considered in determining whether there may be a Material Adverse Effect);

(e) the credit, financial strength or other ratings (provided, however, that, in the case of this paragraph (e), the underlying cause for such change, event, circumstance or effect relating to credit, financial strength or other ratings may be considered in determining whether there may be a Material Adverse Effect) of TNT Express or the TNT Express Group;

(f) any Effect resulting from any act or omission of FedEx, whether before or after the date of this Merger Protocol, including any action taken by TNT Express or any member of the TNT Express Group with FedEx's written consent or at FedEx's direction (or not taken where such consent has been withheld) or compliance by TNT Express with the terms of, or the taking of any action required by, the Merger Protocol, except for any Effect resulting from any act or omission of FedEx that is a response to a breach of the Merger Protocol by TNT Express;

(g) any Effect resulting from (i) the entry into of the Merger Protocol, or (ii) the announcement, making or implementation of the Offer;

(h) a breach of the Merger Protocol or applicable law by FedEx;

(i) any change or prospective change of law or regulation, or the interpretation thereof, including any change to generally accepted accounting principles;

(j) any litigation having been commenced by Shareholders in relation to (i) the Offer, or (ii) the Asset Sale or any of the other Transactions; or

(k) any Effect (including but not limited to litigation) which is known or should have been known to FedEx as per the date of the Merger Protocol,

except, in the cases of paragraphs (a), (b) and (c), to the extent that the TNT Express Group, taken as a whole, is materially disproportionately affected thereby as compared with other participants in the industries in which the TNT Express Group primarily operates (in which case the incremental materially disproportionate impact or impacts may be taken into account in determining whether there has been, or is reasonably expected to be, a Material Adverse Effect)

Merger Protocol	the merger protocol between FedEx and TNT Express dated 6 April 2015
Merger Rules	all Applicable Laws regarding the Transactions, and each of them, including without limitation, the applicable provisions of the DFSA, the Decree, the DEPO, any rules and regulations promulgated pursuant to the DFSA, Decree and DEPO, the policy guidelines, instructions and opinions of the AFM, the Dutch Merger Code, the WOR, the rules and regulations of Euronext Amsterdam and, in as far as applicable, NYSE, the DCC, the relevant securities and employee consultation rules and regulations in other applicable jurisdictions including, without limitation, the applicable U.S. securities laws and the rules and regulations promulgated under such laws, and the relevant Antitrust Laws applicable to the Offer.
Minority Exit Opportunity	has the meaning attributed to it in Section 6.14 (*Liquidity and delisting*)
Non-Financial Covenants	has the meaning attributed to it in Section 6.23.1 (*Introduction*)
Non-Financial Covenants Duration	the 3rd (third) anniversary of the Commencement Date
NYSE	the New York Stock Exchange, operated by NYSE Euronext
Offer	has the meaning attributed to it on page 2
Offer Conditions	the condition(s) to declaring the Offer unconditional (*gestanddoening*) as set out in Section 6.6.1 (*Offer Conditions*)
Offer Document	this offer document describing the terms and conditions of and restrictions applicable to the Offer, of which for the avoidance of doubt the Position Statement does not form a part
Offer Price	has the meaning attributed to it on page 2
Offeror	FedEx Acquisition B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its registered seat at Amsterdam, The Netherlands and its address at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands
Ordinary Shares	the issued ordinary shares in the share capital of TNT Express with a nominal value of EUR 0.08 each
Other Key Competition Clearances	one of the following events having occurred in respect of Brazil, China and, to the extent applicable, the United States

	of America: (i) the Antitrust Authorities issuing a decision in respect of the transactions contemplated by this Offer Document constituting clearance of the proposed concentration, or stating that no clearance is required, or (ii) the expiry, lapse or termination of all applicable waiting and other time periods (including extensions thereof) under any applicable legislation or regulation in respect of the transactions contemplated by this Offer Document provided that, upon such expiry, lapse or termination the transactions contemplated by this Offer Document are by operation of law and effective immediately deemed to be cleared
Phase I Competition Clearance	that the transactions contemplated by this Offer Document are declared by the European Commission to be compatible with the common market, whether unconditionally or subject to any such conditions, obligations, undertakings or modifications as the decision may identify, pursuant to Article 6(1)(a), 6(1)(b) or 6(2) of the EU Merger Regulation or deemed to have been declared compatible with the common market pursuant to Article 10(6) of the EU Merger Regulation or, in case the European Commission makes a referral in whole or in part under Article 4 or 9 of the EU Merger Regulation, a declaration or deemed declaration by the Dutch Competition Authority pursuant to Article 37(4) or 37(5) of the Dutch Competition Act, respectively, and, if applicable, other regulatory authorities of member state(s) to which the transaction may be referred pursuant to the applicable phase I rules in the relevant jurisdictions
Phase II Competition Clearance	that the transactions contemplated by this Offer Document are declared by the European Commission to be compatible with the common market, whether unconditionally or subject to any such conditions, obligations, undertakings or modifications as the decision may identify, pursuant to Article 8(1) or 8(2) of the EU Merger Regulation or deemed to have been declared compatible with the common market pursuant to Article 10(6) of the EU Merger Regulation, or, in case the European Commission makes a referral in whole or in part under Article 4 or 9 of the EU Merger Regulation, a clearance declaration or deemed clearance declaration by the Dutch Competition Authority pursuant to Article 44(1) of the Dutch Competition Act and, if applicable, other regulatory authorities of member state(s) to which the transaction may be referred pursuant to the applicable phase II rules in the relevant jurisdictions
Position Statement	has the meaning attributed to it on page 2

Post-Closing Acceptance Period	the period of up to 2 (two) weeks after the Unconditional Date, during which Shareholders who have not tendered their Shares under the Offer during the Acceptance Period will be given the opportunity to do so in the same manner and under the same conditions as set out in the Offer Document (*na-aanmeldingstermijn*)
PostNL	PostNL N.V., a public limited liability company (*naamloze vennootschap*) incorporated under the laws of The Netherlands, having its registered seat at 's-Gravenhage, The Netherlands and its address at Prinses Beatrixlaan 23, 2595 AK 's-Gravenhage, The Netherlands
Post-Settlement Restructuring	any transaction, restructuring, procedures or proceedings to be implemented to procure as soon as practicable after Settlement that (i) TNT Express is delisted and (ii) the Offeror acquires all Shares and/or the entire TNT Express business, including pursuant to a Buy-Out, an Asset Sale or a Statutory Merger, as the case may be
Potential Superior Offer	has the meaning attributed to it in Section 6.24.2 *Potential Superior Offer*)
Protective Preference Shares	has the meaning attributed to it in Section 8.10 (*Foundation*)
Purchase Price	has the meaning attributed to it in Section 6.16.3 (*Asset Sale and Liquidation*)
Purchaser Note	has the meaning attributed to it in Section 6.16.3 (*Asset Sale and Liquidation*)
PwC	PricewaterhouseCoopers Accountants N.V.
Recommendation	has the meaning attributed to it in Section 6.7 (*Decision making and Recommendation by the Boards*)
Reference Date	2 April 2015, the last trading day before the First Announcement
Registered Holders	has the meaning attributed to it in Section 5.3.3 (*Acceptance by holders of Ordinary Shares individually recorded in TNT Express' shareholders' register*)
Relationship Agreement	the relationship agreement entered into by TNT Express and PostNL on 24 February 2013
Relevant Persons	has the meaning attributed to it in Section 6.24.1 (*Exclusivity Period*)
Resolutions	the Asset Sale and Liquidation Resolutions, Conversion

	Resolution and the Governance Resolutions as described in Section 7 (*Extraordinary general meeting of TNT Express*)
SEC	United States Securities and Exchange Commission
Section	any section of this Offer Document
Settlement	the settlement of the Offer entailing that Shareholders who have Tendered Shares will receive the Offer Price in respect of each Tendered Share, and that the Offeror shall acquire each Tendered Share, within 5 (five) Business Days following the Unconditional Date
Settlement Agent	ING BANK N.V.
Settlement Date	the date on which Settlement occurs
Shareholders	holders of Shares
Shareholder Distribution	has the meaning attributed to it in Section 6.16.3 (*Asset Sale and Liquidation*)
Shares	Ordinary Shares and ADSs
Statutory Buy-Out	has the meaning attributed to it in Section 6.16.2 (*Buy-Out*)
Statutory Merger	has the meaning attributed to it in Section 6.16.5 (*Statutory Merger*)
Superior Offer	has the meaning attributed to it in Section 6.24.3 (*Superior Offer*)
Superior Offer Period	has the meaning attributed to it in Section 6.24.1b.ii (*Exclusivity Period*)
Supervisory Board	the supervisory board (*raad van commissarissen*) of TNT Express
Takeover Buy-Out	has the meaning attributed to it in Section 6.16.2 (*Buy-Out*)
Tendered Share	each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) for acceptance pursuant to the Offer prior to or on the Acceptance Closing Date
TNT Express	TNT Express N.V., a public limited liability company (*naamloze vennootschap*) incorporated under the laws of The Netherlands, having its corporate seat in Amsterdam, The Netherlands, and its office address at Taurusavenue 111, 2132 LS Hoofddorp, The Netherlands

TNT Express Group	TNT Express and its Affiliates from time to time
Transactions	the Offer, the Asset Sale and other Post-Settlement Restructurings and the other actions contemplated by the Resolutions and the Merger Protocol
Unconditional Date	the day on which the Offeror publicly announces whether the Offer is declared unconditional (*gestand wordt gedaan*), being no later than on the third Dutch Business Days following the Acceptance Closing Date
U.S. Depositary	Citibank, N.A.
WOR	the Dutch Works Council Act (*Wet op de Ondernemingsraden*).

5. INVITATION TO THE SHAREHOLDERS

5.1 Invitation to the Shareholders

The Offeror hereby makes a recommended public cash offer to purchase all Shares on the terms and subject to the conditions set forth in this Offer Document. Shareholders are advised to review the Offer Document (including all documents incorporated by reference herein), and in particular Sections 2 (*Restrictions*) and 3 (*Important Information*), thoroughly and completely and to seek independent advice where appropriate in order to reach a balanced judgement in respect of the Offer itself and the contents of the Offer Document. Shareholders that consider not tendering their Shares are advised to review Section 5.13 (*Indicative timetable*) and Section 6.13 (*Intentions following the Offer being declared unconditional*) in particular.

With reference to all terms, conditions, restrictions and statements included in this Offer Document, Shareholders are hereby invited to tender their Shares under the Offer in the manner and on the terms and subject to the conditions and the restrictions set out in this Offer Document.

5.2 Offer Price

For each Ordinary Share tendered under the Offer, the Offeror offers the Offer Price, being a consideration of EUR 8.00 (eight euro) in cash and for each ADS tendered under the Offer, the Offeror offers an amount equal to the U.S. dollar equivalent (determined in accordance with this Section 5.2 (*Offer Price*)) of EUR 8.00 (eight euro), in each instance to the Shareholder in cash, without interest and less any applicable withholding tax payable under mandatory law.

With respect to the ADSs, the Offer Price, to the ADS holder in cash, without interest and less any applicable withholding taxes, will be paid by the Offeror in U.S. dollars, based on the conversion of EUR 8.00 (eight euro) per ADS into U.S. dollars calculated by the Offeror using the spot market exchange rate for the U.S. dollar against the euro published on Bloomberg at noon New York time on the day immediately prior to the date on which funds are received by the ADS Tender Agent to pay for the ADSs following the Unconditional Date, tendered under the terms and subject to the conditions and restrictions of the Offer. Holders of ADSs should be aware that the euro to U.S. dollar exchange rate prevailing at the date on which such ADS holder tenders its, his or her ADSs and on the dates of dispatch and receipt of payment may be different from that prevailing on the day immediately prior to the date on which funds are received by the ADS Tender Agent to pay for the ADSs following the Unconditional Date. In all cases, fluctuations in the euro to U.S. dollar exchange rate are at the risk of accepting holders of ADSs. None of the Offeror, TNT Express, the Settlement Agent, the ADS Tender Agent, the Information Agent or their respective advisors or agents shall have any responsibility with respect to or be liable for the actual amount of cash consideration payable other than in euro.

The Offer Price includes any (interim) cash or share dividend or other distribution on the Shares that is or may be declared by TNT Express on or prior to the Settlement Date and the record date for such cash or share dividend or other distribution occurs on or prior to the Settlement Date. Consequently, if on or prior to the Settlement Date any cash or share dividend or other distribution is declared in respect of the Shares and the record date for such cash or share dividend or other distribution occurs on or prior to the Settlement Date, the Offer Price will be decreased by an amount per Share equal to any such cash or share dividend or other distribution per Share. Any adjustment to the Offer Price resulting from a distribution by TNT Express will be communicated by press release in accordance with Section 5.12 (*Announcements*) of this Offer Document.

5.3 Acceptance of the Offer by Shareholders and tender procedures

5.3.1 General

The tender of any Share by a Shareholder constitutes an acceptance of the Shareholder of the Offer. Before taking any action, Shareholders of Ordinary Shares should carefully verify how they hold their Ordinary Shares: through an Admitted Institution or directly (e.g. individually recorded in TNT Express' shareholders register). Holders of ADSs should carefully verify how they hold their ADSs: through a DTC participant or directly (i.e. individually recorded in the U.S. Depositary's register of ADS holders). If in doubt, holders of Ordinary Shares should contact the Settlement Agent, and holders of ADSs should contact the ADS Tender Agent, in each case at the contact details included in Section 3.5 (*Contact details*).

5.3.2 Acceptance by holders of Ordinary Shares through Admitted Institutions

Shareholders who hold their Ordinary Shares through an Admitted Institution must make their acceptance known via their custodian, bank or stockbroker prior to 17:40 hours CET, on 30 October 2015, unless the Acceptance Period is extended in accordance with Section 5.4 (*The Acceptance Period and extension of the Acceptance Period*). Custodians, banks or stockbrokers may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate acceptances to the Settlement Agent in a timely manner. Accordingly, Shareholders holding Shares through a financial intermediary should comply with the dates communicated by such financial intermediary, as such dates may differ from the dates and times noted in this Offer Document.

Admitted Institutions may tender Ordinary Shares for acceptance only to the Settlement Agent and only in writing. In submitting the acceptance, the Admitted Institutions are required to declare that (i) they have the Tendered Shares in their administration, (ii) each Shareholder who accepts the Offer irrevocably represents and warrants that the Tendered Shares are being tendered in compliance with the restrictions as set out in Section 2 (*Restrictions*) and Section 3 (*Important Information*) and the securities and other applicable laws and/or regulations of the jurisdiction(s) to which such Shareholder is subject, and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the Tendered Shares, and (iii) they undertake to transfer (*leveren*) these Tendered Shares to the Offeror prior to or on the Settlement Date, provided the Offeror declares the Offer unconditional (*gestand wordt gedaan*).

Subject to the proper withdrawal of any tender of Shares, the tendering of Shares in acceptance of the Offer shall constitute irrevocable instructions (i) to block any attempt to transfer the Shares tendered, so that, on or prior to the Settlement Date, no transfer of such Shares may be effected (other than to the Settlement Agent on or prior to the Settlement Date if the Offeror declares the Offer unconditional (*gestand wordt gedaan*) and the Shares have been accepted for purchase) and (ii) to debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Tendered Shares, against payment by the Settlement Agent on behalf of the Offeror of the Offer Price per Share.

5.3.3 Acceptance by holders of Ordinary Shares individually recorded in TNT Express' shareholders' register

Holders of Shares individually recorded in TNT Express’ shareholders' register (**Registered Holders**) wishing to accept the Offer in respect of such Shares must deliver a completed and signed acceptance form to the Settlement Agent in accordance with the terms and conditions of the Offer, no later than 17:40 hours, Amsterdam time (11:40 hours, New York time) on the Acceptance Closing Date. The acceptance forms are available upon request from the Settlement Agent. The acceptance form will also serve as a deed of transfer (*akte van levering*) with respect to the Shares referenced therein.

5.3.4 Acceptance by holders of ADSs

Holders of ADSs in registered form, either in ADR form or in uncertificated form through the Direct Registration System (a system administered by the DTC pursuant to which Citibank, N.A., the depositary for the ADSs (the **U.S. Depositary**), may register the ownership of uncertificated ADSs in its books), may accept the Offer and tender ADSs to the ADS Tender Agent by delivering to the ADS Tender Agent a properly completed and duly executed ADS Letter of Transmittal, with any applicable signature guarantees from an Eligible Institution, together with the ADRs representing the ADSs specified on the face of the ADS Letter of Transmittal, if applicable, prior to the Acceptance Closing Time. The ADS Letters of Transmittal and other associated forms are available upon request from the ADS Tender Agent. ADS Letters of Transmittal properly completed and duly executed, together with the corresponding ADRs, if applicable, should only be sent to the ADS Tender Agent and should not be sent to the Offeror, the U.S. Depositary or the Settlement Agent. ADS Letters of Transmittal properly completed and duly executed, together with the corresponding ADRs, if applicable, must be received by the ADS Tender Agent prior to the Acceptance Closing Time.

The method of delivery of ADS Letters of Transmittal and, if applicable, ADRs, and all other required documents, is at the ADS holder's option and risk, and the delivery will be deemed made only when actually received by the ADS Tender Agent. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, an ADS holder should allow sufficient time to ensure timely delivery. No acknowledgement of receipt of documents will be given by or on behalf of the Offeror or the ADS Tender Agent.

Shareholders holding ADSs in book-entry form, all of which are held through the facilities of DTC, must instruct the financial intermediary through which such Shareholders own their ADSs to arrange for a DTC participant holding the ADSs in its DTC account to tender such ADSs to the DTC account of the ADS Tender Agent through the book-entry transfer facilities of DTC, together with an Agent’s Message, no later than 11:40 hours, New York time, on the Acceptance Closing Date. DTC has informed the Offeror that it can only cut off book-entry tenders of ADSs at the end of a business day, New York time, and the Offeror has agreed that it will accept valid book-entry tenders of ADSs up until 17:00 hours, New York time, on the Acceptance Closing Date. Financial intermediaries may set an earlier deadline for communication by holders of ADSs in order to permit the financial intermediary to communicate acceptances to the ADS Tender Agent in a timely manner. Accordingly, holders of ADSs through a financial intermediary should contact such financial intermediary to obtain information about the deadline by which such holders of ADSs must accept the Offer and comply with the dates communicated by such financial intermediary as such dates may differ from the dates and times noted in this Offer Document.

If the procedure for registered or book-entry tenders cannot be completed on a timely basis, holders of ADSs in book-entry form may follow the guaranteed delivery procedures described below.

Tendered ADSs will be held in an account controlled by the ADS Tender Agent, and consequently a holder of ADSs that has tendered its ADSs will not be able to sell, assign, transfer or otherwise dispose of tendered ADSs until such time as (i) the holder of ADSs withdraws the tendered ADSs from the Offer during an extension of the Acceptance Period in accordance with Section 5.4 (*The Acceptance Period and extension of the Acceptance Period*), (ii) the tendered ADSs have been accepted for purchase by the Offeror (subject to the terms and conditions of the Offer), or (iii) the tendered ADSs have been returned to the holder of ADSs if the Offer is not completed or if the ADSs were not accepted for purchase.

ADSs tendered on or prior to the Acceptance Closing Date may not be withdrawn except as described below in Section 5.3.7 (*Withdrawal Rights*).

Guaranteed Delivery Procedure

If a holder of ADSs wishes to tender ADSs during the Acceptance Period and its ADSs are not immediately available or time will not permit all required documents to reach the ADS Tender Agent before the Acceptance Closing Time or the procedure for book-entry transfer cannot be completed on a timely basis, a holder of ADSs may nevertheless properly tender ADSs if all the following conditions are satisfied:

- the tender is made by or through an Eligible Institution;

- a properly completed and duly executed notice of guaranteed delivery, substantially in the form available from the ADS Tender Agent, is received by the ADS Tender Agent as provided below before the Acceptance Closing Date; and

- ADRs in proper form for transfer or in the case of a book-entry transfer, a book-entry confirmation along with an Agent's Message, and any other required documents are received by the ADS Tender Agent within 3 (three) New York business days after the date of execution of the notice of guaranteed delivery. A New York business day is a day other than a Saturday or Sunday on which banks in the United States and the NYSE are open for business.

Any notice of guaranteed delivery may be delivered by hand, mail or facsimile to the ADS Tender Agent and must include a medallion guarantee by an Eligible Institution in the form set forth in the notice of guaranteed delivery (please refer to your bank, or a brokerage firm, for more information on the medallion guarantee program). In the case of ADSs held through the book-entry transfer system of DTC, the notice of guaranteed delivery must be delivered to the ADS Tender Agent by a DTC participant by means of the DTC book-entry transfer confirmation system.

A notice of guaranteed delivery will not be an effective means of tendering ADSs during the Post-Closing Acceptance Period and no notice of guaranteed delivery will be accepted following the Acceptance Closing Time.

5.3.5 Validity of the Tendered Shares; waiver of defects; return of Tendered Shares

The Offeror will determine questions as to the validity, form, eligibility, including time of receipt, and acceptance for purchase of any tender of Shares, in its sole reasonable discretion and the Offeror's determination will be final and binding. The Offeror reserves the right to reject any and all tenders of Shares that it in all reasonableness determines are not in proper form or the acceptance for purchase of which may be unlawful. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. The Offeror's interpretation of the terms and conditions of the Offer, including the acceptance forms and instructions thereto, will be final and binding. There shall be no obligation on the Offeror, the Settlement Agent, and the ADS Tender Agent or any person acting on its or their behalf to give notice of any defects or irregularities in any acceptance or notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notification. The Offeror reserves the right to accept any tender of Shares pursuant to the Offer, even if such tender has not been made in compliance with the procedures set forth in this Section 5.3.

If any Shares tendered in accordance with the instructions set forth in this Offer Document are not accepted for purchase pursuant to the terms and conditions of this Offer, the Offeror will cause these Shares to be returned promptly following the announcement of the lapse or withdrawal of the Offer, as the case may be.

5.3.6 Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Shares pursuant to the Offer, by such tender on the date that such Shares are tendered, and up to and including the Settlement Date, subject to the proper withdrawal of any tender:

(a) acknowledges that the tender of any of his or her Shares constitutes an acceptance by the Shareholder of the Offer with respect to the Shares so tendered, on and subject to the terms and conditions of the Offer as set out in this Offer Document;

(b) represents and warrants to the Offeror that the Shareholder has full power and authority to tender, sell and transfer (*leveren*) his or her Shares, and has not entered into any other agreement to tender, sell or transfer (*leveren*) such Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching to such Shares) and, at the time such Shares are transferred (*geleverd*) to the Offeror, the Shareholder will have sole legal and beneficial title to such Shares and such Shares are free of any third-party rights and restrictions of any kind, unless such third-party rights and restrictions arise solely and result directly from such Shares being held in book entry form in Euroclear Netherlands or DTC;

(c) represents and warrants to the Offeror that his or her Shares are tendered in compliance with the restrictions as set out in Sections 2 (*Restrictions*) and 3 (*Important information*) and the securities and other applicable laws or regulations of the jurisdiction in which the Shareholder is located or of which it is a resident, and no registration, approval or filing with any regulatory authority of that jurisdiction is required in connection with the tendering of those Shares; and

(d) acknowledges towards and agrees with the Offeror and TNT Express, as of the date on which his or her Shares are transferred (*geleverd*) to the Offeror, to have waived any and all rights or entitlements that the Shareholder may have in its capacity as Shareholder or otherwise in connection with its shareholding vis-à-vis any member of the TNT Express Group and any and all past and current members of the Boards.

5.3.7 Withdrawal Rights

Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender:

(a) during any extension of the Acceptance Period in accordance with the provisions of Article 15 Paragraph 3 of the Decree;

(b) following an announcement of a mandatory public offer in accordance with the provisions of Article 5b Paragraph 5 of the Decree, provided that such Shares were already tendered prior to such announcement and withdrawn within 7 (seven) Dutch Business Days following such announcement;

(c) following the filing of a successful request with the Dutch Enterprise Chamber to set a reasonable price for a mandatory public offer in accordance with the provisions of Article 15 Paragraph 8 of the Decree, provided that (i) such request was granted, (ii) such Shares were already tendered prior to the filing of such request, and (iii) withdrawn within 7 (seven) Dutch Business Days following the date on which the judgment of the Dutch Enterprise Chamber was declared provisionally enforceable or became final and conclusive; or

(d) following an increase of the Offer Price as a result of which the Offer Price no longer only consists of a cash component and a document is made generally available pursuant to Article 15a Paragraph 3 of the Decree, provided that such Shares were already tendered before such document was made generally available and withdrawn within 7 (seven) Dutch Business Days after such document was made generally available.

To withdraw previously tendered Ordinary Shares, holders of Ordinary Shares held through Admitted Institutions must instruct the Admitted Institution they initially instructed to tender the Ordinary Shares to arrange for the withdrawal of such Ordinary Shares by the timely deliverance of a written or facsimile transmission notice of withdrawal to the Settlement Agent at the address set out in Section 3.5 (*Contact details*), and Registered Holders must timely deliver a written or facsimile transmission notice of withdrawal to the Settlement Agent at the address set out in Section 3.5 (*Contact details*) and in the form as attached to the acceptance form.

Any notice of withdrawal for Ordinary Shares must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of the Shares to be withdrawn, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal of Ordinary Shares must be guaranteed by an Admitted Institution, unless such Ordinary Shares have been tendered for the account of any Intermediary.

To withdraw previously tendered ADSs, held and tendered through DTC, the applicable DTC participant must follow the procedures of the DTC system to instruct the withdrawal of the ADSs previously tendered. To withdraw previously tendered ADSs, held and tendered outside DTC, the tendering holder must deliver a written notice of withdrawal to the ADS Tender Agent at the address set out in Section 3.5 (*Contact details*). Any notice of withdrawal for ADSs must specify the name of the person who tendered the ADSs, the number of ADSs to be withdrawn and the name of the registered holder of the ADSs. If certificates for ADSs to be withdrawn have been delivered or otherwise identified to the ADS Tender Agent, then, before the release of the certificates, the tendering holder must also submit the serial numbers shown on the particular certificates for ADSs to be withdrawn and the signature(s) on the notice of withdrawal must be medallion guaranteed by an Eligible Institution. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Offeror, in its sole discretion, which determination will be final and binding. Withdrawals of tenders of Shares may not be rescinded, and any Shares properly withdrawn will be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by the procedure for tendering Shares described in Section 5.3 (*Acceptance of the Offer by Shareholders and tender procedures*). During the Post-Closing Acceptance Period, no withdrawal rights will apply to Shares tendered during such Post-Closing Acceptance Period or to Shares tendered under the Offer and accepted by the Offeror on or prior to the Acceptance Closing Date.

5.4 The Acceptance Period and extension of the Acceptance Period

The Acceptance Period begins at 9:00 hours CET (3:00 hours New York time) on 24 August 2015 and ends, subject to possible extensions, at 17:40 hours CET (11:40 hours New York time) on 30 October 2015. The Offeror has agreed that it will accept valid book entry tenders of ADSs up until 17:00 hours, New York time, on the Acceptance Closing Date.

If one or more of the Offer Conditions is not satisfied or waived in accordance with Section 6.6.2 (*Waiver*) before the end of the initial Acceptance Period, the Offeror shall extend the initial Acceptance Period once for a minimum period of 2 (two) weeks and a maximum period of 10 (ten) weeks so that the Offer Conditions may be satisfied or, to the extent legally permitted, waived in accordance with Section 6.6.2 (*Waiver*). See Section 6.6 (*Offer Conditions, waiver and satisfaction*). If the Offer Condition with respect to Competition Clearances has not been satisfied or waived before the end of the initial Acceptance Period, the Offeror shall extend the initial Acceptance Period for 10 (ten) weeks (or such shorter period as may be agreed in writing between the Offeror and TNT Express in light of the reasonably expected period required to satisfy the Offer Condition with respect to Competition Clearances, but in any case for a minimum period of 2 (two) weeks).

In addition, the Acceptance Period may be further extended if the events referred to in article 15 paragraph 5 of the Decree occur. Further extensions are subject to clearance of the AFM. If the Offer Condition with respect to Competition Clearances is not satisfied or, to the extent legally permitted, waived in accordance with Section 6.6.2 (*Waiver*) before the end of the (extended) Acceptance Period, the Offeror shall (subject to receipt of an exemption granted by the applicable regulator(s), to be requested timely by the Offeror with the AFM) extend the Acceptance Period until such time as the Offeror and TNT Express reasonably believe is necessary to cause such Offer Condition to be satisfied.

If the Offeror extends the Offer past the initial Acceptance Closing Time, all references in this Offer Document to the "Acceptance Closing Time", "Acceptance Closing Date","17:40 hours CET, on 30 October 2015" or 11:40 hours New York Time, on 30 October 2015 shall, unless the context requires otherwise, be changed, as applicable, to the latest time and date to which the Offer has been so extended.

As noted in Section 5.3 (*Acceptance of the Offer by Shareholders and tender procedures*), Admitted Institutions and participants in DTC may set an earlier deadline for Shareholders to communicate acceptances of the Offer in order to permit the financial intermediary to communicate such acceptances to the Settlement Agent, as applicable, in a timely manner.

If the Offeror extends the initial Acceptance Period, the Offeror will make a public announcement to that effect within 3 (three) Dutch Business Days following the initial Acceptance Closing Date. See Section 5.12 (*Announcements*). If the Acceptance Period is extended, the Offeror will provide notice to holders of ADSs of their right to withdraw ADSs previously tendered, including instructions on how to effect a withdrawal of such ADSs. If the Acceptance Period is extended, any Shares previously tendered and not withdrawn will remain subject to the Offer. Shares tendered during an extension of the Acceptance Period may not be withdrawn.

If all Offer Conditions are satisfied or, to the extent legally permitted waived, the Offeror will accept all Tendered Shares not previously withdrawn in accordance with the procedures set forth in Section 5.3 (*Acceptance of the Offer by Shareholders and tender procedures*).

5.5 Declaring the Offer unconditional

The Offer is subject to the satisfaction or waiver (either in whole or in part and at any time) of the Offer Conditions in accordance with Section 6.6.2 (*Waiver*) (see also Section 6.6 (*Offer Conditions, waiver and satisfaction*). The Offeror and TNT Express reserve the right to (either in whole or in part at any time) waive certain Offer Conditions to the extent permitted by Applicable Laws and as set out in Section 6.6 (*Offer Conditions, waiver and satisfaction*). If the Offeror and/or TNT Express (either in whole or in part at any time) waive one or more Offer Conditions, the Offeror will inform the Shareholders as required by the Applicable Laws.

No later than on the 3rd (third) Dutch Business Day following the Acceptance Closing Date, such date being the Unconditional Date, the Offeror will determine whether the Offer Conditions have been satisfied or waived. On that date the Offeror will announce, in accordance with article 16, paragraph 1 of the Decree, whether the Offer (i) has been declared unconditional (*gestand wordt gedaan*), (ii) will be extended in accordance with article 15 of the Decree, or (iii) is terminated as a result of the Offer Conditions not having been satisfied or waived. In the event that the Offer is not declared unconditional (*gestand wordt gedaan*), the Offeror will explain such decision.

5.6 Settlement

In the event that the Offeror announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror will accept transfer (*levering*) of all Tendered Shares on the terms of the Offer and as soon as practically possible, but in any event on the Settlement Date, transfer the Offer Price in respect of each transferred (*geleverd*) Tendered Share. The Settlement Date shall be no later than 5 (five) Business Days after the Unconditional Date.

After transfer (*levering*) of the Shares, revocation, dissolution (*ontbinding*) or annulment (*vernietiging*) of a tender or transfer of Shares is not permitted.

5.7 Post-Closing Acceptance Period

If and when the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror will publicly announce, in accordance with article 17 of the Decree, a Post-Closing Acceptance Period to enable Shareholders, including holders of ADSs, that did not tender their Shares during the Acceptance Period to tender their Shares, including ADSs, under the same terms and conditions applicable to the Offer. The Post-Closing Acceptance Period will commence on the 1st (first) Dutch Business Day following the date on which the Post-Closing Acceptance Period is announced and may be up to 2 (two) weeks in length.

A notice of guaranteed delivery will not be an effective means of tendering ADSs during the Post-Closing Acceptance Period and no notice of guaranteed delivery will be accepted following the Acceptance Closing Time. The Offer Price paid to ADS holders in the Post-Closing Acceptance Period shall be converted to U.S. dollars using the spot market exchange rate for the U.S. dollar against the euro published on Bloomberg at noon (New York time) on the day immediately prior to the date on which the funds are received by the ADS Tender Agent to pay for the ADSs which were tendered during the regular Acceptance Period. In all cases, fluctuations in the euro to the U.S. dollar exchange rate are at the risk of accepting holders of ADSs.

The Offeror will publicly announce the results of the Post-Closing Acceptance Period and the total amount and total percentage of Shares held by it in accordance with Article 17, paragraph 4 of the Decree ultimately on the 3rd (third) Dutch Business Day following the last day of the Post-Closing Acceptance Period. The Offeror shall continue to accept for payment all Shares (including ADSs) validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) during such Post-Closing Acceptance Period and shall pay for such Shares (including ADSs) as soon as reasonably possible and, in any event no later than on the 5th (fifth) Business Day following the last day of the Post-Closing Acceptance Period.

During the Post-Closing Acceptance Period, Shareholders have no right to withdraw Shares from the Offer, regardless whether their Shares have been validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) during the Acceptance Period or the Post-Closing Acceptance Period.

5.8 Commission

Admitted Institutions will receive from the Settlement Agent on behalf of the Offeror a commission in the amount of EUR 0.00031 in respect of each Tendered Share up to a maximum of EUR 1,000.00 per Shareholder account. The commission must be claimed from the Offeror through the Settlement Agent within 30 (thirty) days of the Settlement Date. No costs will be charged to Shareholders by the Offeror or by TNT Express for the transfer and payment of each Tendered Share if an Admitted Institution is involved. However, Shareholders may be charged certain fees by their banks or stockbrokers. Costs may also be charged to Shareholders by or on behalf of a foreign institution involved in the transfer and payment of the Tendered Shares. Shareholders should consult their banks and stockbrokers regarding any such fees.

No costs will be charged to Shareholders by the Offeror or by TNT Express for the transfer and payment of tendered ADSs if the Shareholder holds ADSs in registered form and tenders them directly to the ADS Tender Agent. If a financial intermediary tenders ADSs on behalf of a Shareholder, such financial intermediary may charge the Shareholder a fee for doing so. Shareholders should consult with their financial intermediary to determine whether any charges will apply.

5.9 Dividends

Following the Settlement Date, the current dividend policy of TNT Express may be discontinued. Any dividend or distribution made in respect of Shares after the Settlement Date will be deducted for the purpose of establishing the value per Share in any Statutory Merger or other restructuring contemplated by Section 6.16 (*Post-Settlement Restructuring and future legal structure*).

5.10 Withholding

The Offeror is entitled to deduct and withhold from the Offer Price such amounts that the Offeror is required to deduct and withhold with respect to the making of such payment under any provision of applicable tax or social security law. To the extent that amounts are so withheld by the Offeror, such amounts shall be treated for all purposes as having been paid to the Shareholders, on behalf of which such deduction and withholding was made by the Offeror.

5.11 Restrictions

The Offer is being made with due observance of the statements, terms conditions and restrictions included in the Offer Document.

5.12 Announcements

Any further announcements declaring whether the Offer is declared unconditional (*gestand wordt gedaan*) and announcements in relation to an extension of the Acceptance Period will be issued by press release. Any joint press release issued by the Offeror and TNT Express will be made available on the website of FedEx (http://investors.fedex.com) and TNT Express (www.tnt.com). Subject to any applicable requirements of the Decree and other Applicable Laws and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

5.13 Indicative timetable

Expected date and time	Event
21 August 2015	Press release announcing the availability of this Offer Document and the commencement of the Offer
9:00 hours CET (3:00 hours New York time), 24 August 2015	Commencement of the Acceptance Period
9:00 hours CET (3:00 hours New York time), 5 October 2015	EGM, at which meeting the Offer, among other matters, will be discussed
17.40 hours CET (11:40 hours New York time), 30 October 2015	Acceptance Closing Date: Deadline for Shareholders wishing to tender their Shares, unless the Offer is extended in accordance with Article 15 of the Decree or after receiving dispensation from the AFM for a further extension in accordance with Article 5:81 paragraph 3 of the DFSA The Offeror has agreed that it will accept valid tenders of book-entry ADSs up until 17:00 hours, New York time, on the Acceptance Closing Date
No later than 3 (three) Dutch Business Days after the Acceptance Closing Date	Unconditional Date: The date on which the Offeror will publicly announce whether the Offer is declared unconditional (*gestand wordt gedaan*) in accordance with Article 16 of the Decree
No later than 3 (three) Dutch Business Days after the Unconditional Date	Post-Closing Acceptance Period: If the Offer is declared unconditional, the Offeror shall announce a Post-Closing Acceptance Period for a period of up to 2 (two) weeks in accordance with Article 17 of the Decree
No later than 5 (five) Business Days after the Unconditional Date	Settlement Date: The date on which, in accordance with the terms and conditions of the Offer, the Offeror will pay the Offer Price for each Tendered Share

6. EXPLANATION AND BACKGROUND OF THE OFFER

6.1 Background and public announcements

a. Background

This Section 6.1a (*Background*) contains a description of material contacts between representatives of the Offeror and representatives of TNT Express that resulted in the signing of the Merger Protocol.

On 25 February 2015, Mr. F.W. Smith (Chairman of the Board, President and Chief Executive Officer of FedEx) sent a non-binding proposal to Mr. A. Burgmans (Chairman of the Supervisory Board of TNT Express), in which Mr. Smith proposed to jointly explore the possibility of a transaction via which FedEx would acquire 100% (one hundred per cent) of the Shares. Both Mr. Burgmans (on behalf of TNT Express) and Mr. Smith (on behalf of FedEx) agreed to confidentiality.

The proposal of FedEx was discussed in a telephone call on 27 February 2015 between Mr. Smith and Mr. Burgmans. Mr. Burgmans (i) confirmed the receipt of the proposal letter, (ii) informed Mr. Smith that there had been preliminary discussions about the letter with the other members of the Boards, TNT Express' senior management team and TNT Express' advisors, and (iii) explained that TNT Express needed 2 (two) weeks to further evaluate FedEx's proposal. Mr. Burgmans promised to revert to FedEx by 13 March 2015.

On 13 March 2015, Mr. Smith had another telephone conversation with Mr. Burgmans, who outlined that each of the Boards had carefully reviewed the proposal letter and that TNT Express was willing to jointly explore the possibility of a transaction as proposed by FedEx. Mr. Burgmans emphasized that the offer price and deal certainty were 2 (two) key considerations for TNT Express.

On 14 March 2015, a response letter was sent by Mr. Smith to Mr. Burgmans confirming FedEx's continued interest. Mr. Burgmans responded by e-mail on 16 March 2015 and proposed a one-on-one meeting of chairmen in The Hague, The Netherlands. Mr. Smith agreed to such a meeting and on 21 March 2015 the chairmen convened in The Hague. On that same day, a follow-up letter was sent by Mr. Smith to Mr. Burgmans confirming FedEx's understanding of the next steps.

From 23 March to 25 March 2015, the legal team members from FedEx and TNT Express engaged in a series of meetings in Amsterdam to discuss the legal aspects of the proposed transaction, in particular deal certainty related topics.

On 26 March 2015, each of the Boards approved that TNT Express and FedEx entered into an agreement on further confidentiality, standstill and a limited exclusivity period.

On 30 March 2015 and 31 March 2015, due diligence meetings and management interviews were held in London between TNT Express' and FedEx's senior management teams.

On 1 April and 2 April 2015, representatives of TNT Express, FedEx, and their respective external legal advisors, Allen & Overy and NautaDutilh, convened in Amsterdam to discuss the material terms of the draft merger protocol. These discussions continued the following days.

On 3 April 2015, Mr. Smith and Mr. Burgmans convened in Chicago to discuss the offer price.

On 4 April 2015, during a telephone conversation following up to the 3 April meeting, Mr. Burgmans informed Mr. Smith that both Boards had accepted FedEx's revised offer of EUR 8.00 (eight euro) per share.

On 5 April 2015, the proposed acquisition of TNT Express was approved by the Board of Directors of FedEx. On the same day, FedEx and TNT Express' major shareholder PostNL entered into a confidentiality agreement and discussed the terms and conditions of the irrevocable undertaking of PostNL (see Section 6.8 (*Irrevocable PostNL*)).

On 6 April 2015, both Boards approved the proposed transaction. Subsequently on that date, the Merger Protocol and the PostNL Irrevocable and the irrevocable undertaking with Mr. Vollebregt were executed.

b. Public Announcements

On 7 April 2015 preceding the start of trading on Euronext Amsterdam, FedEx and TNT Express jointly announced that they had reached a conditional agreement on the terms and conditions of the Offer, as set out in this Offer Document, which values TNT Express at EUR 8.00 (eight euro) per Share (the **First Announcement**).

On 1 May 2015 FedEx and TNT Express jointly announced that timely progress on the preparations for the Offer was made. In this announcement TNT Express and FedEx further elaborated on the status of the competition clearance.

On 13 May 2015 FedEx announced that it would be able to finance the aggregate consideration of the Offer by utilizing available cash on its balance sheet and through existing and new debt arrangements.

On 26 June 2015 FedEx announced that it has submitted the required filing to the European Commission to obtain regulatory clearance in connection with the intended recommended public cash offer for all issued and outstanding ordinary shares in the capital of TNT Express.

On 31 July 2015 each of FedEx and TNT Express announced in separate press releases that it has taken note of the European Commission’s decision to enter a Phase II review of the proposed acquisition by FedEx.

All of the foregoing press releases are included in Section 12 (*Press Releases*).

On 13 August 2015 the European Commission announced on its website that it extended its deadline for the completion of its Phase II investigation by 20 working days to 13 January 2016.

6.2 The Offer

The Offeror is making an offer to purchase from the Shareholders all the Shares on the terms and subject to the conditions and restrictions contained in this Offer Document. Subject to the Offer being declared unconditional (*gestanddoening*), Shareholders who have tendered and transferred (*geleverd*) their Shares under the Offer will receive the Offer Price in respect of each Tendered Share.

6.3 Substantiation of the Offer Price

In establishing the Offer Price, the Offeror carefully considered the history and prospects of TNT Express, analyses of historical financial information derived from TNT Express financial statements, market reports and press releases as well as possible long-term developments in profitability, cash flows and balance sheet. The Offeror also took into account historical market values of the Shares, as set forth below.

6.3.1 Analysis

Furthermore, in establishing the Offer Price, the following was taken into consideration by the Offeror:

- an analysis of the closing price of the Shares for the 12 (twelve) months prior to and including the Reference Date. During this period, the closing price of the Shares ranged from EUR 4.41 to EUR 7.24 and the average closing price of the Shares for the 1 (one), 3 (three), 6 (six) and 12 (twelve) month period prior to and including the Reference Date were EUR 5.69, EUR 5.66, EUR 5.36 and EUR 5.78, respectively;

- an analysis of selected analyst price targets for the Shares, issued following 17 February 2015 (when TNT Express reported Q4 2014 earnings) and prior to the Reference Date by 9 (nine) research analysts who follow TNT Express' developments and regularly issue research reports on TNT Express. The target prices range from EUR 4.40 to EUR 6.66 (with a median of EUR 5.70);

- a trading multiple analysis based on the financial performance of TNT Express and the closing prices of the Shares compared with those of selected publicly-traded companies and their securities. Companies selected for comparison with TNT Express include United Parcel Service, Inc., FedEx Corporation and Deutsche Post AG. For this analysis, EBITDA and earnings per share estimates were based on I/B/E/S median estimates on the Reference Date. For this group of selected companies the median ratio of enterprise value to estimated EBITDA for the calendar years ending 2015 and 2016 were approximately 8.1x and 7.4x, respectively on the Reference Date. For this group of selected companies the median ratio of price to estimated earnings per share for the years ending 2015 and 2016 were approximately 16.7x and 14.7x, respectively on the Reference Date. By comparison, the ratio of the unadjusted enterprise value of TNT Express, as implied by the Offer Price, to estimated EBITDA for the years ending 2015 and 2016 were approximately 9.7x and 8.0x, respectively on the Reference Date. By comparison, the ratio of the Offer Price for TNT Express Shares to estimated earnings per share for the years ending 2015 and 2016 were approximately 34.6x and 24.9x, respectively on the Reference Date;

- an analysis of selected precedent and transaction premiums and multiples as described in

Section 6.3.2 (*Premia*); and

- a standalone discounted cash flow analysis for TNT Express based on a 9% to 10% discount rate and 1.5% to 2.5% perpetuity growth rate.

In addition, financial information as derived from annual and interim accounts, analysts' presentations and reports, market reports and press releases have been reviewed.

6.3.2 Premia

The Offer Price of EUR 8.00 (eight euro) (cum dividend) represents a premium of:

- 33.2% to the closing price of the Shares on the Reference Date[1];

- 40.5% to the average closing price of the Shares for the 1 (one) month period prior to and including the Reference Date;

- 41.5% to the average closing price of the Shares for the 3 (three) months period prior to and including the Reference Date;

- 49.3% to the average closing price of the Shares for the 6 (six) months period prior to and including the Reference Date;

- 38.3% to the average closing price of the Shares for the 12 (twelve) months period prior to and including the Reference Date;

- 40.4% to the median of selected analyst price targets for the Ordinary Shares issued following 17 February 2015 (when TNT Express reported Q4 2014 earnings) and prior to the Reference Date by 9 (nine) research analysts who follow TNT Express' developments and regularly issue research reports on TNT Express (median of EUR 5.70). Selected research analysts include: Bank of America Merrill Lynch, ING, JP Morgan, KBC, Main First, Morgan Stanley, Rabobank, RBC and UBS; and

- based on the year-end net financial debt as per 31 December 2014, the Offer Price per Ordinary Share represents an unadjusted enterprise value for TNT Express of 10.4x the fiscal year 2014 underlying EBITDA (earnings before interest, taxes, depreciation and amortization, as adjusted by TNT Express) of EUR 381 million and 9.7x the median expected fiscal year 2015 EBITDA of EUR 407 million for TNT Express based on the median of select brokers' estimates available as per the Reference Date (Bank of America Merrill Lynch, Davy, KBC, Morgan Stanley and UBS).

By comparison, the median ratio of enterprise value, as implied by the purchase price paid, to last reported 12 (twelve) month EBITDA is 10.0x for the selected, relevant industry transactions. Selected transactions include: Toll Holdings / Japan Post, Dynamex / Transforce, Frans Maas / DSV and BAX Global / Deutsche Bahn.

[1] The closing price of the Shares on the Reference Date is EUR 6.004, as per Bloomberg.

6.4 Rationale for the Offer

By combining their businesses, TNT Express and FedEx have the intention to create a leading global player in providing logistics, transportation, express delivery and related business services, drawing on the considerable strengths of both TNT Express and FedEx.

Key elements of the strategic rationale for, and the strength of, the Combination include:

a. the Combination's customers would enjoy access to a considerably enhanced, integrated global network. This network would benefit from the combined strength of TNT Express' strong European road platform and Liege hub and FedEx’s strength in other regions globally, including North America and Asia. TNT Express customers would also benefit from access to the FedEx portfolio of solutions, including global air express, freight forwarding, contract logistics and surface transportation capabilities;

b. TNT Express' customers would benefit from the Combination’s comprehensive transportation solutions, such as express, global freight forwarding, contract logistics and surface transportation capabilities;

c. FedEx would strengthen TNT Express with investment capacity, sector expertise and global scope;

d. the strong balance sheet of the Combination is expected to support deploying additional capital to TNT Express' business and support the growth of (the business of) TNT Express;

e. a strong cultural fit, as both FedEx and TNT Express focus on customer service, operational excellence and good corporate citizenship; and

f. the Combination would offer exciting new prospects and career opportunities to TNT Express' employees as part of a global, growing and highly respected organisation.

6.5 Financing of the Offer

With reference to Article 7, paragraph 4 of the Decree, the Offeror announced on 13 May 2015 that it had sufficient funds available to complete the Offer. The Offeror will finance the maximum total amount of the Offer of approximately EUR 4.4 billion by using approximately EUR 1.5 billion of cash from its available resources. In addition, FedEx has secured fully committed debt financing in the amount of EUR 2.0 billion subject to customary conditions, and can utilize an existing credit facility for an amount of approximately EUR 0.9 billion.

Reference is made to Section 12 (*Press Releases*).

6.6 Offer Conditions, waiver and satisfaction

6.6.1 Offer Conditions

The obligation of the Offeror to declare the Offer unconditional (*gestand te doen*) is subject to the satisfaction or waiver (either in whole or in part and at any time) by the Offeror and/or TNT Express, as the case may be, of each of the conditions set forth below (the **Offer Conditions**) on or before the Unconditional Date:

Acceptance Level

A. The number of Shares that have been tendered for acceptance under the Offer, together with (i) the Shares directly or indirectly held by the Offeror or any of its Affiliates at the Acceptance Closing Date; (ii) any Shares irrevocably committed to the Offeror, or any of its Affiliates, in writing, and (iii) any Shares to which the Offeror is entitled (*gekocht maar nog niet geleverd*), represent at least the Acceptance Level;

where **Acceptance Level** means either:

(i) 95% (ninety-five per cent) of TNT Express aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) on a fully diluted basis as at the Acceptance Closing Date, or

(ii) 80% (eighty per cent) of TNT Express aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) on a fully diluted basis as at the Acceptance Closing Date if:

i. the Offer Condition in Section 6.6.1I (*No Governmental or Court Order*) is satisfied; and
ii. the Asset Sale and Liquidation Resolutions and the Conversion Resolution have been adopted.

Competition Clearances

B. the EU Competition Clearance and the Other Key Competition Clearances having been obtained (together the **Competition Clearances**);

No Material Adverse Effect

C. no Material Adverse Effect having occurred which is continuing on the Acceptance Closing Date;

No breach by TNT Express

D. TNT Express has not breached any provisions of the Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have a material adverse effect on TNT Express, FedEx, the Offer, or the Asset Sale, and (ii) is either incapable of being remedied within 10 (ten) Business Days after receipt by TNT Express of a written notice from FedEx or has not been remedied by TNT Express within 10 (ten) Business Days after receipt by TNT Express of a written notice from FedEx;

No breach by FedEx

E. FedEx has not breached any provisions of the Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have a material adverse effect on TNT Express, the Offer, or the Asset Sale, and (ii) is either incapable of being remedied within 10 (ten) Business Days after receipt by FedEx of a written notice from TNT Express or has not been remedied by FedEx within 10 (ten) Business Days after receipt by FedEx of a written notice from TNT Express;

Recommendation not revoked or changed

F. neither of the Boards has revoked or modified, amended or qualified its Recommendation, other than as permitted under the Merger Protocol;

No recommended Superior Offer for TNT Express

G. no Superior Offer for TNT Express which is recommended by the Boards is either (i) agreed upon by the third party offeror and TNT Express, or (ii) launched;

No mandatory third party offer for TNT Express

H. no third party, unrelated to FedEx, either (i) is obliged and has announced, within the meaning of article 5 paragraph 3 of the Decree, or (ii) has made a mandatory offer pursuant to article 5:70 DFSA for all Shares (a) which has a consideration that is at least equal to the Offer Price, or (b) in connection to which no Protective Preference Shares are outstanding;

No Governmental or Court Order

I. (x) no order, stay, injunction, judgment or decree has been issued by any court, arbitral tribunal, government, governmental authority, Antitrust Authority or other regulatory or administrative authority that remains in force and effect, and (y) no statute, rule, regulation, governmental order or injunction has been enacted or clearance process remains effective or enforced, all such other than as a result of FedEx's own condition, acts or omissions (any of the foregoing listed in subclauses (x) and (y), a **Governmental or Court Order**), which in each cases (x) and (y) prohibits (whether or not without prior approval from a competent Governmental Entity or Antitrust Authority) the consummation of the Offer or the Asset Sale in any material respect;

No notification by AFM of violation DFSA

J. no notification has been received from the AFM stating that the preparation of the Offer has been made in violation of chapter 5.5 of the DFSA, and that, pursuant to Article 5:80 paragraph 2 of the DFSA, the investment firms (*beleggingsondernemingen*, as defined in the DFSA) would not be allowed to cooperate with the Settlement;

No suspension of trading

K. trading in the Shares on Euronext Amsterdam has not been suspended or ended as a result of a listing measure (*noteringsmaatregel*) taken by Euronext Amsterdam in accordance with Article 6901/2 or any other relevant provision of the Euronext Rulebook I (Harmonised Rules); and

No Protective Preference Shares

L. (i) the Foundation not having exercised, either in whole or in part, its Call Option to have Protective Preference Shares issued to it, or the Foundation having exercised, either in whole or in part, its Call Option to have Protective Preference Shares issued to it in circumstances where such exercise is either (a) not detrimental to FedEx, or (b) in connection with a mandatory offer pursuant to article 5:70 DFSA for all Shares of TNT Express by a third party, unrelated to FedEx, and (ii) the Foundation having agreed to terminate the Foundation Option Agreement effective as per Settlement, subject only to the Offer being declared unconditional (*gestanddoening*).

6.6.2 Waiver

Benefit FedEx

The Offer Condition set forth in subclause A (*Acceptance Level*) of Section 6.6.1 is for the sole benefit of FedEx and may be waived (either in whole or in part) by FedEx on or after the Acceptance Closing Date by written notice to TNT Express, provided that such a waiver by FedEx will require the approval of the Boards (which will not be unreasonably withheld) in the event that the number of Shares tendered for acceptance under the Offer, together with (i) the Shares directly or indirectly held by FedEx or any of its Affiliates at the Acceptance Closing Date, (ii) any Shares irrevocably committed to FedEx, or any of its Affiliates, in writing, and (iii) any Shares to which FedEx is entitled (*gekocht maar nog niet geleverd*), would represent less than 65% (sixty-five per cent) of the issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) of TNT Express.

The Offer Conditions set forth in subclauses, B (*Competition Clearances*), C (*No Material Adverse Effect*), D (*No breach by TNT Express*), F (*Recommendation not revoked or changed*), G (*No recommended Superior Offer for TNT Express*), H (*No mandatory third party offer for TNT Express*) and L (*No Protective Preference Shares*) of Section 6.6.1 are for the sole benefit of FedEx and may be waived (either in whole or in part) by FedEx at any time by written notice to TNT Express.

FedEx shall timely waive the Offer Condition set out in Section 6.6.1I (*No Governmental or Court Order*, to the extent the relevant governmental or court order solely relates to the Asset Sale) if the Acceptance Level equals at least 95% (ninety five per cent) of TNT Express aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) on a fully diluted basis as at the Acceptance Closing Date.

Benefit FedEx and TNT Express

The Offer Conditions set forth in subclauses I (*No Governmental or Court Order*) and K (*No suspension of trading*) of Section 6.6.1 (*Offer Conditions*) are for the benefit of both FedEx and TNT Express, and may only be waived by FedEx and TNT Express jointly (either in whole or in part at any time) by written agreement.

Benefit TNT Express

The Offer Condition set forth in subclause E (*No breach by FedEx*) of Section 6.6.1 (*Offer*

Conditions) is for the sole benefit of TNT Express and may be waived by TNT Express (either in whole or in part at any time) by written notice to FedEx.

Unwaivable condition

The Offer Condition set forth in subclause J (*No notification AFM of violation DFSA*) of Section 6.6.1 (*Offer Conditions*) may not be waived.

No invocation in case of breach

Neither the Offeror nor TNT Express may invoke any of the Offer Conditions if the non-satisfaction of such condition(s) is caused by a breach of the invoking party of any of its obligations under the Merger Protocol.

6.6.3 Satisfaction

The satisfaction of each of the Offer Conditions does not solely depend on the will of the Offeror as prohibited by Article 12, paragraph 2 of the Decree.

Each of the Offeror and TNT Express shall use its best efforts to procure satisfaction of the Offer Conditions as soon as reasonably possible. If at any time either FedEx or TNT Express becomes aware of a fact or circumstance that might prevent an Offer Condition from being satisfied, it shall immediately inform the other in writing.

With respect to Offer Condition 6.6.1B (*Competition Clearances*), the Offeror shall take, or cause to be taken, all actions and do, or cause to be done, and cooperate in doing, all things necessary, proper or advisable under applicable law or otherwise to obtain and make effective as soon as practicable the competition approval of the national competition authority in any country in which FedEx determines that a notification is required and should be made in respect of the Offer (each an **Antitrust Authority**), including the Competition Clearances. If an Antitrust Authority is not willing to grant unconditional competition approval or an unconditional statement of no objection in respect of the Offer, then the Offeror will offer the commitments required to obtain such competition approval or statement of no objection (**Commitments**), provided such Commitments are reasonably satisfactory to FedEx.

With respect to Offer Condition 6.6.1C (*No Material Adverse Effect*), the Offeror and TNT Express have agreed on a binding advice procedure in the event the either of them considers this Offer Condition not satisfied and the other disagrees. In such event, a binding advisor shall decide on the matter within 10 (ten) Business Days after the dispute having been referred to the binding advisor or such shorter period as the Offeror and TNT Express may agree, it being understood that a decision shall be rendered no later than noon Amsterdam time on the Business Day before the Unconditional Date. The binding advisor shall be the President of the Enterprise Chamber (*Ondernemingskamer*) of the Court of Appeals of Amsterdam or, if this person is not able (for whatever reason) to provide the binding advice on time, another independent lawyer appointed by the President of the District Court of Amsterdam upon request of either the Offeror or TNT Express. The binding advice shall be final and binding upon the Offeror and TNT Express and each of the Offeror and TNT Express shall fully comply with the binding advice and the content thereof.

With respect to the Offer Condition set out in Section 6.6.1I (*No Governmental or Court Order*), the Offeror and TNT Express shall cooperate and use their reasonable endeavours to defend, contest and resist such Governmental or Court Order and to have vacated, lifted, cleared, reversed or overturned such Governmental or Court Order, including by making filings to, and notifying a relevant Governmental Entity.

6.7 Decision making and Recommendation by the Boards

Since the initial expression of interest from FedEx and throughout the process, the Executive Board and the Supervisory Board (with and without the Executive Board being present) have met on a very frequent basis to discuss the preparations, developments and progress in relation to the Offer, as well as the considerations underlying key decisions in connection with the Offer.

The members of the Boards considered whether any of them has a conflict of interest and they have established that such was not the case.

In order to cater for a proper decision-making process, the Boards discussed and decided on an optimal legitimate allocation of responsibilities. The Boards appointed a transaction committee consisting of the chairman of the Supervisory Board, Mr. Burgmans, and the members of the Executive Board, Mr. Gunning and Mr. De Vries, to make recommendations to each of the Boards in relation to TNT Express' strategic alternatives, FedEx's proposal and potential alternative transactions. The decision to enter into the Merger Protocol was made by the Executive Board after the prior approval of the Supervisory Board and after ample deliberation by the Boards including consultation with its key advisors.

Each of the Boards has received extensive financial and legal advice. In addition, (i) Goldman Sachs delivered a fairness opinion to the Boards dated 6 April 2015 that - as of such date and based upon and subject to the factors and assumptions set forth in the fairness opinion - the EUR 8.00 per Share in cash to be paid to the Shareholders pursuant to the Merger Protocol was fair from a financial point of view to such Shareholders and the aggregate value of the purchase price for the entire TNT Express business under the Asset Sale was fair from a financial point of view to TNT Express (the **Goldman Sachs Fairness Opinion**), and (ii) Lazard delivered a fairness opinion to the Supervisory Board dated 6 April 2015 that - as of as of such date and based upon and subject to the factors and assumptions set forth in the fairness opinion - the EUR 8.00 per Share in cash to be paid to the Shareholders pursuant to the Merger Protocol was fair from a financial point of view to such Shareholders and the aggregate value of the purchase price for the entire TNT Express business under the Asset Sale was fair from a financial point of view to TNT Express (the **Lazard Fairness Opinion**, and together with the Goldman Sachs Fairness Opinion, the **Fairness Opinions**). The full text of the Fairness Opinions is included in the Position Statement.

Subject to a Superior Offer, and after having given due and careful consideration to the strategic rationale and the financial and social aspects and consequences of the proposed transactions, the Boards have reached the conclusion that the Offer provides a fair price to its Shareholders and the Offer, including the Asset Sale and Liquidation, is in the best interests of TNT Express and all its stakeholders.

With reference to the above, and without prejudice to the terms and conditions of the Offer Document, the Boards fully support the Offer and the Asset Sale, unanimously recommend to the Shareholders to accept the Offer and to tender their Shares pursuant to the Offer, and unanimously recommend voting in favour of all resolutions relating to the Offer and the Asset Sale and Liquidation that will be proposed at the EGM referred to in Section 7 (*Extraordinary general meeting of TNT Express*) (the **Recommendation**).

TNT Express has prepared a Position Statement pursuant to article 18 of the Decree, which sets forth the Recommendation. The full text of each Fairness Opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each Fairness Opinion, is set forth in the Position Statement.

6.8 Irrevocable PostNL

PostNL, currently holding approximately 14.7% (fourteen point seven per cent) of the Shares, has irrevocably undertaken to tender all Shares currently held or to be acquired by it prior to the Acceptance Closing Date in the Offer under the same terms and conditions as stated in this Offer Document (the **Irrevocable PostNL**).

The Irrevocable PostNL dated 6 April 2015 (as amended on 14 August 2015 to confirm the extension thereof) contains customary terms and conditions, including that the irrevocable undertaking shall terminate (as a consequence of which PostNL will not be obliged to tender its Shares and/or shall be entitled to withdraw its acceptance of the Offer) in the event a Superior Offer is made and FedEx has not made a Matched Offer and, as a consequence, the Boards have withdrawn or modified their Recommendation.

Furthermore, the Irrevocable PostNL shall terminate, inter alia, in the event that (i) the Merger Protocol is terminated in accordance with its terms, (ii) the Offer is withdrawn, (iii) the Offer is not declared unconditional (*gestand wordt gedaan*) within 3 (three) Dutch Business Days following expiry of the Acceptance Period, and (iv) the Offer is not declared unconditional (*gestand wordt gedaan*) by 6 June 2016.

If and when the Offer is declared unconditional (*gestand wordt gedaan*), it is expected that PostNL will receive a cash amount of approximately EUR 643 million. PostNL did not receive any information relevant for a shareholder in connection with the Offer that is not included in this Offer Document and will tender their shares under the Offer, under the same terms and conditions as the other Shareholders.

6.9 Irrevocable Mr. Vollebregt

Mr. Vollebregt, currently holding 10,052 Shares, has irrevocably undertaken to tender all his Shares under the Offer, under the same terms and conditions as the other Shareholders, subject to the condition that the Offer is made and the condition that the Boards continue to support and recommend the Offer. Mr. Vollebregt will vote in favour of the Resolutions, provided that the Offeror complies with the Merger Protocol and the Merger Rules and the Merger Protocol is not terminated in accordance with its terms.

If and when the Offer is declared unconditional (*gestand wordt gedaan*), it is expected that Mr. Vollebregt will receive a cash amount of approximately EUR 80,416.

Mr. Vollebregt did not receive any information relevant for a shareholder in connection with the Offer that is not included in this Offer Document.

6.10 Shareholdings of the members of the Boards

6.10.1 Information on Shares

As of the date of this Offer Document, Shares are held by members of the Boards as shown in the following table.

Supervisory Board	Number of Shares	Amount to be received in euros
Sjoerd Vollebregt	10,052	EUR 80,416

6.10.2 Information on rights to Shares

As of the date of this Offer Document, the number of rights to performance shares held by members of the Executive Board, are shown in the table below. The settlement mechanism of these rights to performance shares is described in Section 8.13 (*Incentive Plans*). The rights to performance shares granted in 2014 will vest and be paid in full and the rights to performance shares granted in 2015 will vest and become payable on a *pro rata parte* basis up to the Settlement Date. The statutory claw-back regulations (*de afroomregeling*) will be applied as a result of which the performance shares will not be settled on the basis of the Offer Price.

Executive Board	2014	2015*	Total number of rights 2014 and 2015 *
Tex Gunning	58,777	77,946	136,723
Maarten Jan de Vries	39,185	49,024	88,209

* To be calculated on a *pro rata parte* basis up to the Settlement Date.

No options on or rights to Shares are held by members of the Supervisory Board. For a description of the relevant Incentive Plans, see Section 8.13 (*Incentive Plans*).

6.11 Respective cross-shareholdings Offeror - TNT Express

As at the date of this Offer Document, neither FedEx, nor any of its Affiliates (including the Offeror), directly or indirectly, hold any Shares.

TNT Express and/or any of its Affiliates do not, directly or indirectly, hold any shares in the Offeror and/or FedEx.

6.12 Implications of the Offer being declared unconditional

It is likely that the Offer, if and when it is declared unconditional (*gestand wordt gedaan*), has implications for the Shareholders who did not tender their Shares. Therefore, Shareholders considering not tendering their Shares under the Offer should carefully review the sections of this Offer Document that further explain the intentions of the Offeror and/or FedEx, such as (but not limited to) Sections 6.13 (*Intentions following the Offer being declared unconditional*) up to and including 6.16.6 (*Other measures*), which describe certain implications to which such Shareholders will be subject if the Offer is declared unconditional (*gestand wordt gedaan*) and settled. These risks are in addition to the exposure of such Shareholders to the risks inherent to the business of TNT Express, as such business and the structure of TNT Express may change from time to time after the Settlement Date.

6.13 Intentions following the Offer being declared unconditional

If the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror and TNT Express intend to as soon as possible:

a. procure delisting of the Shares from Euronext Amsterdam and terminate the listing agreement between TNT Express and Euronext Amsterdam in relation to the listing of the Shares;

b. cause TNT Express to terminate the Deposit Agreement effective as per the earlier of (i) delisting of the Shares from Euronext Amsterdam; and (ii) the Shareholder Distribution (see Section 6.15 (*Termination Deposit Agreement*));

c. convert TNT Express into a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) in accordance with article 2:18 of the Dutch Civil Code (see Section 6.14 (*Liquidity and delisting*)) (the **Conversion**) after the Buy-Out has been initiated or the Shareholder Distribution has been made, as the case may be; and

d. have FedEx, or any of its Affiliates, acquire all Shares not yet owned by it, or implement the Asset Sale and Liquidation or any other legal restructuring resulting in TNT Express becoming a wholly-owned indirect subsidiary of FedEx or FedEx otherwise becoming 100% (one hundred per cent) owner of the TNT Express business, and cause TNT Express to operate as a wholly owned indirect subsidiary within the FedEx Group (see Section 6.16.3 (*Asset Sale and Liquidation*) and Section 6.16.3v (*Other Post-Settlement Restructurings*)).

6.14 Liquidity and delisting

The purchase of Shares by the Offeror pursuant to the Offer will reduce the number of Shareholders, as well as the number of Shares that might otherwise be traded publicly. As a result the liquidity and market value of the Shares that were not tendered under the Offer will be adversely affected. The Offeror does not intend to compensate such adverse effect by, for example, setting up a liquidity mechanism for the Shares that are not tendered following the Settlement Date.

Should the Offer be declared unconditional (*gestand wordt gedaan*), the Offeror intends to procure the delisting of the Shares on Euronext Amsterdam as soon as possible under Applicable Laws. This may further adversely affect the liquidity and market value of any Shares not tendered. In addition, the Offeror may initiate any of the procedures set out in Section 6.16 (*Post-Settlement Restructuring and future legal structure*).

If the Offeror and/or its Affiliates acquire 95% (ninety-five per cent) or more of the Shares, the Offeror will be able to procure delisting of the Shares from Euronext Amsterdam in accordance with its policy rules. However, the listing of the Shares on Euronext Amsterdam can also be terminated after a successful Asset Sale followed by the Shareholder Distribution (see Section 6.16.3 (*Asset Sale and Liquidation*)) or Statutory Merger (see Section 6.16.5 (*Statutory Merger*)).

One of the conditions for the Offeror to implement the Asset Sale and Liquidation is that either (i) the Offeror has placed a standing order on Euronext Amsterdam to purchase Shares not already held by FedEx or any of its Affiliates against a price equal to the Offer Price in euro, for a period of at least 2 (two) weeks following the Post-Closing Acceptance Period, subject to having received dispensation from the AFM, or (ii) the Offeror has made (*uitgebracht*), has declared unconditional (*gestand gedaan*) and has settled (*betaald en levering aanvaard*) a subsequent public offer (*openbaar bod*) for all Shares not held by FedEx or any of its Affiliates at an offer price per issued and outstanding ordinary share in the capital of TNT Express equal to the Offer Price (a **Minority Exit Opportunity**). Also see Section 6.16.3 (*Asset Sale and Liquidation*).

In the event that TNT Express or any merging entity will no longer be listed and its shares will no longer be publicly traded, the provisions applicable to the governance of listed companies will no longer apply and the rights of remaining minority Shareholders may be limited to the statutory minimum.

6.15 Termination Deposit Agreement

If the Offer is declared unconditional, TNT Express intends to terminate the amended and restated deposit agreement between TNT Express, the U.S. Depositary and the holders and beneficial holders of ADSs dated 28 February 2014 (the **Deposit Agreement**) effective as per the earlier of (i) delisting of the Shares from Euronext Amsterdam; and (ii) the Shareholder Distribution (such date, the **Deposit Agreement Termination Date**).

Holders of ADSs will have the right under the Deposit Agreement to receive the Shares represented by their ADSs until the expiration of 30 (thirty) days after the Deposit Agreement Termination Date upon (i) presentation of their ADSs to the U.S. Depositary for cancellation and receipt of the underlying Shares, and (ii) payment of the U.S. Depositary's fees (up to USD0.05 per ADS presented for cancellation, which will be borne by the Offeror) and charges, and all applicable taxes and governmental charges payable in connection with the cancellation of the ADSs and retrieval of the corresponding Shares. In order to withdraw the Shares represented by ADSs presented for cancellation, a holder of ADSs will need to establish and maintain an account in The Netherlands with an Admitted Institution into which the Shares can be delivered.

The U.S. Depositary may sell the Shares held in respect of ADSs not previously surrendered for cancellation following the expiration of 30 (thirty) days after the Deposit Agreement Termination Date, but the U.S. Depositary has indicated to TNT Express that it intends to hold the Shares until the Buy-Out or, in case of the Asset Sale, until the Shareholder Distribution, pursuant to which it may thereafter hold un-invested the net proceeds of the Buy-Out or the Shareholder Distribution (together with any other cash then held by it for the benefit of the ADS holders and beneficial owners) in an unsegregated account, without liability for interest, for the pro rata benefit of the holders and beneficial owners of ADSs not theretofore surrendered to the U.S. Depositary for cancellation. Upon making such sale, the U.S. Depositary will be discharged from all obligations under the Deposit Agreement with respect to the Shares and the ADSs, except to account for the net proceeds and other cash so held (after deducting, or charging, as the case may be, the U.S. Depositary's fees and charges for the surrender and cancellation of ADSs and any related expenses for the account of the ADS holders in accordance with the terms and conditions of the Deposit Agreement and any applicable taxes, governmental charges and assessments). Holders of ADSs who do not wish to have the Shares represented by their ADSs sold should make the necessary and timely arrangements for the cancellation of their ADSs and the retrieval of the corresponding Shares.

6.16 Post-Settlement Restructuring and future legal structure

6.16.1 General

It is the intention of the Offeror to ultimately acquire 100% (one hundred per cent) of the Shares and/or full ownership of TNT Express and the Offeror's willingness to pay the Offer Price is predicated on the acquisition of 100% (one hundred per cent) of the Shares. FedEx and TNT Express anticipate that full integration of FedEx and TNT Express will deliver substantial operational, commercial, organizational and financial benefits which could not be fully achieved if TNT Express were to continue as a standalone entity with a minority shareholder base. To achieve such benefits, following Settlement, the Offeror may propose (where applicable) and implement (or cause to be implemented) certain restructuring measures, including but not limited to the Post-Settlement Restructurings mentioned in Section 6.16.2 (*Buy-Out*), Section 6.16.3 (*Asset Sale and Liquidation*) and Section 6.16.4 (*Other Post-Settlement Restructurings*).

Furthermore, the Offeror reserves the right to use any legally permitted method to acquire all of the Shares (or full ownership of TNT Express' Business) and/or to optimize the corporate, financing and tax structure of TNT Express once it is part of the FedEx Group.

6.16.2 Buy-Out

If, following the Settlement Date, the Offeror and/or its Affiliates, have acquired 95% (ninety-five per cent) or more of the issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) of TNT Express, the Offeror, as soon as possible, will initiate a buy-out procedure (*uitkoopprocedure*) in accordance with Article 2:92a or 2:201a of the Dutch Civil Code (**Statutory Buy-Out**) and/or a takeover buy-out procedure in accordance with Article 2:359c of the Dutch Civil Code (**Takeover Buy-Out** and together with the Statutory Buy-Out, **Buy Out**) in order to acquire the remaining Shares not tendered and not held by the Offeror or TNT Express. In such procedure, any remaining minority shareholders of TNT Express will be offered the Offer Price for their Shares unless there would be financial, business or other developments or circumstances that would justify a different price (including a reduction resulting from the payment of dividends) in accordance with, respectively, Article 2:92a, paragraph 5 or 2:201a, paragraph 5 or Article 2:359c, paragraph 6 of the Dutch Civil Code.

No Dutch dividend withholding tax (*dividendbelasting*) is due upon a disposal of the Shares under the Buy-Out. The Dutch income tax consequences of the Buy-Out are the same as the Dutch income tax consequences of the Offer. For more information reference is made to Section 11 (*Tax aspects of the Offer*).

6.16.3 Asset Sale and Liquidation

Introduction

If the Offeror has declared the Offer unconditional (*gestand gedaan*) and the number of Shares having been tendered for acceptance during the Acceptance Period and the Post-Closing Acceptance Period together with (i) any Shares directly or indirectly held by the Offeror or any of its Affiliates, (ii) any Shares committed to the Offeror or any of its Affiliates, in writing, and (iii) any Shares to which the Offeror or any of its Affiliates is entitled (*gekocht maar nog niet geleverd*), represent less than 95% (ninety-five per cent) but at least 80% (eighty per cent) of TNT Express' aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*) (the **Asset Sale Range**), the Offeror may choose to implement the Asset Sale and Liquidation after having granted minority shareholders a Minority Exit Opportunity, subject to, if and to the extent required, the Offeror having obtained dispensation from the AFM.

If, after the completion of a Minority Exit Opportunity, the number of Shares having tendered for acceptance during the Acceptance Period, the Post-Closing Acceptance Period and as a result of the Minority Exit Opportunity, together with (i) any Shares directly or indirectly held by the Offeror or any of its Affiliates, (ii) any Shares committed to the Offeror or any of its Affiliates, in writing, and (iii) any Shares to which the Offeror or any of its Affiliates is entitled (*gekocht maar nog niet geleverd*), represent 95% (ninety-five per cent) or more of TNT Express' aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand gewoon kapitaal*), the Offeror will initiate a Buy-Out as referred to in Section 6.16.2 (*Buy-Out*).

If (i) a Minority Exit Opportunity has been completed, (ii) the number of Shares that have been tendered for acceptance during the Acceptance Period, the Post-Closing Acceptance Period and as a result of the Minority Exit Opportunity, together with (a) any Shares directly or indirectly held by the Offeror or any of its Affiliates, (b) any Shares committed to the Offeror or any of its Affiliates, in writing; and (c) any Shares to which the Offeror or any of its Affiliates is entitled (*gekocht maar nog niet geleverd*), on the date of completion of the Minority Exit Opportunity falls within the Asset Sale Range, and (iii) the Asset Sale and Liquidation Resolutions and the Conversion Resolution have been passed, the Offeror may choose to implement the Asset Sale and Liquidation, as defined below, in order to ensure full integration of the businesses of TNT Express and FedEx.

Rationale of the Asset Sale and Liquidation

It is the intention of FedEx to ultimately acquire 100% (one hundred per cent) of the Shares and/or full ownership of TNT Express and the Offeror's willingness to pay the Offer Price is predicated on the acquisition of 100% (one hundred per cent) of the Shares and/or the full ownership of TNT Express.

The reason for conditioning the Offeror's option to implement the Asset Sale and Liquidation on 80% (eighty per cent) of the Shares being tendered and not 95% (ninety-five per cent) or any other higher percentage is to limit the risk that the Offer is not consummated (to the detriment of TNT Express, the vast majority of the Shareholders, and the other stakeholders of TNT Express, as none of the benefits of the Offer would arise, and to the detriment of FedEx for the same reasons and because it would have incurred significant transaction costs), weighed against the interests of a relatively small minority.

In a situation where TNT Express remains listed, and there continues to be a substantial minority base with adequate liquidity and free float, there is less certainty on TNT Express' strategic future. The Boards will have to cater for the possibility that FedEx would, for instance, in the future sell the whole or part of its (direct or indirect) shareholding in TNT Express.

The Offeror believes that there are financial and structuring efficiencies that will not be available as long as there are significant minority shareholders, for example FedEx would not have the ability to optimise the financing structure of TNT Express in line with FedEx's policies.

The continued presence of a minority shareholder base could mean that TNT Express cannot delist from Euronext Amsterdam. This means incurring costs that TNT Express otherwise would not have to make: such as preparation of standalone annual accounts under IFRS, quarterly updates and semi-annual financial statements; a corporate governance framework compliant with the Dutch Corporate Governance Code, including for instance the in-control requirements and the staff needed for servicing the obligations arising from having a Euronext Amsterdam listing.

The business rationale for the Asset Sale and Liquidation lies largely with the considerable synergy potential of the Combination. Reference is made to Section 6.4 (*Rationale for the Offer*). Realising the synergies is highly dependent on a single clear strategy going forward with a flawless execution. The existence of a minority shareholder base would require incremental interactions with such shareholders necessary for properly considering their interests, which will likely affect both the clarity of and ability to execute such synergies. The Offeror is therefore not convinced that it will achieve the contemplated synergies under such circumstances, at least not to the same extent and within the contemplated timeframe.

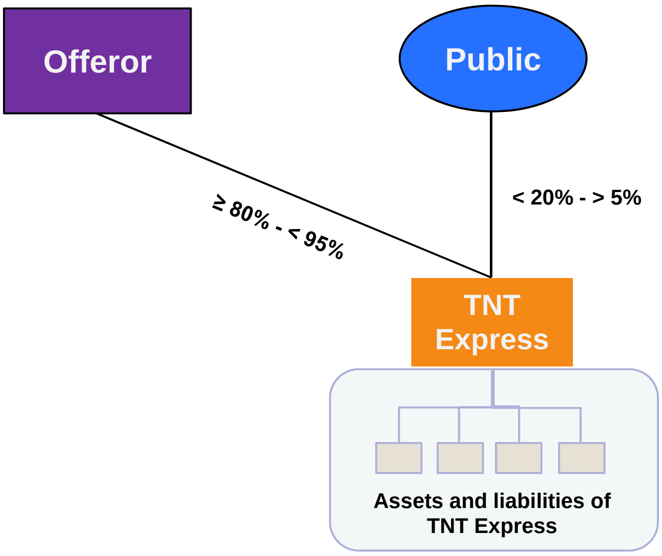
If the vast majority of Shareholders wishes to benefit from the exit opportunity, the Boards consider it their fiduciary duty, taking into account the interests of TNT Express and all of its stakeholders, to investigate and propose to the Shareholders a transaction structure on the basis of which such exit opportunity would indeed be available while at the same time reducing, to the extent possible, the adverse consequences of such alternative structure (if any). As a pre-wired agreed minority exit transaction structure was a fundamental requirement of FedEx in order to obtain certainty of acquiring the full ownership of TNT Express and thus be in a position to pay the Offer Price, the Boards believe that agreeing to such transaction structure, subject to the agreed conditions (including approval by the majority of the Shareholders), takes best into account the interests of (the business of) TNT Express and all of its stakeholders.

If the Offeror elects to pursue the Asset Sale and Liquidation described below, and a Shareholder did not tender its Shares under the Offer, such Shareholder will receive the same amount of the Offer Price per Share that it would have received had it tendered its Shares under the Offer, without any interest being paid on such amount and with such amount being subject to any required withholding taxes and costs related to such Asset Sale and Liquidation. The withholding taxes and other taxes, if any, imposed on such Shareholder may be different from, and greater than, the taxes imposed upon a Shareholder that tenders its Shares under the Offer. Consequently, if the Asset Sale is pursued, the net amount received by a Shareholder for Shares that are not tendered under the Offer (and who remains a Shareholder up to and including the time of the Asset Sale and any subsequent liquidation) will depend upon such Shareholder's individual tax circumstances and the amount of any required withholding or other taxes, as further described in Section 11.1.8 (*Asset Sale and Liquidation*). With respect to the Shareholder Distribution, Dutch dividend withholding tax will be due at a rate of 15% (fifteen per cent) to the extent that Shareholder Distributions exceed the average paid-in capital of those Shares as recognised for purposes of Dutch dividend withholding tax.

Description of the Asset Sale and Liquidation

To implement the Asset Sale and Liquidation, the Offeror and TNT Express have agreed to, as soon as possible after the Settlement, at the request of the Offeror, enter into an asset sale agreement (the **Asset Sale Agreement**) pursuant to which, TNT Express' business including all assets and liabilities of TNT Express (the **Business**) shall be transferred to the Offeror or any of its Affiliates. For illustration purposes, the situation after Settlement of the Offer is depicted on the next page.

(Situation after the Settlement of Offer)



For the purposes of this Offer Document, the **Asset Sale and Liquidation** shall mean the post-closing restructuring consisting, in summary, of the following main terms:

i. The Offeror requests TNT Express to execute and implement the Asset Sale Agreement.

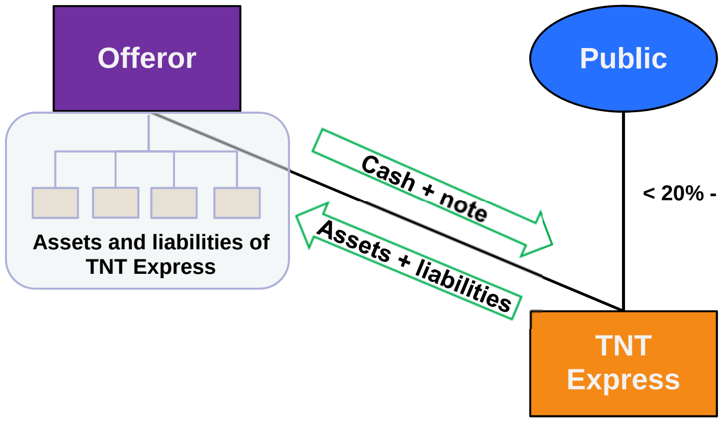
ii. Pursuant to the Asset Sale Agreement, the Business will be transferred from TNT Express to the Offeror against payment by the Offeror to TNT Express of an amount equal to the Offer Price per Share multiplied by the total number of Shares issued and outstanding immediately prior to Completion (the **Purchase Price**).

    A portion of the Purchase Price (the Offer Price multiplied by the total number of Shares held by the Offeror or any of its Affiliates) shall be paid by way of execution of a loan note (the **Purchaser Note**). The remainder of the Purchase Price will be paid to TNT Express in cash.

    The Offeror shall procure, if necessary by making adjustments to the Purchase Price, that the Purchase Price shall be sufficient to pay to the Shareholders, through an advance liquidation payment, an amount equal to the Offer Price per Share, without interest and subject to withholding and other taxes.

iii. Upon transfer of the Business, any and all of TNT Express' rights and obligations under the Merger Protocol (including the Non-Financial Covenants) will be assigned, transferred and applicable to the Offeror.

(Situation after the Asset Sale)



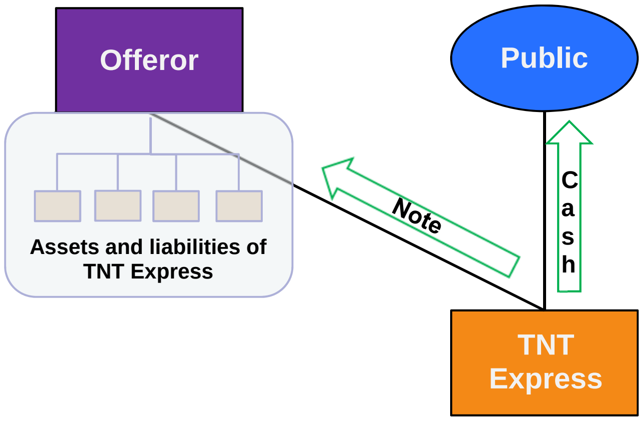
iv. Subsequently, TNT Express shall be dissolved (*ontbonden*) and liquidated (*vereffend*) in accordance with article 2:19 of the DCC et seq. (the **Liquidation**). The Liquidation of TNT Express, including one or more intended advance liquidation distributions within the meaning of article 2:23b(6) of the DCC (such advance liquidation distributions collectively: the **Shareholder Distribution**), will result in the payment of an amount equal to the Offer Price per Share, without interest and subject to withholding and other taxes. Any costs and expenses incurred by TNT Express in connection with the Liquidation will be borne by the Offeror. Upon the Shareholder Distribution:

(a) Shareholders who have not tendered their Shares under the Offer and who are still Shareholders at the time of the Liquidation, receive a cash amount equal to the Offer Price, without interest and subject to withholding and other taxes; and

(b) the Offeror receives the Purchaser Note.

The withholding and other taxes, if any, imposed on such Shareholder may be different from, and greater than, the taxes imposed upon a Shareholder that tenders its Shares under the Offer. Consequently, if the Asset Sale and Liquidation is pursued, the net amount received by a Shareholder who remains a Shareholder up to and including the time of the Asset Sale and Liquidation will depend upon such Shareholder's individual tax circumstances and the amount of any required withholding or other taxes.

(Situation after dissolution)



v. To the extent that the Shareholder Distribution is subject to withholding or other taxes, TNT Express shall withhold the required amounts from the Shareholder Distribution as required by Applicable Laws. To the extent possible, the Shareholder Distribution shall be imputed to paid-in capital (*nominaal aandelenkapitaal en agioreserve*) and not to retained earnings (*winstreserve*), as each such term is defined under applicable accounting principles.

vi. Following the Shareholder Distribution, the Offeror and TNT Express shall procure the delisting of the Shares from Euronext Amsterdam and proceed with the Conversion.

vii. The liquidator (*vereffenaar*) shall, as promptly as practicable, with the assistance of the Offeror, wind up the affairs of TNT Express, satisfy all valid claims of creditors and others having claims against TNT Express all in full compliance with Applicable Laws.

viii. Once the Liquidation (*vereffening*) of TNT Express is completed, TNT Express will cease to exist by operation of law.

6.16.4 Other Post-Settlement Restructurings

After Settlement, as an alternative to the Asset Sale and Liquidation, and regardless of whether or not the Offeror after completion of the Offer would hold 95% (ninety-five per cent) or more of the Shares, the Offeror may wish to effect or cause to effect any other restructuring of the TNT Express Group for the purpose of achieving an optimal operational, legal, financial and/or fiscal structure in accordance with the Applicable Laws and Dutch law in general, some of which may have the (side) effect of diluting the interest of any remaining minority shareholders of TNT Express, including:

a. a statutory (cross-border or domestic) legal (triangular) merger (*juridische (driehoeks)fusie*) in accordance with article 2:309 et seq of the DCC between TNT

Express, FedEx and/or one or more Affiliate of FedEx (a **Statutory Merger**) (see Section 6.16.5 (*Statutory Merger*));

b. a statutory legal demerger (*juridische splitsing*) of TNT Express in accordance with article 2:334a et seq of the DCC;

c. a contribution of cash and/or assets by FedEx or by any Affiliate of FedEx in exchange for ordinary shares in TNT Express' share capital, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of minority shareholders of TNT Express could be excluded;

d. a sale and transfer of assets and liabilities (i) by any member of the TNT Express Group to FedEx, the Offeror or an Affiliate of FedEx or (ii) by FedEx, the Offeror or an Affiliate of FedEx to any member of the TNT Express Group;

e. a distribution of proceeds, cash and/or assets to the shareholders of TNT Express or share buybacks;

f. a liquidation of TNT Express;

g. a subsequent public offer for any Shares held by minority shareholders;

h. a conversion of TNT Express into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*);

i. any transaction between TNT Express and FedEx or their respective Affiliates at terms that are not at arm's length;

j. any transaction, including a sale and/or transfer of any material asset, between TNT Express and its Affiliates or between TNT Express and FedEx or their respective Affiliates with the objective of utilising any carry forward tax losses available to TNT Express, FedEx or any of their respective Affiliates;

k. any transactions, restructurings, share issues, procedures and/or proceedings in relation to TNT Express and/or one or more of its Affiliates required to effect the aforementioned objectives; and

l. any combination of the foregoing.

Any or all of the measures and processes described in this Section 6.16.4 (*Other Post-Settlement Restructurings*) may be applied cumulatively, alternatively, or not at all, subject to applicable provisions of Dutch law. The measures, actions, procedures, proceedings and processes described in this Section 6.16.4 (*Other Post-Settlement Restructurings*) do not prevent the Offeror from seeking a termination of TNT Express' listing on Euronext Amsterdam when it is entitled to do so under the Euronext Amsterdam listing rules.

Any Post-Settlement Restructuring will be structured and implemented while taking into account relevant circumstances and Applicable Laws. The Offeror shall only effect or cause to effect any Post-Settlement Restructuring (i) in accordance with the terms and subject to the conditions of the Merger Protocol, (ii) after the Post-Closing Acceptance Period, and (iii) if the Offeror and/or its Affiliates hold the Asset Sale Range. If the Asset Sale Range is exceeded the Offeror will initiate the Buy-Out.

6.16.5 Statutory Merger

In the event the Offeror decides to effectuate a Statutory Merger between TNT Express and a Dutch Affiliate of the Offeror, with TNT Express being the disappearing entity and the Dutch Affiliate of the Offeror being the surviving entity, Shareholders who have not tendered their Shares under the Offer will become, by operation of law, shareholders in the surviving entity, alongside the Offeror's shareholder(s), which surviving entity may not be listed.

6.16.6 Other measures

The Offeror reserves the right to submit proposals to the Shareholders in order to change the corporate structure and the capital structure of TNT Express and/or to achieve an optimal financial or other structuring.

6.17 Role and veto right of Independent Members

6.17.1 Role Independent Members

Following Settlement, the Supervisory Board will include 2 (two) Independent Members (as defined in Section 6.19.1 (*Supervisory Board*)). All members of the Supervisory Board, including the Independent Members, shall monitor and protect the interests of TNT Express and all of its stakeholders in accordance with their obligations under Dutch law. The Independent Members shall be particularly trusted with monitoring the compliance with the Non-Financial Covenants and, when material transactions between TNT Express and FedEx or any of its Affiliates are considered, the fair treatment of any minority shareholders TNT Express.

In the implementation of any Post-Settlement Restructuring, due consideration will be given to requirements of Applicable Laws, including the fiduciary duties of the members of the Boards at that time to consider the interests of minority shareholders and all other stakeholders' and relevant employee representation bodies' information and/or consultation requirements.

6.17.2 Approval rights Independent Members

If any proposed Post-Settlement Restructuring could reasonably be expected to lead to a dilution of the shareholdings of the remaining minority shareholders in TNT Express, other than:

a. pursuant to a rights issue by TNT Express or any other share issue where the remaining minority shareholders have been offered an opportunity to subscribe pro rata to their then existing shareholding in TNT Express (*voorkeursrecht*);

b. any shares issued to a third party not being an Affiliate of a FedEx, the Offeror or TNT Express at the time of such issue; or

c. the Buy-Out and the Asset Sale and Liquidation,

or any other form of unequal treatment which prejudices or could prejudice or negatively affect the value of the Shares or voting rights attached to the Shares held by the remaining minority shareholders or their reasonable interests, then the affirmative vote of at least 1 (one) Independent Member will be required for approving any such Post-Settlement Restructuring.

6.17.3 Advisors Independent Members

The Independent Members will have the opportunity to engage for the account of TNT Express, their own financial and legal advisors, if and to the extent they reasonably believe that the advice of such advisors is necessary to assist them in reviewing and assessing the matters that come before the Supervisory Board.

6.18 Amendments of the Articles of Association

The Offeror intends to have the Articles of Association amended in the following instances: (i) following Settlement, and (ii) following termination of the listing of the Shares on Euronext Amsterdam, and pursuant to the subsequent conversion of TNT Express into a Dutch limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*).

Following Settlement

For the first amendment it is proposed that at the EGM it will be resolved to amend the Articles of Association as from Settlement, subject to the Offer being declared unconditional (*gestanddoening*) and Settlement having taken place, which amendment will mainly relate to:

(a) deletion of all references to preference shares or separate classes of shares; and

(b) new provisions regarding conflicts of interest, the absence and the inability to act of members of the Executive Board and the Supervisory Board to reflect current mandatory Dutch law.

Drafts of the proposed amended Articles of Association are enclosed under Part II of this Offer Document.

Following delisting and pursuant to the Conversion

For the second amendment it is proposed that at the EGM it will be resolved to amend the Articles of Association as per the day of termination of the listing of the Shares on Euronext Amsterdam, subject to the Offer being declared unconditional (*gestanddoening*) and Settlement having taken place, which amendment will mainly relate to:

(a) the inclusion of non-listed registered shares;

(b) provisions that either mandatorily apply to non-listed entities or provisions that are more suitable for TNT Express' new status; and

(c) the Conversion of TNT Express.

This proposed amendment of the Articles of Association will only be subject to delisting of the Shares from Euronext Amsterdam.

Drafts of the proposed amended Articles of Association are enclosed under Part II of this Offer Document.

6.19 Future Boards composition

6.19.1 Supervisory Board

After successful completion of the Offer, the Supervisory Board will be composed of 3 (three) new members selected by FedEx (being Mr. Cunningham, Ms. Richards and Mr. Bronczek who will act as chairman) and 2 (two) persons qualifying as independent within the Dutch Corporate Governance Code (the **Independent Members**) (being Ms. Scheltema and Mr. Levy, both members of the current Supervisory Board). The initial Independent Members (or after their replacement any other person who (i) qualifies as independent within the meaning of the Dutch Corporate Governance Code, and (ii) is reasonably acceptable to the resigning Independent Member and the other members of the Supervisory Board) will continue to serve on the Supervisory Board for at least the Non-Financial Covenants Duration.

6.19.2 Executive Board

As from the Settlement Date, the Executive Board will be composed of two new members selected by FedEx, being Mr. Binks and Mr. Allen, and Mr. De Vries, member of the current Executive Board. Mr. Binks will become the new Chief Executive Officer and Mr. Allen the Chief Legal Officer of TNT Express. Mr. De Vries will remain in office as Chief Financial Officer of TNT Express for a period of six months following the Settlement Date. The appointment of Mr. Binks shall be subject to completion of the applicable employee consultation procedures.

Mr. Gunning has agreed to resign as Executive Board member upon Settlement of the Offer, notwithstanding his ongoing involvement as a member of the Integration Committee for a period of six months following the Settlement Date, as described in Section 6.21 (*Integration*).

In connection with the completion of the Offer and in line with the remuneration policy, both Mr. Gunning and Mr. De Vries will receive a change of control payment, equal to the aggregate sum of their annual base fee, pension allowance due by TNT Express and the average bonus over the last three years (to the extent the respective member of the Executive Board has been engaged with TNT Express) all multiplied by 2 (two). There will not be an additional severance payment. With regard to Mr. De Vries' continued role as member of the Executive Board, transitional CFO and member of the Integration Committee, Mr. De Vries will, instead of his variable short term bonus and long term bonus, receive a one-off retention bonus of EUR 250,000 gross, which will be payable six months following the Settlement Date.

6.20 Corporate governance post Settlement

Following Settlement, as long as Shares are listed on Euronext Amsterdam, TNT Express shall continue to adhere to the Dutch Corporate Governance Code except for (i) current deviations from the Dutch Corporate Governance Code, and (ii) deviations from the Dutch Corporate Governance Code that find their basis in the Merger Protocol (subject to explanation at such time, as may be required). Foreseeable deviations include (i) the independence of all members of the Supervisory Board with the exception of 2 (two) members in view of the specific arrangements in this respect between FedEx and TNT Express in the Merger Protocol as further described in Section 6.17 (*Role and veto right of the Independent Members*) and (ii) best practices which can no longer be complied with relating to the resignation of the Executive Board members and the appointment of the Liquidator in case the Asset Sale and Liquidation is implemented. Upon delisting of the Shares from Euronext Amsterdam, the Dutch Corporate Governance Code will no longer be applicable to TNT Express.

6.21 Integration

The integration of the Combination will be the responsibility of FedEx and the Boards. In order to facilitate such integration, an integration committee will be established as of the Settlement Date consisting of 4 (four) members, 2 (two) of which will be Mr. Gunning and Mr. De Vries (and if any such executive resigns, he or she will be replaced by another executive of TNT Express) and the other 2 (two) will be FedEx representatives (Mr. Cunningham and Mr. Henning) (and if any representative resigns, he or she will be replaced by another representative of FedEx) (the **Integration Committee**) for a minimum period of at least 2 (two) years after the Settlement Date. The chairman of the Integration Committee will be a FedEx representative and will have a casting vote. The Integration Committee will determine an integration plan and submit it to FedEx and the Boards of TNT Express, monitor its implementation and do all things necessary to assist and optimise the integration of the Combination.

Prior to the Settlement Date, FedEx may, in consultation with TNT Express, determine the interim reporting structure for the TNT Express Group within the Combination. In that event, for consolidation purposes, the final reporting structure will be described in the integration plan determined by the Integration Committee and approved by FedEx and the Boards of TNT Express.

6.22 Employee consultation

The trade unions involved with the Offeror and TNT Express and the secretariat of the Social Economic Council (*Sociaal Economische Raad*) have been informed in writing of the Offer in accordance with the *SER Fusiegedragsregels 2000* (the Dutch code in respect of informing and consulting of trade unions).

The Central Works Council and the European works council have been informed regarding the Offer. On the basis thereof, the Central Works Council has given its positive advice in respect of the Offer and the European works council has given its positive opinion.

To the extent that intended decisions regarding any future integration or restructuring will be subject to the advice of the relevant works council of TNT Express and/or FedEx, the proper procedures shall be followed pursuant to the WOR and in accordance with standard practice within TNT Express and FedEx.

6.23 Non-Financial Covenants

6.23.1 Introduction

The Offeror shall, in accordance with the terms and subject to the conditions of the Merger Protocol, comply with the principles and agreements set out in Sections 6.4 (*Rationale for the Offer*), 6.23.2 (*Strategy*) through 6.23.7 (*Finance*), (together with the provisions set out in Sections 6.16.4 (*Other Post-Settlement Restructurings*), 6.17 (*Role and veto right of Independent Members*), 6.18 (*Amendments of the Articles of Association*), 6.19 (*Future Boards composition*), 6.20 (*Corporate governance post Settlement*) and, collectively the **Non-Financial Covenants**).

6.23.2 Strategy

By combining their businesses and drawing on their considerable capabilities, FedEx and TNT Express intend to create a leading global player in providing logistics, transportation, express delivery and related business services.

The complementary elements of this business combination will give customers around the world access to an unparalleled, integrated, global air/ground network dedicated to delivering efficient and highly reliable service. See also Section 6.4 (*Rationale for the Offer*).

6.23.3 Locations of TNT Express and organisation

Amsterdam/Hoofddorp shall be the European regional headquarters of the Combination. FedEx currently has no intention to change the statutory seat of TNT Express, which is currently in Amsterdam. FedEx recognises the significant value of TNT Express' operations, assets and people in Liège and is committed to maintaining Liege as a significant operation for the Combination going forward.

It is the intention of FedEx that TNT Express' road freight network in Europe and its management shall play a leading role within the Combination.

Subject to (i) the integration of the TNT Express and FedEx businesses, (ii) any Commitments, and (iii) any divestments of the Airlines, FedEx does not intend to sell and/or transfer the majority of the TNT Express Group to a third party or sell and/or transfer the majority of assets of the companies belonging to the TNT Express Group to a third party.

FedEx will allow the Combination to continue its leadership in sustainable development.

6.23.4 Employment and employee representation

a. Workforce

Given the intention by FedEx and TNT Express to build and grow the Combination, they will ensure that the Combination is properly staffed. To that end, and in accordance with the Merger Protocol, TNT Express and FedEx will consult and cooperate with one another in working to avoid any reorganization or restructuring plans that would result in significant reductions in the (a) global workforces of TNT Express or FedEx, and (b) the workforces of TNT Express or FedEx in The Netherlands, except only in respect of reorganization or restructuring initiatives of TNT Express outlined at TNT Express' capital markets day of 18 February 2015, including *Outlook* and *Deliver!*.

b. Selection

Persons currently holding management and staff positions within the TNT Express Group will be given fair opportunities to hold management and staff positions (including country, functional and central management) within the Combination (without prejudice to TNT Express', FedEx's or the Combination's rights as an employer under Applicable Laws in individual cases) pursuant to a “best person for the job” process.

Any employees within the Combination will receive proper training, if and when appropriate.

c. Existing rights

After the Settlement Date and, if applicable, for the agreed duration of the respective arrangements, FedEx will respect and continue the current TNT Express employee consultation structure (i.e. European works council, the Central Works Council and other existing employee representative bodies).

FedEx will respect the existing employment terms of TNT Express, including any existing social plans, pension rights (including pursuant to pension plans), profit sharing arrangements and schemes, covenants and collective labour agreements (including the employee benefits included in the terms thereof), as well as the terms of the individual employment agreements between the TNT Express Group and its employees.

FedEx and TNT Express will honour the existing arrangement regarding the mitigated structure regime (*gemitigeerd structuurregim*e) of TNT Nederland B.V. including having a supervisory board consisting of 3 (three) supervisory directors, 1 (one) of which will be appointed on the basis of a nomination made by the Central Works Council, in accordance with the terms of such arrangements.

6.23.5 Airlines

FedEx will work with TNT Express to find a structure for the airline that complies with European and U.S. airline ownership rules, with possible commitments to accommodate a sale of airlines to a European third party.

Intercontinental air operations would, where permitted by Applicable Law, continue to be conducted by FedEx following a transaction, with appropriate handling of obligations with respect to TNT Express' pilots in accordance with Applicable Law.

6.23.6 Brand

Based on careful planning, the Combination may implement the gradual and prudent phase-out of TNT Express' brand on a country-by-country basis as part of the integration of TNT Express and FedEx, and TNT Express' brand will be maintained for an appropriate period.

6.23.7 Finance

FedEx and TNT Express will ensure that after Settlement the TNT Express Group will remain prudently financed, including but not limited to in respect to the level of debt incurred or to be incurred by the TNT Express Group, to safeguard business continuity and to support the success of the business

6.23.8 Deviation

The Offeror and TNT Express acknowledge that (i) only pursuant to mandatory Applicable Laws, and (ii) if supported by an unequivocal opinion of an outside legal counsel that non-deviation would constitute a breach of mandatory Applicable Laws, the Supervisory Board may in the interest of the Combination deviate from relevant Non-Financial Covenants if such deviation – in the reasonable opinion of the Supervisory Board – is mandated by a proper discharge of its fiduciary duties or is required to ensure compliance with Applicable Laws.

Any deviation from the Non-Financial Covenants requires the prior written approval of the Supervisory Board, including the affirmative vote of at least 1 (one) Independent Member; provided, however, that any deviation from the Non-Financial Covenants set out in Section 6.16.4 (*Other Post-Settlement Restructurings*) requires the prior written approval of the Supervisory Board, including the affirmative vote of each of the 2 (two) Independent Members.

6.23.9 Duration

The arrangements set forth in Section 6.16.4 (*Other Post-Settlement Restructurings*) and 6.17 (*Role and veto right of Independent Members*) will cease to apply on the earliest of (i) the date on which none of the Shares are held by any third party other than FedEx or one or more of its Affiliates, (ii) the date on which the Buy-Out is irrevocably initiated and the Offer Price is deemed to be the fair price (*billijke prijs*) pursuant to article 2:359c(6) of the DCC, (iii) the date on which the Enterprise Chamber has determined the price payable by FedEx to the other Shareholders pursuant to the Buy-Out, (iv) the 3rd (third) anniversary of the Commencement Date, and (v) the date on which, following the Asset Sale, as part of the Liquidation the Shareholders have received the Shareholder Distribution equal to the Offer Price less any withholding taxes (if applicable).

All other Non-Financial Covenants will cease to apply on the 3rd (third) anniversary of the Commencement Date (the **Non-Financial Covenants Duration**).

6.23.10 Benefit and Enforcement

The Non-Financial Covenants are made to TNT Express as well as, by way of irrevocable third party undertaking for no consideration (*onherroepelijk derdenbeding om niet*), to each of the 2 (two) Independent Members and regardless of whether he or she is in office or dismissed, provided that after dismissal, the dismissed Independent Member(s) must assign the benefit of such undertaking to a new Independent Member in function, unless such dismissal is successfully challenged by such Independent Member. New Independent Members will be appointed based on agreement on the nominee between the remaining Independent Member (if any) and the other members of the Supervisory Board, or, in case of disagreement by the members of the Supervisory Board, by the President of the Enterprise Chamber. The Offeror has already agreed in advance to the assignment of the benefit of this undertaking by any Independent Member to its successor. The Offeror will bear all reasonable costs and expenses relating to the enforcement by an Independent Member pursuant to this Section 6.23.10 (*Benefit and Enforcement*).

6.23.11 Transfer to third parties

In the event of a transfer of TNT Express' assets (as a result of the Asset Sale or otherwise), any and all of TNT Express' rights and obligations under the Merger Protocol will be assigned and transferred (by operation of law) to such successor of TNT Express, and any reference to TNT Express in the Non-Financial Covenants or elsewhere in the Merger Protocol will be deemed to be to such successor. The Offeror shall, and shall procure that its Affiliates will execute all such deeds, documents, assurances, and perform such acts and things reasonably required to ensure that the Parties and their representatives (if any) give effect to the provisions of this Section 6.23.11 (*Transfer to third parties*).

6.24 Exclusivity

Below is a summary of the key arrangements set forth in the Merger Protocol that are relevant to the Offer and not otherwise described in this Offer Document.

6.24.1 Exclusivity Period

During the **Exclusivity Period** except as permitted pursuant to Section 6.24.1a and 6.24.1b, TNT Express shall not, and shall ensure that none of its Group Companies and its and their respective directors, officers and advisors acting on its behalf (together the **Relevant Persons**), shall, directly or indirectly, initiate, enter into discussions or negotiations with, or provide any non-public information relating to the TNT Express Group or its business or assets or personnel to, or otherwise approach or solicit any third party to make an offer or proposal or enter into agreements for a potential offer for all or a material part of the Shares or for the whole or a material part of the business or assets of TNT Express or any proposal involving the potential acquisition of a substantial interest in the TNT Express Group, a legal merger or demerger involving TNT Express, a reverse takeover of TNT Express a reorganisation or re-capitalisation of TNT Express and/or the TNT Express Group (an **Alternative Proposal**).

a. Notwithstanding this Section 6.24.1, TNT Express and its Relevant Persons are permitted to engage in discussions or negotiations with, and provide certain information to, a bona fide third party that makes an unsolicited approach to TNT Express with the intention of making a **Superior Offer** (as defined below), but provided that TNT Express shall only provide information if and to the extent the Boards have in their reasonable opinion determined that doing so is reasonably necessary to assess whether such Alternative Proposal could reasonably be expected to qualify or evolve into a **Potential Superior Offer** (as defined below) or Superior Offer, provided that (i) TNT Express promptly (and in any event within 24 (twenty-four) hours of receipt of the Alternative Proposal) notifies FedEx of such approach, (ii) TNT Express keeps FedEx regularly updated on the status of those discussions, and (iii) FedEx shall simultaneously receive any information provided to the third-party which FedEx has not yet received. TNT Express shall terminate such discussions and negotiations if after 10 (ten) Business Days from having notified FedEx of the approach in accordance with the preceding sentence if the discussions or negotiations have not resulted in a Potential Superior Offer.

b. In the event that a Potential Superior Offer is received by TNT Express, TNT Express and the Relevant Persons may:

   i. consider such Potential Superior Offer;

   ii. engage in discussions or negotiations regarding such Potential Superior Offer for a reasonable period which will in any event not exceed 10 (ten) Business Days starting on the date of FedEx's receipt of the notice referred to in paragraph a. above (the **Superior Offer Period**);

   iii. provide non-public, confidential information to the third party making the Potential Superior Offer, provided that such third party will receive the same information as provided to FedEx, except if and to the extent the Boards determine, taking into account their fiduciary duties and having consulted their financial and legal advisors, that the third party reasonably requires additional information to be able to make a Superior Offer. In that case, FedEx will simultaneously receive the same additional information provided to such third party. TNT Express shall not provide any information or data to any person in connection with such Potential Superior Offer before the proposing party has first signed a confidentiality agreement on terms no less stringent than those of the non-disclosure agreement between FedEx and TNT Express; and

   iv. make any public announcement in relation to a Potential Superior Offer to the extent required under the Merger Rules, to the extent permitted under the Merger Rules after consultation with FedEx.

6.24.2 Potential Superior Offer

A **Potential Superior Offer** is an unsolicited written Alternative Proposal to make a (public) offer for all Shares or for all or substantially all of the business or assets of TNT Express or a legal merger or reverse takeover involving TNT Express, made by a party who, in the reasonable opinion of the Boards, taking into account their fiduciary duties, is a *bona fide* third party, and which proposal, in the reasonable opinion of the Boards, could reasonably be expected to qualify as or evolve into a Superior Offer.

6.24.3 Superior Offer

An Alternative Proposal will be a **Superior Offer** if all of the following conditions are met:

a. the Alternative Proposal is a *bona fide* unsolicited written offer or proposal relating to an Alternative Proposal for (i) a full public offer (*volledig bod*) or mandatory offer (*verplicht bod*) for the Shares, (ii) a legal merger resulting in the control over all or substantially all the Shares, or (iii) an acquisition of all or substantially all of the business or assets of TNT Express, by a party who, in the reasonable opinion of the Boards, is a *bona fide* party;

b. in the reasonable opinion of the Boards, taking into account their fiduciary duties and having consulted their financial and legal advisors, the Alternative Proposal is substantially more beneficial to TNT Express and its Shareholders, employees and other stakeholders than the Offer, taking into account the strategy of the Combination, the overall terms and conditions set out in the Merger Protocol (including the deal certainty aspects such as the Asset Sale) and also, taking into account the overall terms and conditions of such Alternative Proposal, and the certainty and timing thereof, including the pre-offer conditions and offer conditions, level and nature of consideration, certainty of financing, integration of the businesses, the position of the employees, other matters contemplated by the Non-Financial Covenants, and compliance with Antitrust Laws and regulatory requests and the transaction structure;

c. the total consideration payable to the Shareholders in connection with such Alternative Proposal (including any dividend proposed to be effected in connection therewith) exceeds the Offer Price as mentioned in the First Announcement by at least 8% (eight per cent);

d. the Alternative Proposal is legally binding on the third party such that the third party has conditionally committed itself to TNT Express to announce the Alternative Proposal within a week, and in the event of a full public offer make the Alternative Proposal within 8 (eight) weeks in accordance with the Decree and in any event within the timeframes applicable as set in the Decree and the DFSA; and

e. the consideration payable in the Alternative Proposal may not consist of any securities that are not publicly traded on a regulated market.

6.24.4 Other considerations

If the consideration payable to the Shareholders in connection with a Potential Superior Offer or

Superior Offer comprises solely or partly of securities, the securities component of such consideration is to be valued by the Boards in their calculation of whether the threshold in Section 6.24.3c is exceeded, at prevailing market prices and practices, as at the date that the comparison is made, after obtaining advice from its financial advisors. To the extent that the Potential Superior Offer or Superior Offer is an offer for all or substantially all of the assets of TNT Express and its Group, the calculation will be made on the basis of the net proceeds (excluding dividend withholding tax) to be distributed to the Shareholders resulting from such a transaction calculated on a per Share basis.

6.24.5 Matching Right

For the purpose of this Section 6.24.5, a **Matched Offer** is an offer which is, and on terms and conditions which are, determined by the Boards, taking into account their fiduciary duties and having consulted their financial and legal advisors, to be, on balance, at least equally beneficial to TNT Express and the Shareholders, employees and other stakeholders as the Superior Offer, taking into account the strategy of the Combination, the offer price, the overall terms and conditions, the certainty and timing thereof, including the pre-offer conditions and offer conditions, level and nature of consideration, certainty of financing, integration of the businesses, position of the employees and the other matters contemplated by the other Non-Financial Covenants, and compliance with Antitrust Laws and regulatory requests and the transaction structure.

In the event of a Superior Offer, the following shall apply:

a. TNT Express shall notify the Offeror in writing promptly (but in any event within 24 (twenty-four) hours) of the contents of such a Superior Offer;

b. the Offeror shall have a period of ten (10) Business Days following receipt of the notice under 6.24.5 (a) to decide whether or not it wants to revise its Offer (the **Matching Offer Period**) and match the Superior Offer (the **Matching Right**);

c. If the Offeror has exercised its Matching Right and has made a Matched Offer within the Matching Offer Period, TNT Express shall not be entitled to accept the Superior Offer or terminate the Merger Protocol and TNT Express and the members of the Boards will remain bound to the terms and conditions of the Merger Protocol, including with respect to future (Potential) Superior Offers.

d. If the Offeror has not made a Matched Offer within the Matching Offer Period (or, if earlier, if the Offeror notifies TNT Express in writing of its intent not to make a Matched Offer), then TNT Express may accept the Superior Offer and (i) the Boards will have the right, but will not be obliged, to withdraw or, as applicable, modify the Recommendation and the Position Statement. If TNT Express accepts the Superior Offer, which acceptance shall be communicated to the Offeror by TNT Express as soon as possible but within 5 (five) Business Days following the last day of the Matching Offer Period, each of the Offeror and TNT Express will be entitled, but will not be obliged, to terminate the Merger Protocol.

6.24.6 Consecutive (Potential) Superior Offers

If the Offeror has matched a Superior Offer then Sections 6.24.2 (*Potential Superior Offer*), 6.24.3 (*Superior Offer*) and 6.24.4 (*Other considerations*) (including but not limited to the Matching Right) to any consecutive (Potential) Superior Offer, including a new Superior Offer, which must exceed the consideration per Share of each Matched Offer by at least 5% (five per cent) and meet the other requirements set out in the definition of Superior Offer to qualify as a (new) Superior Offer in accordance with Section 6.24.3 (*Superior Offer*) by the initial party making the initial Superior Offer following a Matched Offer or following another Potential Superior Offer or Superior Offer by another *bona fide* third party.

6.24.7 Termination

The Merger Protocol may be terminated by notice in writing in the following events:

Mutual consent

a. if FedEx and TNT Express explicitly so agree in writing;

Offer Conditions

b. by either TNT Express or FedEx if any of the Offer Conditions is not satisfied or waived by the relevant party by the Long Stop Date, provided that the non-satisfaction of the relevant Offer Condition is not due to a breach by the terminating party of any of its obligations under the Merger Protocol or any agreement resulting therefrom;

Material breach

c. by either TNT Express or FedEx if the other party has breached the terms of the Merger Protocol to the extent that any such breach:

   i. has or could reasonably be expected to have material adverse consequences for TNT Express, the Offer, the Asset Sale or other material Transactions; and

   ii. is incapable of being remedied within 10 (ten) Business Days after receipt by the other party of a written notice from the terminating party or has not been remedied by the other party within 10 (ten) Business Days after receipt by the other party of a written notice from the terminating party.

Superior Offer

d. by either TNT Express or the Offeror in the event of a Superior Offer in accordance with and subject to the terms of Section 6.24.5d; or

No Settlement

e. by TNT Express if all Offer Conditions are satisfied or waived and Settlement has not taken place on the Settlement Date.

6.24.8 Termination fee

To induce FedEx to enter into the Merger Protocol and to compensate FedEx and its Affiliates for loss of management time and other costs and expenses which it has already incurred and will continue to incur in connection with the Transactions and the preparation of the Transactions, on termination of the Merger Protocol by FedEx on account of a material breach of the Merger Protocol by TNT Express or in case of a Superior Offer, TNT Express will forfeit a gross EUR 45 million termination fee to FedEx.

To induce TNT Express to enter into the Merger Protocol and to compensate TNT Express and its Affiliates for loss of management time and other costs and expenses which it has already incurred and will continue to incur in connection with the Transactions and the preparation of the Transactions, on termination of the Merger Protocol by TNT Express on account of a material breach of the Merger Protocol by FedEx, the Offer Condition relating to the Competition Clearances set out in Section 6.6.1B not being satisfied or waived by the Offeror before the Long Stop Date, or Settlement not taking place on the Settlement Date despite all Offer Conditions having been made satisfied or waived, FedEx will forfeit a gross EUR 200 million reverse termination fee to TNT Express.

7. EXTRAORDINARY GENERAL MEETING OF TNT EXPRESS SHAREHOLDERS

In accordance with the Applicable Laws, TNT Express shall convene an extraordinary general meeting to discuss the Offer and the Asset Sale and Liquidation. The EGM shall be held at 9:00 hours CET on 5 October 2015 at the TNT Centre, Taurusavenue 111, 2132 LS Hoofddorp, The Netherlands. TNT Express has agreed with FedEx that the Shareholders shall be requested at the EGM to:

a. approve the Asset Sale in accordance with the Asset Sale Documentation, as required under article 2:107a DCC; and

b. (i) dissolve (*ontbinden*) TNT Express in accordance with article 2:19 of the DCC,(ii) appoint the newly to be incorporated Stichting Vereffening TNT Express as liquidator (*vereffenaar*) of TNT Express in accordance with article 2:19 of the DCC (the **Liquidator**), and (iii) appoint TNT Nederland B.V. as custodian of the books and records of TNT Express in accordance with article 2:24 DCC,

(the **Asset Sale and Liquidation Resolutions**).

Each of the Asset Sale and Liquidation Resolutions is subject to the conditions precedent that (i) the Offer has been declared unconditional (*gestand gedaan*) and Settlement has taken place, and (ii) the Asset Sale Range has been reached. The Asset Sale and Liquidation Resolutions under b. above shall in addition be subject to the condition precedent of the Asset Sale having been completed. The Executive Board will determine the exact date as of which such condition precedent has been fulfilled, upon which the dissolution of TNT Express shall become effective.

At the EGM, the Shareholders will also be requested to:

a.
   i. resolve on the amendments of the Articles of Association substantially in accordance with the draft of the amended Articles of Association Part 1 (Amended Articles of Association after Settlement), as per the Settlement Date; and
   ii. resolve on the conversion of TNT Express into a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) and on the amendment of the Articles of Association substantially in accordance with the draft of the amended Articles of Association Part 2 (Amended Articles of Association after delisting and pursuant to conversion into a Dutch private limited liability company), as per the day of termination of the listing of the Shares on Euronext Amsterdam. The Offeror intends to convert TNT Express into a Dutch private limited liability company both in the Buy-Out scenario, as soon as possible after a Buy-Out has been initiated, and the Asset Sale and Liquidation scenario, as soon as possible after the Shareholder Distribution (the **Conversion Resolution**).

all attached as Part II of this Offer Document;

b. appoint Mr. Cunningham, Ms. Richards and Mr. Bronczek to the Supervisory Board, effective as per the Settlement Date;

c. appoint Mr. Binks and Mr. Allen to the Executive Board, effective as per the Settlement Date;

d. approve the amendment to the 2014 remuneration policy, as amended in 2015, of the Executive Board to make changes to the remuneration of Mr. De Vries as per the Settlement Date;

e. grant full and final discharge from liability to all members of the Supervisory Board for their functioning until the date of the EGM, effective as per the Settlement Date; and

f. grant full and final discharge from liability to all members of the Executive Board for their functioning until the date of the EGM, effective as per the Settlement Date,

(collectively the **Governance Resolutions** (including the Conversion Resolution) and together with the Asset Sale and Liquidation Resolutions, the **Resolutions**).

Each of the Governance Resolutions is subject to the conditions precedent that the Offer has been declared unconditional (*gestanddoening*) and Settlement has taken place. The Conversion Resolution is also subject to the delisting of the Shares from Euronext Amsterdam.

Any ADS holder who wishes to provide instructions with respect to voting of the Ordinary Shares represented by such holder’s ADSs must wait to tender his or her ADSs until after 7 September 2015, the record date for the EGM.

8. INFORMATION REGARDING TNT EXPRESS

8.1 Introduction

TNT Express is one of the world's largest express delivery companies. On a daily basis, TNT Express delivers close to 1 million consignments ranging from documents and parcels to palletised freight. TNT Express operates road and air transportation networks in Europe, the Middle East and Africa, Asia-Pacific and the Americas. It employs 58,000 people worldwide and runs a fleet of around 30,000 road PUD (Pick-up and delivery) vehicles, around 5,000 linehaul vehicles and 54 aircraft, and operates intra-European and intercontinental networks. TNT Express made EUR 6.7 billion in revenue in 2014.

8.2 History of TNT Express

Thomas Nationwide Transport was founded by Ken Thomas in Australia in 1946. TNT Express grew into a global enterprise and was acquired 50 years later by the Dutch postal and telecommunications company KPN. In 1998, the postal, logistics and express businesses of KPN were spun-off from KPN under the name TNT Post Group N.V., which was rebranded TNT N.V. in 2005. The logistics activities of the group were sold in 2006. In 2011, TNT N.V. demerged its postal and express activities into two separate companies with separate stock listings on Euronext Amsterdam: PostNL N.V. and TNT Express.

The network and footprint of the express business evolved in line with changes in customers' supply chains. In Europe, TNT Express expanded by acquiring Jet Services S.A. (France) in 1998 and TG Plus Transcamer Gomez S.A.U. (Spain) in 2005. It also established a strong presence in Eastern Europe, mainly through organic growth. In emerging markets, TNT Express acquired domestic operations in South America (Expresso Mercúrio, Expresso Araçatuba and LIT Cargo) and developed regional and intercontinental networks to meet customers' global demands and tap the potential of these markets.

Following the demerger in 2011, a company-wide effort was undertaken to redefine TNT Express' mission and vision to create a common understanding of direction and purpose. The appointment of a new CEO in 2013, after the unsuccessful takeover offer from United Parcel Service, Inc., was the starting point for the development of the Outlook strategy that TNT Express began implementing in February 2014, which focused on the company's large base of small and medium enterprise customers, the strong road network and leadership culture. Outlook targets substantial improvements in performance to meet TNT Express' stakeholders' needs:

- Competitive products and services, delivered perfectly at competitive prices for customers
- A secure and meaningful future for employees
- Improving results and a solid return on investment for shareholders

To realise these objectives, Outlook provides for 3 (three) priorities: focus on profitable growth; invest in operational excellence; and organise to win. Those objectives have guided the executive decision making process since Q1 2014.

8.3 Business overview

TNT Express operates in what is commonly referred to as the Courier, Express and Parcel (CEP) market. TNT Express picks up, transports and delivers documents, parcels and freight on a time-certain or day-definite basis. Its services are primarily classified by speed, distances to be covered, weights and sizes of consignments. Most shipments are between businesses (B2B). TNT Express however, also offers specific solutions (including business-to-consumer services (B2C)) to select key customers.

TNT Express has a worldwide presence with domestic, regional and intercontinental delivery. TNT Express has its own operations, subcontractors and agents. TNT Express' head office is located in Hoofddorp, The Netherlands.

TNT Express' customers are large companies and multinationals, as well as small and medium-sized enterprises. The main industries served by TNT Express are industrial, automotive, high-tech and healthcare.

Services are delivered through a combination of physical infrastructures such as depots, aircraft and vehicles and electronic infrastructures such as track-and-trace systems. TNT Express operates interconnected international air and road networks. The air network consists of a central air hub in Liege, Belgium and a fleet of aircraft. The road networks are operated in Europe, the Middle East, Asia, Australia and South America.

8.4 Organisational structure

TNT Express' business is divided into four reportable segments: International Europe, International AMEA, Domestics and Unallocated.

a) The International Europe reportable segment is centrally led with integrated responsibility across Europe.

b) The International AMEA reportable segment is managed separately but operates in close cooperation with International Europe.

c) The Domestics reportable segment includes the domestic operations in France, Italy and the United Kingdom, as well as Brazil, Chile, Australia and New Zealand. The domestic entity creates a dedicated focus on domestic operations, whilst keeping the synergies with the international activities.

d) The Unallocated reportable segment continues to consist of Other Networks (TNT Innight), Central Networks (European Road Network and European Air Network), IT, Global Business Services (GBS) and the TNT Head Office.

(a) International Europe

The International Europe segment is comprised of all TNT operations in Europe with the exception of the domestic businesses in France, Italy and the United Kingdom. These operations provide TNT with a strong position in the European international express market. The segment also includes TNT's operations in North America and Israel.

TNT Express is a strong player in intra-European express. TNT Express generates more than half of its revenues in Europe, of which the majority is in international services. This is complemented by a strong domestic footprint, especially in the United Kingdom, France and Italy.

(b) International AMEA

The AMEA segment constitutes the businesses in Asia, the Middle East and Africa with fully owned subsidiaries in 21 countries. It operates express services within the AMEA region and provides intercontinental services mainly to and from Europe and the United States. Its dedicated intercontinental air fleet serves Shanghai, Hong Kong, Singapore and Dubai. In Asia, it operates domestic and international regional road networks connecting more than 126 cities and provides an attractive alternative to air and sea transport.

TNT Express operates international express services between the Asia Pacific region and Europe. TNT Express' dedicated intercontinental air fleet serves Hong Kong, Shanghai and Singapore. TNT Express also operates regional and domestic road networks in Asia. Its Asian Road Network connects more than 125 cities, thereby providing an attractive alternative to air and sea transportation. TNT Express has subsidiaries in 17 Asian countries, with its main operations in China.

In the Middle East, TNT Express operates a leading regional road network as well as a full range of air-based services. TNT Express owns and operates numerous businesses in the region but also serves many countries via partnerships and agents.

In Africa, TNT Express owns businesses in South Africa, Kenya, Namibia and Egypt. It serves most of the rest of the continent through partnerships and agents. A partnership with Necotrans has improved network capabilities, service and market share in eight Sub-Saharan African countries. TNT Express is looking to establish Southern and Eastern African Road Networks in 2015.

(c) Domestics

The Domestics segment comprises of the domestic businesses in France, Italy and the United Kingdom, Australia and New Zealand. These businesses provide TNT Express with a strong position in the domestic express markets in the respective countries. In South America, TNT Express has key positions in the domestic express markets in Brazil and Chile, realised through the acquisitions of Expresso Mercúrio and Expresso Araçatuba in Brazil and LIT Cargo in Chile. In Brazil, TNT Express is a strong player in express deliveries and its network covers 140 locations. Its service offering to customers is supported by fully automated hubs and track-and-trace technology. Key countries within the region are connected via the South American Road Network. The Brazilian business is undergoing a turnaround following integration-related issues and domestic customer losses caused by service quality issues, which together severely impacted profitability.

TNT Express is also a strong player in the Australian express market and offers service to national and international destinations with both time-definite and day-definite services.

(d) Unallocated

The Unallocated segment consists of Other Networks (TNT Innight), Central Networks (European Road Network and European Air Network), IT, Global Business Services (GBS) and the TNT Head Office. As part of its strategy to focus on core express delivery services, TNT Express sold its specialist fashion supply chain business in The Netherlands, TNT Fashion Group B.V. (TNT Fashion) to a consortium of Belspeed and Netlog Group in the first quarter of 2014.

Part of this segment is TNT Express' unique combination of road and air networks in Europe that connect its strong domestic platforms. The European Road Network connects more than 40 countries through 20 international road hubs; the European Air Network connects about 65 airports. TNT Express' infrastructure offers customers a wide range of services and solid delivery performance, even in less dense regions of Europe.

TNT Innight provides overnight distribution services within Europe. Shipments are collected at the end of the working day and are delivered overnight before 7:00 hours the next day. Customers span the automotive, healthcare, installation technology, electronics, telecom and medical technology sectors.

8.5 Strategy and objectives

The *Outlook* programme sets out clear guidelines and objectives. The focus on Europe is an important part of those objectives.

Europe is the 'home' market and stronghold for TNT Express, where more than two-thirds of its revenues are generated. Within the B2B (business-to-business) domestic and intra-European core market segment (estimated size EUR 3.3 billion in 2014), TNT Express built its position on a strong product and service offering based on quality and networks and infrastructure. Differentiating elements include:

- A broad product portfolio ranging from time-critical/same-day deliveries through heavy freight shipments to various value-added services.

- A service-oriented organisation with knowledgeable and experienced employees that deliver excellent service and build long-term customer relationships.

- Two centrally coordinated and integrated line haul networks: the road network and the air network. These complementary European networks enable customers to switch from air to road and vice versa.

- A dense depot infrastructure and related extensive last-mile-delivery capability, which enables next-day delivery throughout Europe.

- Outsourcing and subcontracting approach that makes it possible for TNT Express to lower costs and react quickly to changing circumstances.

- Significant investments were made to improve service levels in TNT's core European market, to support future growth.

TNT Express invested EUR 22 million in the re-launch of its brand throughout 2014. TNT Express' tagline, 'The People Network', reflects its culture and drive to develop strong relationships with customers. It showcases TNT Express' role as a network of dedicated people who help customers grow their businesses.

Furthermore, TNT Express is dedicated to embedding corporate responsibility (**CR**) in all of its activities. To achieve optimal buy-in and involvement, responsibility for the development and execution of the CR strategy has been delegated to each business and operating unit.

At a central level, TNT Express engages frequently with its stakeholders (employees, customers, subcontractors, suppliers, investors, and the communities it serves) to better understand their perspectives and concerns regarding TNT Express' CR approach. An example of such engagement is an annual online survey which is conducted with six stakeholder groups: customers, employees, subcontractors, suppliers, investors and civil society organisations. The survey outcome provides guidance for developing and improving TNT Express's CR strategy and activities.

The 2014 survey was sent to approximately 4,000 stakeholders globally, with a response rate of 10% (ten per cent). The survey polled stakeholders on the CR-related aspects included in the G4 guidelines, which are relevant for TNT. The stakeholders identified and prioritised the aspects they deemed most important for TNT.

Taking such results of the surveys and similar initiatives into account, TNT aims to create value for customers by:

- ensuring a healthy and safe working environment for employees, subcontractors and business partners, to guarantee the delivery of improved quality of service;
- minimising environmental impact on the supply chain of the customer and of TNT's activities in the world; and
- continuous development and engagement of employees to ensure that customers are dealing with knowledgeable and dedicated employees.

TNT Express' CR performance is measured on a continuous basis according to internationally recognised standards including: workplace safety (OHSAS 18001), social responsibility (SA 8000), personal growth of employees (Investors in People), environmental management (ISO 14001) and operational excellence (ISO 9001).

8.6 Recent developments, outlook and aims

Reference is made to the press release of 27 July 2015 in relation to the results of the first half year of 2015, as included in full in Section 15.7 (*Unaudited but reviewed information for the first half of the financial year 2015*).

8.7 Supervisory Board

A. (Antony) Burgmans (1947, Dutch) - Chairman

- Initial appointment 2011
- Current term of office 2015-2019

Non-executive board member of BP plc.; chairman of the supervisory board of Akzo Nobel N.V; member of the supervisory board of Jumbo Supermarkten B.V.; and former chairman and CEO of Unilever N.V. and plc.

Mr. Burgmans is Chairman of the Nominations Committee and member of the Remuneration Committee.

M. E. (Mary) Harris (1966, British)

- Initial appointment 2011
- Current term of office 2015-2019

Non-executive director at Reckitt Benckiser Group plc, J. Sainsbury plc. and ITV plc.; member of the supervisory board of Unibail-Rodamco; former member of the supervisory board of TNT N.V. and of Scotch & Soda B.V.

Ms. Harris is Chairman of the Remuneration Committee and member of the Audit Committee.

R. (Roger) King (1940, American)

- Initial appointment 2011
- Current term of office 2014-2018

Non-executive director of Orient Overseas International Ltd.; former member of the supervisory board of TNT N.V.; former president and CEO of SaSa International Holdings Ltd.; former chairman and CEO of ODS System-Pro Holdings Ltd.; former MD and COO of Orient Overseas International Ltd.; former non-executive director of Arrow Electronics, Inc.; Honorary Consul for the Republic of Latvia for HKSAR; and Adjunct Professor of Finance at Hong Kong University of Science and Technology.

Mr. King is member of the Remuneration Committee and member of the Nominations Committee.

S. (Shemaya) Levy (1947, French) - Vice-Chairman

- Initial appointment 2011
- Current term of office 2013-2017

Member of supervisory boards of Segula Technologies Group, AEGON N.V. and the PKC Group (Finland); former member and vice-chairman of the supervisory board of TNT N.V.; former member of the supervisory boards of Nissan and Renault Finance, Renault Spain and Safran; and former CEO of Renault Industrial Vehicles Division and executive vice-president and CFO of Renault Group.

Mr. Levy is Chairman of the Audit Committee and member of the Remuneration Committee.

M. (Margot) Scheltema (1954, Dutch)

- Initial appointment 2011

- Current term of office 2013-2017

Non-executive director of Lonza plc. (Switzerland); vice-chairman of the supervisory board of Triodos Bank; member of the audit committee and supervisory board of ASR Verzekeringen; member of the supervisory boards of Schiphol Group, Stichting Rijksmuseum and Warmtebedrijf Rotterdam N.V.; chairman of the Monitoring Committee of the Code of Pension Funds; member of the board of World Press Photo; treasurer of Onze Taal Association; and council at the Enterprise Chamber of the Court of Appeal.

Ms. Scheltema is member of the Audit Committee.

S. (Sjoerd) Vollebregt, (1954, Dutch)

- Initial appointment 2013

- Current term of office 2013-2017

Former chairman and chief executive officer of Fokker Technologies B.V., previously held positions as chairman of the board of management and CEO of Stork B.V., executive board member and deputy chief executive Freight Forwarding & Technology Division America-Europe of Exel plc. (London) and as regional chief executive Central and Eastern Europe, member of the Logistics board of Ocean plc. (London).

Mr. Vollebregt is member of the Chairman's & Nominations Committee and Strategy Committee.

8.8 Executive Board

Tex Gunning (1950, Dutch) - Chief Executive Officer, Chairman of the Executive Board and management board
Appointment to Executive Board in 2013
Term of office 2013 - 2017

Mr. Gunning was appointed as member of the Executive Board and designated as CEO as per 1 June 2013. He was a member of the Supervisory Board of TNT from 31 May 2011 until 25 February 2013.

Prior to joining TNT, Mr Gunning was a member of the board of management and the executive committee of Akzo Nobel N.V. Prior to this, he was Chairman and CEO of Vedior N.V. His career also includes more than 25 years with Unilever N.V. and plc.

Mr. Gunning brings a wealth of international business experience in executive management positions to TNT. He has a strong track record in successfully turning around businesses and delivering results. In addition to his restructuring experience, he has managed to grow businesses successfully in many markets. Throughout his career, Mr. Gunning has been a strong advocate of bringing together the interests of business, society and the environment.

Maarten de Vries (1962, Dutch) - Chief Financial Officer, Member of the Executive Board and management board
Appointment to Executive Board in 2014
Term of office 2014 - 2018

Mr. De Vries was appointed as member of the Executive Board and designated as CFO as per 18 September 2014. Responsibilities include IT, Purchasing and GBS.

Prior to joining TNT, Mr. De Vries was CEO of TP Vision Holding B.V., a joint venture between TPV Technology Limited and Koninklijke Philips N.V. Prior to this, he held various CFO roles as well as Chief Information Officer and Chief Supply Officer at group management committee level in Koninklijke Philips N.V.

Mr. De Vries has broad international business experience and a strong background in finance. He has significant business experience in Asia where he worked for ten years in Taiwan, both for Koninklijke Philips N.V. and on the board of directors of TPV Technology Limited. With extensive experience in leading organizational change and transformation programmes, Mr. De Vries is results oriented and takes personal interest in developing people and building diverse teams.

8.9 Major Shareholders

The table below sets out the holders of notifiable interest (*subsantiële deelneming*, a holding of at least 3% (three per cent)) in the share capital or voting rights in TNT Express, according to the AFM registers as at 20 August 2015.

Shareholder	**Shares**	**Capital/Voting rights**	**Date of notification**
UBS Group AG	22,695,333	4.13% / 4.12%	12 August 2015
Tweedy, Browne Company LLC	26,886,487	4.90% / 4.64%	5 August 2015
JP Morgan Chase & Co	16,503,714 (and 94,530 ADS)	3.02% / 3.02%	29 July 2015
BlackRock, Inc.	14,280,587 (and 647,190 contract for difference)	2.72 % / 3.57%	9 July 2015
Pentwater Capital Management LP	24,358,951	0 / 5.09%	14 May 2015
Artisan Investments GP LLC	27,605,716	0 / 5.04%	20 October 2014
Mackenzie Financial Corporation	24,316,542	4.45% / 5.05%	12 August 2014

PostNL N.V.	80,386,421	14.75% / 14.75%	6 December 2013
Her Majesty the Queen in right of Alberta	24,926,005	4.59% / 4.86%	22 February 2012
B. Rosenstein	24,371,653	4.49% / 4.76%	22 February 2012

Other notifications of investors such as gross and net short positions, can be found at the website of the AFM: www.afm.nl. In addition, the AFM registers make reference to the Foundation's interest in the share capital of and voting rights in TNT Express. This is explained in Section 8.10 (*Foundation*).

8.10 Foundation

TNT Express has entered into an agreement with Stichting Continuïteit TNT Express (the **Foundation**) dated 31 May 2011 (the **Foundation Option Agreement**), pursuant to which the Foundation has been granted a call option to acquire from TNT Express such number of preference shares with a nominal value of EUR 0.08 each (the **Protective Preference Shares**) as is equal to the total number of Shares minus one and minus any Shares or Protective Preference Shares already issued to the Foundation (the **Call Option**). With reference to Offer Condition 6.6.1(L), the Offer is conditional upon (i) the Foundation not having exercised, in whole or in part, its Call Option or the Foundation having exercised, in whole or in part, its Call Option in circumstances where such exercise is either (a) not detrimental to the Offeror; or (b) in connection with a mandatory offer for all shares by a third party; and (ii) having agreed to terminate the Foundation Option Agreement.

8.11 Capital and Shares

TNT Express' authorised share capital amounts to EUR 120 million, divided into 750,000,000 ordinary shares with a nominal value of EUR 0.08 each and 750,000,000 preference shares with a nominal value of EUR 0.08 each. No preference shares are issued at the date of this Offer Document.

The ordinary shares are in bearer or in registered form. Ordinary shares in bearer form are represented by a global note held by the Dutch clearing system Euroclear Netherlands (formerly known as NECIGEF) and are transferable through Euroclear Netherlands' book entry system. ADRs represent ordinary shares in bearer form, held by the U.S. Depositary and are represented by the note held by Euroclear Netherlands. Ordinary shares in registered form are transferred by means of a deed of transfer and TNT Express' written acknowledgement of the transfer. TNT Express does not have share certificates for ordinary shares represented by the global note.

As at the date of this Offer Document, TNT Express does not hold any Shares in its own capital.

The Shares in the capital of TNT Express are listed at Euronext Amsterdam. The Euronext ticker symbol is TNTE and ISIN code is NL0009739424.

8.12 Share price development

This graph sets out the Share price development for TNT Express from 19 August 2014 to 19 August 2015.

8.13 Incentive Plans

8.13.1 Existing rights

TNT Express today has granted (i) 183,173 matching rights (outstanding on 19 August 2015: 146,209 rights) to directors (including the Executive Board) and (senior) employees of the TNT Express Group pursuant to the bonus/matching plan as adopted by the Supervisory Board on 15 February 2013; and (ii) 6,440,640 rights to performance shares (outstanding on 19 August 2015: 4,610,370 rights) to directors (including the Executive Board) and (senior) employees of the TNT Express Group pursuant to the performance share plan as adopted by the Supervisory Board on 15 February 2013 (jointly the **Incentive Plans** and the rights there under the **Employee Share Rights**).

All rights in respect of the Employee Share Rights will be respected, subject to the following paragraph.

8.13.2 Settlement of Employee Share Rights

The Supervisory Board shall, as permitted under the Incentive Plans, allow all Employee Share Rights outstanding under the Incentive Plans immediately prior to the Settlement Date to vest (as defined in the Incentive Plans) on the Settlement Date, provided that any grants under the Incentive Plans and the 2015 incentive plan as approved by TNT Express' general meeting of shareholders made after the date of the Merger Protocol will vest and become payable on a *pro rata parte* basis up to the Settlement Date. Such Employee Share Rights shall be settled by payment of the cash equivalent of the Shares comprising the Employee Share Rights based on the middle market quotation of a Share as derived from the Official Price List of Euronext Amsterdam. Certain eligibility criteria as set out in the Incentive Plans shall only apply until Settlement.

Without prejudice to the foregoing, the Offeror shall pay the Offer Price for each Share that has been (i) granted to, or acquired by, directors and (senior) employees under the Incentive Plans, and (ii) validly tendered under the Offer. The statutory claw-back regulations (*de afroomregeling*) will be applied to the members of the Executive Board and they will therefore not receive the Offer Price for their Shares.

8.14 Recent developments

TNT Express makes all price-sensitive information generally available in accordance with article 5:25i DFSA. Publications of such price-sensitive information is also available in the public register on the website of the AFM. In relation to the Offer, TNT Express together with FedEx has published the press releases included in paragraph 12 (*Press Releases*) of this Offer Document. In addition, the website of TNT Express provides an up to date overview of recent developments, such as new orders received, trading updates and annual reports. These recent developments have been published on http://www.tnt.com/corporate/en/site/home/press/pressreleases.html.

9. INFORMATION ON THE OFFEROR

9.1 Information of the Offeror

9.1.1 Introduction

FedEx Acquisition B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its registered seat at Amsterdam, The Netherlands and its address at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands. The Offeror is registered with the Trade Register of the Chamber of Commerce of The Netherlands, under number 63587114.

The Offeror is a wholly-owned indirect subsidiary of FedEx, a company incorporated under the laws of the State of Delaware, United States of America.

The Offeror has been incorporated to complete the purchase of the Shares under the Offer.

Pursuant to article 1:1 of the DFSA, each of FedEx and the Offeror qualify as an offeror in respect of this Offer.

9.1.2 Management of the Offeror

The Board of Management of the Offeror consists of Christine P. Richards, David Binks and Mark R. Allen.

9.2 Information on FedEx

9.2.1 Introduction and Business description

FedEx is a public company organised under the laws of the State of Delaware, U.S.A. FedEx's principal executive offices are located at 942 South Shady Grove Road, Memphis, Tennessee 38120, U.S.A.

FedEx provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenues of USD 47 billion, FedEx offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brand. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 325,000 team members to remain “absolutely, positively” focused on safety, the highest ethical and professional standards and the needs of their customers and communities.

9.2.2 Board of Directors of FedEx

Name	Principal Occupation
Frederick W. Smith	Chairman, President and Chief Executive Officer FedEx
James L. Barksdale	Chairman and President Barksdale Management Corporation
John A. Edwardson	Former Chairman and Chief Executive Officer CDW Corporation
Marvin R. Ellison	President and CEO-Designee J. C. Penney Company, Inc.
Kimberly A. Jabal	Chief Financial Officer Path, Inc.
Shirley Ann Jackson	President Rensselaer Polytechnic Institute
Gary W. Loveman	Chairman, President and Chief Executive Officer Caesars Entertainment Corporation
R. Brad Martin	Chairman RBM Venture Company
Joshua Cooper Ramo	Vice Chairman Kissinger Associates, Inc.
Susan C. Schwab	Professor University of Maryland School of Public Policy
David P. Steiner	Chief Executive Officer Waste Management, Inc.
Paul S. Walsh	Chairman Compass Group PLC

9.2.3 Executive Officers of FedEx

Name	Title
Frederick W. Smith	Chairman, President and Chief Executive Officer
Robert B. Carter	Executive Vice President – FedEx Information Services and Chief Information Officer
T. Michael Glenn	Executive Vice President – Market Development and Corporate Communications
Alan B. Graf, Jr.	Executive Vice President and Chief Financial Officer
Christine P. Richards	Executive Vice President, General Counsel and Secretary

9.2.4 Main shareholders of FedEx

FedEx's common stock is listed on the New York Stock Exchange under the symbol "FDX."

The following table lists persons known by FedEx to own beneficially more than 5% (five per cent) of FedEx's outstanding shares of common stock and their respective shareholdings as of 30 June 2015, as reported on their respective Schedule 13F filings with the SEC, save for Mr. Smith's shareholding, which has been updated as of 3 August 2015.

	Number of Shares Beneficially Owned	Per cent of Outstanding
Frederick W. Smith	19,533,041	6.91%
942 South Shady Grove Road Memphis, Tennessee 38120		
BlackRock, Inc.	17,547,839	6.19%
55 East 52nd Street New York, New York 10022		
FMR LLC	17,373,467	6.13%
245 Summer Street Boston, Massachusetts 02210		
The Vanguard Group, Inc.	16,235,799	5.73%
100 Vanguard Boulevard Malvern, Pennsylvania 19355		
PRIMECAP Management Company	15,157,346	5.35%
225 South Lake Avenue, Suite 400 Pasadena, California 91101		

10. FURTHER STATEMENTS REQUIRED BY THE DECREE

In addition to the other statements set out in this Offer Document, the Offeror and FedEx with regard to subjects (ii), (iii), (vi) and (viii); the Offeror and FedEx, the executive management of the Offeror and FedEx, TNT Express and the Boards with regard to subjects (i) and (v), and TNT Express with regard to subjects (iv), (vii) and (ix), each individually, hereby declare as follows:

(i) There have been consultations between FedEx and TNT Express regarding the Offer, which have resulted in a conditional agreement regarding the Offer as publicly announced on 7 April 2015. Discussions regarding the Offer, including, but not limited to, the Offer Price, the financing of the Offer, the Offer Conditions and the future strategy of the Combination, took place between FedEx and the Boards and their respective advisors.

(ii) With due observance of and without prejudice to the restrictions referred to in Section 2 (*Restrictions*) and Section 3 (*Important Information*), the Offer concerns all Shares in the capital of TNT Express and applies on an equal basis to all Shares and Shareholders.

(iii) At the date of this Offer Document, neither FedEx nor the Offeror holds any Shares, either directly or indirectly.

(iv) At the date of this Offer Document, TNT Express has no interest in the share capital of either FedEx or the Offeror, either directly or indirectly.

(v) No securities in TNT Express are held, no transactions or agreements in respect of securities in TNT Express have been effected or have been concluded in respect of securities in TNT Express by the Offeror or FedEx, or any member of the board of directors of FedEx, or any member of the Boards, nor by any of their spouses (*echtgenoten*), registered partners (*geregistreerde partners*), minor children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*) within the meaning of Annex A, paragraph 2, sub-paragraph 5 and 6 of the Decree, other than the following concluded agreements and arrangements in connection with the Offer: (i) the irrevocable undertaking agreed with PostNL as described in Section 6.8 (*Irrevocable PostNL*), (ii) the irrevocable undertaking agreed with Mr. Vollebregt as described in Section 6.9 (*Irrevocable Mr. Vollebregt*), (iii) in respect of the Shares held by members of the Boards as described in Section 6.10 (*Shareholdings of the members of the Boards*) and (iv) in respect of directors (including the Executive Board) and employees of TNT Express as described in Section 8.13 (*Incentive Plans*). No transactions or agreements in respect of securities in TNT Express similar to the transactions and agreements referred to in Annex A, paragraph 2, sub-paragraph 6 have been concluded by legal entities with which FedEx or the Offeror are affiliated within a group.

(vi) The costs FedEx has incurred and expects to incur in relation to the Offer amount to approximately EUR 66 million and relate to bank advisor fees, exchange agent fees, broker commissions, legal fees, financial and tax due diligence fees, public relations and communications advice and printing. These costs will be borne by FedEx.

(vii) The costs TNT Express has incurred and expects to incur in relation to the Offer amount to approximately EUR 15 million and relate to fees of legal advisors, financial advisors, tax advisors, strategic advisors, auditor and communications advisors. These costs will be borne by TNT Express.

(viii) No remunerations will be paid to FedEx's or the Offeror's directors and executive officers in connection with the Offer being declared unconditional (*gestanddoening*).

(ix) Other than as described in Sections 6.19.2 (*Executive Board*) and 8.13 (*Incentive Plans*), no remunerations will be paid to members of the Boards of TNT Express in connection with the Offer being declared unconditional (*gestanddoening*).

(x) JPMorgan has issued a fairness opinion to the Board of Directors of FedEx to the effect that, as of the date of the issuance of the fairness opinion and based upon and subject to the qualifications and assumptions set forth therein, the Offer Price is fair, from a financial point of view, to FedEx. FedEx has not obtained other written advice from any organization in preparation of or concerning the reasonableness of the Offer. JPMorgan and its affiliates have, from time to time, performed, and may in the future perform, in the ordinary course of business and in connection with this Offer, various financial advisory, cash management, investment banking, commercial banking and general financing services (including underwriting or financing services in connection with this Offer) for FedEx and its affiliates.

11. TAX ASPECTS OF THE OFFER

11.1 Dutch Tax Aspects of the Offer

The following summary contains certain principal Dutch tax consequences of the disposal of the Shares in connection with the Offer for the Shareholders. This summary does not purport to be a comprehensive description of all possible tax considerations or consequences that may be relevant. For purposes of Dutch tax law, a holder of Shares may include an individual or entity who does not have the legal title of these Shares, but to whom nevertheless the Shares or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Shares or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax advisor with respect to the tax consequences of the disposal of the Shares.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Offer Document, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

Shareholders are expressly urged to consult with their own tax advisors with regard to the tax consequences of tendering their Shares pursuant to the Offer and the other Transactions.

This summary does not describe the tax considerations for:

(a) Shareholders if such holders, and in the case of individuals, his/her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest (*aanmerkelijk belang*) or are deemed to have a substantial interest (*fictief aanmerkelijk belang*) in TNT Express under Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company if such holder alone or, in the case of individuals, together with his/her partner (statutorily defined term), directly or indirectly, holds (i) an interest of 5% (five per cent) or more of the total issued and outstanding capital of that company or of 5% (five per cent) or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) holds rights to acquire, directly or indirectly, such interest; or (iii) holds certain profit sharing rights in that company that relate to 5% (five per cent) or more of TNT Express' annual profits and/or to 5% (five per cent) or more of TNT Express' liquidation proceeds. A deemed substantial interest arises if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(b) corporate holders of Shares which qualify for the participation exemption (*deelnemingsvrijstelling*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption if it represents an interest of 5% (five per cent) or more of the nominal paid-up share capital;

(c) Shareholders who are individuals for whom the Shares or any benefit derived from the Shares are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in The Dutch Income Tax Act 2001);

(d) pension funds and other entities that are exempt from corporate income tax in The Netherlands, in another state of the European Economic Area or any other state with which The Netherlands can exchange information in line with the international standards for the exchange of information, if such entities would not be subject to Dutch corporate income tax if these entities would have been tax resident in The Netherlands for corporate income tax purposes and these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*);

(e) persons to whom the Shares and the income from the Shares are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Dutch Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);

(f) fiscal investment institutions (*fiscale beleggingsinstellingen*) and exempt investment institutions (*vrijgestelde beleggingsinstellingen*) that are subject to 0% (zero per cent) corporate income tax or are exempt from corporate income tax in The Netherlands or comparable investment institutions resident in any other state and which are subject to 0% (zero per cent) corporate income tax or exempt from corporate income tax;

(g) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Shares are attributable to such permanent establishment or permanent representative;

(h) holders of Shares which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of these Shares or the benefits derived from or realized in respect of these Shares; and

(i) individuals to whom Shares or the income there from are attributable to employment activities which are taxed as employment income in The Netherlands.

Where this summary refers to The Netherlands, such reference is restricted to the part of the Kingdom of The Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

11.1.1 Withholding Tax

A gain realized upon the disposal of the Shares in connection with the Offer, including disposal of the Shares by means of the Buy-Out, will not be subject to any withholding or deduction for any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

11.1.2 Taxes on Income and Capital Gains in connection with the acceptance of the Offer

Netherlands Resident Individuals

If a Shareholder is an individual who is resident or deemed to be resident in The Netherlands for Dutch individual income tax purposes income derived from the Shares and any capital gains realized on the redemption or disposal of the Shares are taxable at the regular (progressive) Dutch income tax rates (up to a maximum rate of 52% (fifty-two per cent)) if:

> (i) the Shares are attributable to an enterprise from which the individual who is resident or deemed to be resident in The Netherlands for Dutch tax purposes derives a share of the profit, whether as an entrepreneur or as a person who has a co-entitlement to the net worth of such enterprise, without being an entrepreneur or a shareholder, as defined in the Dutch Income Tax Act 2001; or
>
> (ii) the holder of the Shares is considered to perform activities with respect to the Shares that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or derives benefits from the Shares that are (otherwise) taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

If neither condition (i) nor condition (ii) above applies, an individual that holds the Shares must determine taxable income with regard to the Shares on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% (four per cent) of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Shares will be included as an asset in the individual's yield basis. The 4% (four per cent) deemed return on income from savings and investments is taxed at a rate of 30% (thirty per cent).

Netherlands Resident Corporate Legal Entities

If a holder of Shares is a resident of The Netherlands or deemed to be a resident of The Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Shares are attributable, income derived from the Shares and gains realised upon the redemption or disposal of the Shares are generally taxable in The Netherlands (at up to a maximum rate of 25% (twenty five per cent)).

Non-residents of The Netherlands

If a person is not a resident of The Netherlands nor is deemed to be a resident of The Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Shares and gains realised upon the redemption or disposal of the Shares, unless:

(i) the person is not an individual and such person (a) has an enterprise that is, in whole or in part, carried on through a permanent establishment or permanent representative in the Netherlands to which permanent establishment or a permanent representative the Shares are attributable, or (b) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Shares are attributable.

This income is subject to Dutch corporate income tax at up to a maximum rate of 25% (twenty five per cent).

(ii) the person is an individual and such individual (a) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Shares are attributable; or (b) realises income or gains with respect to the Shares that qualify as income from miscellaneous activities in The Netherlands which includes activities with respect to the Shares that exceed regular, active portfolio management (*normaal actief vermogensbeheer*); or (c) is other than by way of securities entitled to a share in the profits of an enterprise that is effectively managed in The Netherlands and to which enterprise the Shares are attributable.

Income derived from the Shares as specified under (a) and (b) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 52% (fifty-two per cent). Income derived from a share in the profits of an enterprise as specified under (c) that is not already included under (a) or (b) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Netherlands Resident Individuals"). The fair market value of the share in the profits of the enterprise (which includes the Shares) will be part of the individual's Dutch yield basis.

11.1.3 Gift and inheritance tax

In general, no gift tax (*schenkbelasting*) or inheritance tax (*erfbelasting*) will be due as a result of the disposal of the Shares in connection with the Offer.

11.1.4 Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the disposal of the Shares in connection with the Offer.

11.1.5 Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in The Netherlands by a holder of Shares in respect of the disposal of the Shares in connection with the Offer.

11.1.6 Post-Settlement Restructurings

Following Settlement, the Offeror may propose (where applicable) to implement (or cause to be implemented) restructuring measures, including, but not limited to:

(i) a Buy-Out (see Section 6.16.2 (*Buy-Out*));

(ii) an Asset Sale and Liquidation (see Section 6.16.3 (*Asset Sale and Liquidation*)); and

(iii) Other Post-Settlement Restructurings (see Section 6.16.4 (*Other Post-Settlement Restructurings*))

11.1.7 Buy-Out

For a general summary of certain Dutch tax consequences of the disposal of the Shares by means of the Buy-Out, see Section 11.1 (*Dutch Tax Aspects of the Offer*).

11.1.8 Asset Sale and Liquidation

The Asset Sale Agreement provides, among other things, that the Offeror shall arrange for dissolution and Liquidation of TNT Express upon Completion, including the Shareholder Distribution. With respect to such Shareholder Distribution, Dutch dividend withholding tax will be due at a rate of 15% (fifteen per cent) to the extent that Shareholder Distributions exceed the average paid-in capital of those Shares as recognised for purposes of Dutch dividend withholding tax.

Individuals who are resident or deemed to be resident in The Netherlands for Dutch tax purposes and corporate legal entities who are resident or deemed to be resident in The Netherlands for Dutch tax purposes, can generally credit Dutch dividend withholding tax against their income tax or corporate income tax liability. The same generally applies to Shareholders that are neither resident nor deemed to be resident of The Netherlands if the Shares are attributable to a Dutch permanent establishment of such non-resident Shareholder.

11.1.9 Other Post-Settlement Restructurings

The Dutch tax consequences of any other possible Post-Settlement Restructurings as described in Section 6.16.4 (*Other Post-Settlement Restructurings*) above will depend on the exact manner in which the transaction is carried out, which has not yet been determined. Because the terms of such a transaction are not yet determined, however, Shareholders should consult their own tax advisors for advice with respect to the potential tax consequences of any Post-Settlement Restructuring.

11.1.10 Other Taxes and Duties

No Dutch VAT and no Dutch registration tax, customs duty, stamp duty or any other similar documentary tax or duty will be payable by a holder of Shares on any payment in connection with the Statutory Merger as described in Section 6.16.5 (*Statutory Merger*).

11.2 Material U.S. Federal Income Tax Considerations

The following is a summary of certain material United States federal income tax consequences of the Offer to Shareholders whose Shares are tendered and accepted for payment pursuant to the Offer. This discussion is not a complete analysis of all potential U.S. federal income tax consequences, nor does it address alternative minimum tax considerations, net investment tax considerations, any tax consequences arising under any state, local or non-U.S. tax laws or U.S. federal estate or gift tax laws. This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the **Code**), existing, proposed and temporary regulations thereunder and administrative and judicial interpretations thereof, all of which are subject to change, possibly with a retroactive effect. No ruling has been or will be sought from the IRS with respect to the matters discussed below, and there can be no assurance that the IRS will not take a contrary position regarding the tax consequences of the Offer or that any such contrary position would not be sustained by a court.

This discussion applies only to Shareholders in whose hands Shares are capital assets within the meaning of Section 1221 of the Code. This discussion does not apply to Shares received pursuant to the exercise of employee stock options or otherwise as compensation.

This discussion does not deal with special classes of Shareholders, such as dealers in securities or currencies, banks, financial institutions, insurance companies, tax-exempt organisations, persons holding Shares as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction, U.S. Shareholders (as defined below) that have a functional currency other than the U.S. dollar, expatriates and certain former citizens and long-term residents of the United States.

Accordingly, Shareholders are expressly urged to consult with their tax advisor with regard to the Offer and the other Transactions and the application of U.S. federal income tax laws, as well as the laws of any state, local or non-U.S. taxing jurisdictions, in their particular circumstances.

Except as otherwise set forth below, the following discussion is limited to the U.S. federal income tax consequences relevant to a beneficial owner of Shares that is an individual citizen or resident of the United States, a domestic corporation (or any other entity or arrangement treated as a corporation for U.S. federal income tax purposes), any estate (other than a foreign estate), and any trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust, and (ii) one or more U.S. persons have the authority to control all substantial decisions of the trust (each, a **U.S. Shareholder**). A “**non-U.S. Shareholder**” is a beneficial owner of Shares that is not a U.S. Shareholder. If a Shareholder is an entity that is classified as a partnership for U.S. federal income tax purposes, the tax treatment of its partners will generally depend upon the status of the partner and the activities of the partnership. Partnerships and other entities that are classified as partnerships for U.S. federal income tax purposes and Shareholders holding Shares through a partnership or other entity classified as a partnership for U.S. federal income tax purposes are urged to consult their own tax advisors.

For U.S. federal income tax purposes, Shareholders of ADSs generally should be treated as owners of Shares. Accordingly, the U.S. federal income tax consequences discussed below apply equally to U.S. Shareholders of ADSs.

11.2.1 Sale of the Shares

Sale pursuant to the Offer

Sales of Shares pursuant to the Offer by U.S. Shareholders generally will be taxable transactions for U.S. federal income tax purposes. A U.S. Shareholder selling Shares pursuant to the Offer generally will recognise gain or loss in an amount equal to the difference between the amount of cash received and the U.S. Shareholder's adjusted tax basis in the Shares sold at the time of sale. Any gain or loss realised by a U.S. Shareholder pursuant to the Offer generally will be treated as a capital gain or loss, and generally will be long-term capital gain or loss if such U.S. Shareholder's holding period for the Shares is more than one year at the time of sale. In the case of a Share that has been held for one year or less, such capital gains generally will be subject to tax at ordinary income tax rates. Certain limitations apply to the use of a U.S. Shareholder's capital losses.

Any gain realised pursuant to the Offer by a non-U.S. Shareholder will not be subject to U.S. federal income tax, including withholding tax, unless: (a) such gain is effectively connected with the conduct by the non-U.S. Shareholder of a trade or business in the United States; or (b) in the case of gain realised by an individual non-U.S. Shareholder, the non-U.S. Shareholder is present in the United States for 183 days or more in the taxable year of the sale and either (i) such gain is attributable to an office or other fixed place of business maintained in the United States by such non-U.S. Shareholder or (ii) such non-U.S. Shareholder has a tax home in the United States.

A U.S. Shareholder's adjusted tax basis in a Share generally will equal the amount paid for such Share. In the case of a Share purchased with foreign currency, the amount paid for such Share will be the U.S. dollar value of the foreign currency paid on the date of purchase. In the case of a Share that is traded on an established securities market, a cash basis U.S. Shareholder (and, if it so elects, an accrual basis U.S. Shareholder) determines the U.S. dollar value of the amount paid for such Share by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Buy-Out or Asset Sale and Liquidation pursuant to the Asset Sale Agreement

The U.S. federal income tax consequences of a Buy-Out (as described in 6.16.2 (*Buy-Out*) above), and an Asset Sale and Liquidation pursuant to the Asset Sale Agreement (as described in Section 6.16.3 (*Asset Sale and Liquidation*) above) will depend on the exact manner in which the transaction is carried out. However, if a Shareholder receives cash in a Buy-Out or Liquidation, the transaction generally should be taxable in the same manner as described above under “Sale Pursuant to the Offer”.

Any amount awarded by a court and paid or credited to a U.S. Shareholder exercising its right to dissent in respect of a Post-Settlement Restructuring generally will be subject to U.S. tax as described above under “Sale Pursuant to the Offer”.

Shareholders should consult their own tax advisors for advice with respect to the potential tax consequences of a Buy-Out or an Asset Sale and Liquidation.

Other Possible Post-Settlement Restructurings

The U.S. federal income tax consequences of any other possible Post-Settlement Restructurings as described in Section 6.16.4 (*Other Post-Settlement Restructurings*) and Section 6.16.5 (*Statutory Merger*) above will depend on the exact manner in which the transaction is carried out, which has not yet been determined. Because the terms of such a transaction are not yet determined, however, Shareholders should consult their own tax advisors for advice with respect to the potential tax consequences of any Post-Settlement Restructuring.

11.2.2 Backup Withholding

A U.S. Shareholder that tenders its Shares in the Offer may be subject to backup withholding on the payments that such U.S. Shareholder receives unless such U.S. Shareholder: (i) (a) is a corporation or comes within certain other exempt categories and demonstrates this fact or (b) provides a correct taxpayer identification number on an IRS Form W-9 (a copy of which is available at www.irs.gov), (ii) certifies as to no loss of exemption from backup withholding and (iii) otherwise complies with applicable requirements of the backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against such U.S. Shareholder's federal income tax liability and may entitle such U.S. Shareholder to a refund, provided that the required information is timely furnished to the IRS. Non-U.S. Shareholders may be required to provide an IRS Form W-8BEN or other applicable Form W-8 (a copy of which is available at www.irs.gov) in order to avoid backup withholding.

12. PRESS RELEASES

12.1 First Announcement, dated 7 April 2015
12.2 4 Weeks Announcement, dated 1 May 2015
12.3 Certainty of funds, dated 13 May 2015
12.4 Filing submitted to European Commission, dated 26 June 2015
12.5 FedEx response to phase II announcement European Commission, dated 31 July 2015
12.6 TNT Express response to phase II announcement European Commission, dated 31 July 2015

12.1 First announcement, dated 7 April 2015

JOINT PRESS RELEASE

FedEx Corporation

TNT

This is a joint press release by FedEx Corporation and TNT Express N.V., pursuant to Section 5 Paragraph 1 of the Decree on Public Takeover Bids (*Besluit openbare biedingen Wft, **the Decree***) in connection with the intended public offer by FedEx Corporation for all the issued and outstanding ordinary shares in the capital of TNT Express N.V. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in TNT Express N.V. Any offer will be made only by means of an offer memorandum. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Canada or Japan.

FedEx and TNT Express agree on recommended all-cash public offer for all TNT Express shares

Transaction highlights:

- FedEx Corporation (FedEx) and TNT Express N.V. (TNT Express) reached conditional agreement on recommended all-cash public offer of €8.00 per ordinary TNT Express share.
- The Offer Price represents a premium of 33% over the closing price of 2 April 2015 and a premium of 42% over the average volume weighted price per TNT Express share of €5.63 over the last 3 calendar months.
- The transaction represents an implied equity value for TNT Express of €4.4 billion ($4.8 billion).
- Transaction unanimously recommended and supported by TNT Express' Executive Board and Supervisory Board.
- High level of deal certainty.
- PostNL N.V. has irrevocably confirmed to support the Offer and tender its 14.7% TNT Express shareholding.
- Combination will transform FedEx's European capabilities and accelerate global growth.
- Customers will enjoy access to an enhanced, integrated global network, combining TNT Express strong European capabilities and FedEx's strength in other regions globally, including North America and Asia.
- FedEx and TNT Express employees share a commitment to serving customers and delivering value for shareholders and supporting the communities they live and work in.
- The parties have agreed to certain non-financial covenants including:
    - Existing employment terms of TNT Express will be respected.
    - The European regional headquarters of the combined companies will be in Amsterdam/Hoofddorp.

    - TNT Express hub in Liege will be maintained as a significant operation for the group going forward.
    - TNT Express' airline operations will be divested, in compliance with applicable airline ownership regulations.
- FedEx and TNT Express anticipate that the Offer will close in the first half of calendar year 2016.
- FedEx and TNT Express are confident that anti-trust concerns, if any, can be addressed adequately in a timely fashion.

FedEx and TNT Express will host a press conference today at 09:30 hours CET at the Amsterdam Hilton Apollolaan, which will be available via webcast http://player.companywebcast.com/citigateff/20150407_1/en/player

FedEx will host an audio webcast for <u>analysts and investors</u> today at 07:30 hours CDT (14:30 CET). This meeting can be followed on www.investors.fedex.com

TNT Express will host an analyst and investor conference call today at 15:30 hours CET.

Memphis, Tennessee; Hoofddorp, the Netherlands - April 7, 2015
FedEx Corporation (NYSE: FDX) (**FedEx**) and TNT Express N.V. (Euronext Amsterdam: TNTE) today announced that they have reached a conditional agreement (the **Merger Protocol**) on a recommended all-cash offer for all issued and outstanding ordinary shares, including shares represented by American Depositary Receipts (the **Shares**) of TNT Express (the **Offer**) for a cash offer price of €8.00 per share cum dividend except for the TNT Express final 2014 dividend of €0.08 (the **Offer Price**) in a transaction valuing TNT Express at an implied equity value of approximately €4.4 billion ($4.8 billion).

Frederick W. Smith, Chairman and CEO of FedEx Corp., said: "We believe that this strategic acquisition will add significant value for FedEx shareowners, team members and customers around the globe. This transaction allows us to quickly broaden our portfolio of international transportation solutions to take advantage of market trends – especially the continuing growth of global e-commerce – and positions FedEx for greater long-term profitable growth."

Tex Gunning, CEO of TNT Express, said: "This offer comes at a time of important transformations within TNT Express and we were fully geared to executing our stand-alone strategy. But while we did not solicit an acquisition, we truly believe that FedEx's proposal, both from a financial and a non-financial view, is good news for all stakeholders. Our people and customers can profit from the true global reach and expanded propositions, while with this offer our shareholders can already reap benefits today that otherwise would only have been available in the longer run."

<u>Strategic Rationale</u>

- The combined companies would be a strong global competitor in the transportation and logistics industry, drawing on the considerable and complementary strengths of both FedEx and TNT Express.
- The combined companies' customers would enjoy access to a considerably enhanced, integrated global network. This network would benefit from the combined strength of TNT Express strong European road platform and Liege hub and FedEx's strength in other regions globally, including North America and Asia. TNT Express customers would also benefit from access to the FedEx portfolio of solutions, including global air express, freight forwarding, contract logistics and surface transportation capabilities.
- FedEx will strengthen TNT Express with investment capacity, sector expertise and global scope.
- Employees will enjoy further growth opportunities with the extended reach and propositions offered by the combined organization.
- FedEx and TNT Express employees share a commitment to serving customers and delivering value for shareholders and supporting the communities they live and work in.

Transaction Details

The proposed transaction envisions the acquisition of the Shares of TNT Express pursuant to a recommended public offer by FedEx. The Offer Price per Share represents an implied equity value for 100% of TNT Express on a fully diluted basis of €4.4 billion ($4.8 billion).

The Offer Price represents a premium of 33% over the closing price of 2 April 2015 and a premium of 42% over the average volume weighted price per TNT Express Share of €5.63 ($6.14) over the last three calendar months.

The Offer Price is cum dividend except for the TNT Express final 2014 dividend of €0.08.

Transaction Funding

FedEx intends to finance the Offer by utilizing available cash resources and through existing and new debt arrangements. The proposed transaction will have no financing contingencies. FedEx has a market capitalization of $47 billion, solid investment grade credit rating and ample available liquidity. FedEx will make a timely certain funds announcement as required by Section 7 Paragraph 4 of the Decree.

Unanimously Recommended by TNT Express Executive & Supervisory Boards

The Executive Board and the Supervisory Board of TNT Express (the **Boards**) have frequently discussed the developments of the proposed transaction and the key decisions in connection therewith throughout the process. The Boards have received extensive financial and legal advice and have given careful consideration to the strategic, financial, operational and social aspects of the proposed transaction. After careful consideration, and also taking into account the fact that TNT Express has only recently launched its Outlook strategy for a stand-alone future, the TNT Express (the Boards) believe the Offer to be in the best interest of TNT Express and its stakeholders, including its shareholders, and intend to fully and unanimously support and recommend the Offer for acceptance to TNT Express' shareholders, and vote in favour of the resolutions at the EGM (as described below). Furthermore, Mr. Vollebregt, the only member of the Boards who holds TNT Express shares will tender all of his shares under the Offer and vote in favor of the resolutions at the EGM.

On April 6, 2015, Goldman Sachs International issued an opinion to the Boards and Lazard issued an opinion to the Supervisory Board of TNT Express, in each case as to the fairness, as of that date, and based upon and subject to the factors and assumptions set forth in their respective opinions, that (i) the €8.00 in cash to be paid to the holders of Shares in the Offer was fair from a financial point of view to TNT Express shareholders in the Offer and to the holders of Shares and (ii) the purchase price to be paid to TNT Express for the entire TNT Express business under the proposed Asset Sale (as described below) was fair from a financial point of view to TNT Express.

Irrevocable from PostNL N.V.

PostNL N.V., holder of approximately 14.7% of the outstanding Shares of TNT Express, has committed to tender its shares under the Offer, if and when made, and to vote in favor of the resolutions proposed at the EGM. The irrevocable contains certain customary undertakings and conditions.

Management and Employees

The combination offers a unique opportunity to strengthen the resource base of both companies, thereby offering prospects for employees of the combined companies. FedEx has a long-standing history of developing leaders from within its organization, providing best-in-class training and development opportunities. FedEx will continue to respect existing work councils’, trade unions' and employee rights and benefits (including pension rights).

The combined companies will cooperate to avoid any significant redundancies in the global or Dutch work forces. The combined companies will foster a culture of excellence, where qualified employees will be offered attractive training and national and international career progression based on available opportunities.

Governance TNT Express

After successful completion of the Offer, the TNT Express Supervisory Board will be composed of three new members selected by FedEx (being David Binks, Mark Allen and David Cunningham who will act as chairman) and of two members of the current Supervisory Board of TNT Express qualifying as independent within the meaning of the Dutch Corporate Governance Code, being Margot Scheltema and Shemaya Levy Chocron (the **Independent Members**). The Independent Members will continue to serve on the Supervisory Board for at least three years as of the commencement of the Offer. They will be charged particularly with monitoring the compliance with the non-financial covenants in relation to the offer and have certain veto rights with respect to the non-financial covenants and in case of dilution of minority shareholders or unequal treatment which could prejudice the value of the shares of minority shareholders after the Offer.

It is the intention of FedEx and Messrs. Gunning and De Vries that they will remain on the Executive Board of TNT Express after Settlement.

Non-financial Covenants

FedEx has provided certain non-financial covenants with regard to the strategy, governance, employees, integration, the TNT Express brand and retention matters described above, as well as other matters. These non-financial covenants will apply for three years following commencement of the Offer. FedEx and TNT Express have very similar corporate cultures and values which will govern the future success of the combined companies. The strong balance sheet of the combined companies will provide capital for TNT Express' business, creating further efficiencies and new opportunities going forward.

The companies will be integrated. In order to facilitate such integration, an Integration Committee will be established that will determine the integration plans, monitor their implementation and do all things necessary to successfully optimize the integration of the combined companies. Messrs. Gunning and De Vries will be members of the Integration Committee for TNT Express. Recognizing the significant value of TNT Express' operations, infrastructure, people and expertise in Europe, Amsterdam/Hoofddorp will become the European regional headquarters of the combined companies. Liege will be maintained as a significant operation for the group going forward. In addition, TNT Express' operations as a European air carrier will be divested to address applicable airline ownership regulations. Where permitted by regulation, FedEx intends to transition TNT Express' intercontinental air operations to FedEx.

FedEx will allow the combined companies to continue their leadership in sustainable development. The brand name of TNT Express will be maintained for an appropriate period. FedEx and TNT Express will ensure that the TNT Express group will remain prudently financed, including with respect to the level of debt, to safeguard business continuity and to support the success of the business.

Acquisition of 100%

FedEx's willingness to pay the Offer Price is predicated on the acquisition of 100% of TNT Express Shares. FedEx and TNT Express anticipate that full integration of FedEx and TNT Express will deliver substantial operational, commercial, organizational and financial benefits which could not be fully achieved if TNT Express were to continue as a standalone entity with a minority shareholder base.

If FedEx acquires 95% of the Shares, FedEx intends to delist TNT Express from Euronext Amsterdam promptly and intends to initiate the statutory squeeze-out proceedings to obtain 100% of the Shares. If FedEx acquires less than 95% but at least 80% of the Shares, FedEx intends to acquire the entire business of TNT Express at the same price as the Offer Price pursuant to an asset sale, combined with a liquidation of TNT Express, to deliver such consideration to the remaining TNT Express shareholders (the **Asset Sale and Liquidation**). The Asset Sale and Liquidation is subject to TNT Express Extraordinary General Meeting (**EGM**) approval. The Boards have agreed to unanimously recommend to the shareholders to vote in favor of the Asset Sale and Liquidation.

FedEx may utilize all other available legal measures in order to acquire full ownership of TNT Express' outstanding Shares and/ or its business in accordance with the terms of the Merger Protocol.

Pre-Offer and Offer Conditions

The commencement of the Offer is subject to the satisfaction or waiver (either in whole or in part) of pre-offer conditions customary for a transaction of this kind, including:

a. no material adverse effect having occurred and is continuing;
b. no material breach of the Merger Protocol having occurred;
c. the Dutch Authority for the Financial Markets (**AFM**) having approved the offer memorandum;
d. no revocation or amendment of the recommendation by the Boards;
e. no Superior Offer (as defined below) having been agreed upon by the third-party offeror and TNT Express, or having been launched;
f. no third party being obliged and has announced to make, or has made a mandatory offer pursuant to Dutch law for consideration that is at least equal to the Offer Price, or in connection with which no preference shares in the capital of TNT Express are outstanding;
g. no order, stay, injunction, judgement or decree having been issued by any court, arbitral tribunal, government, governmental authority, antitrust authority or other regulatory or administrative authority prohibiting the making or consummation of the transaction;
h. no notification having been received from the AFM stating that the preparations of the Offer are in breach of the Dutch offer rules;
i. trading in TNT Express' shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure; and
j. the Stichting Continuïteit TNT Express (**Foundation**) not having exercised its call option to have preference shares in the capital of TNT Express issued to it, or the Foundation having exercised that call option in circumstances where such exercise is neither (i) detrimental to FedEx or (ii) in connection with a mandatory offer pursuant to Dutch law for all Shares by a third-party unrelated to FedEx.

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver (either in whole or in part) of the following Offer conditions:

a. minimum acceptance level of at least 95% of Shares, which will be reduced to 80% in the event shareholder resolutions allowing an Asset Sale and Liquidation are passed at the EGM and the Offer conditions below are satisfied, provided, however, that FedEx may waive, to the extent permitted by applicable laws and regulations, the minimum acceptance level condition (either in whole or in part) without the consent of TNT Express if the acceptance level is 65% or more;
b. competition clearances having been obtained;

c. no material adverse effect having occurred;

d. no material breach of the Merger Protocol having occurred;

e. no revocation or amendment of the recommendation by the Boards;

f. no recommended Superior Offer (as defined below) having been agreed upon by the third-party offeror and TNT Express, or having been launched;

g. no third party being obliged and has announced to make, or has made a mandatory offer pursuant to Dutch law, for consideration that is at least equal to the Offer Price, or in connection with which no preference shares in the capital of TNT Express are outstanding;

h. no governmental or court order having been issued prohibiting the consummation of the transaction;

i. no notification having been received from the AFM stating that the preparations of the Offer are in breach of the Dutch offer rules;

j. trading in TNT Express' shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure; and

k. the Foundation not having exercised its call option to have preference shares in the capital of TNT Express issued to it, or the Foundation having exercised that call option in circumstances where such exercise is neither (i) detrimental to FedEx or (ii) in connection with a mandatory offer pursuant to Dutch law for all Shares by a third-party unrelated to FedEx and the Foundation having agreed to terminate the Foundation call option agreement effective as per the Settlement, subject only to the Offer being declared unconditional (*gestanddoening*).

On termination of the Merger Protocol by FedEx on account of a material breach of the Merger Protocol by TNT Express or in case of a Superior Offer (as described below), TNT Express will forfeit a gross €45 million termination fee to FedEx.

On termination of the Merger Protocol by TNT Express on account of a material breach of the Merger Protocol by FedEx, the competition clearance not having been obtained, or FedEx failing to commence or pursue the Offer despite all conditions having been made satisfied or waived, FedEx will forfeit a gross €200 million reverse termination fee to TNT Express.

The foregoing termination fees are without prejudice to each party's rights under the Merger Protocol to demand specific performance.

Superior Offer

FedEx and TNT Express may terminate the Merger Protocol in the event a *bona fide* third-party offeror makes an offer which, in the reasonable opinion of the Boards, is substantially more beneficial offer than FedEx's offer, also taking into account conditionality, certainty, timing and non-financial covenants, which exceeds the Offer Price by at least 8% and is launched or is committed to be launched within eight weeks (a **Superior Offer**).

In the event of a Superior Offer, FedEx will be given the opportunity to match such offer, in which case the Merger Protocol may not be terminated by TNT Express. As part of the agreement, TNT Express has entered into customary undertakings not to solicit third party offers.

Indicative Timetable

FedEx and TNT Express will seek to obtain all necessary approvals and competition clearances as soon as practicable. The required advice and consultation procedures with TNT Express Central Works Council, European Works Council and unions will be commenced immediately.

FedEx and TNT Express are confident that FedEx will secure all relevant completion approvals as soon as practicable. The combination of FedEx and TNT Express is not expected to raise antitrust concerns, principally as a result of the strengths of competitors in relevant markets.

It is FedEx's intention to submit a request for approval of its Offer document to the AFM within six weeks from today and to publish the Offer memorandum shortly after approval of the AFM, in accordance with the applicable statutory timetable.

TNT Express will hold the EGM at least 10 business days before closing of the Offer period in accordance with Section 18 Paragraph 1 of the Decree to inform the TNT Express shareholders about the Offer. The TNT Express shareholders shall be requested to (i) resolve on amendment of the TNT Express Articles of Association, (ii) accept the resignation of the resigning members of the Boards, provide discharge to each member of the Boards and appoint the new members to the Boards and (iii) approve the Asset Sale and Liquidation and conversion of TNT Express into a BV.

A position statement providing further information to the TNT Express shareholders in accordance with Article 18, Paragraph 2 of the Decree shall be timely made available by TNT Express. Based on the required steps and subject to the necessary approvals, FedEx and TNT Express anticipate that the Offer will close in the first half of calendar year 2016.

Transaction Advisors

In connection with the transaction, FedEx's financial advisor is J.P. Morgan Securities LLC, and its legal advisors are NautaDutilh N.V. and Baker & McKenzie. On behalf of TNT Express, Goldman Sachs International and Lazard are acting as financial advisors and Allen & Overy LLP (Amsterdam) is acting as legal advisor.

Notice to US holders of TNT Express Shares

The Offer will be made for the securities of TNT Express, a public limited liability company incorporated under Dutch Law, and is subject to Dutch disclosure and procedural requirements, which are different from those of the United States. The Offer will be made in the United States in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Exchange Act**), and the rules and regulations promulgated thereunder, including Regulation 14E, and may be subject to the exemptions provided by Rule 14d-1 (d) under the U.S. Exchange Act and otherwise in accordance with the requirements of Dutch law. Accordingly, the Offer will be subject to certain disclosure and other procedural requirements, including with respect to the Offer timetable and settlement procedures that are different from those applicable under U.S. domestic tender offer procedures and laws.

The receipt of cash pursuant to the Offer by a U.S. holder of TNT Express Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of TNT Express Shares is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. holders of TNT Express Shares to enforce their rights and claims arising out of the U.S. federal securities laws, since TNT Express is located in a country other the United States, and some or all of its officers and directors may be residents of country other than the United States. U.S. holders of TNT Express Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

To the extent permissible under applicable law or regulation, including Rule 14e-5 of the US Exchange Act, in accordance with normal Dutch practice. FedEx and its affiliates or broker (acting as agents for FedEx or its affiliates, as applicable) may from time to time after the date hereof, and other than pursuant to the Offer, directly or indirect purchase, or arrange to purchase, ordinary shares of TNT Express that are the subject of the Offer or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In no event will any such purchases be made for a price per share that is greater than the Offer price. To the extent information about such purchases or arrangements to purchase is made public in The Netherlands, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of TNT Express of such information. No purchases will be made outside the Offer in the United States by or on behalf of FedEx. In addition, the financial advisors to FedEx may also engage in ordinary course trading activities in securities of TNT Express, which may include purchases or arrangements to purchase such securities.

Restrictions

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, FedEx and TNT Express disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither FedEx, nor TNT Express, nor any of their advisors assumes any responsibility for any violation by any of these restrictions. Any TNT Express shareholder who is in any doubt as to his or her position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Canada or Japan.

The information in the press release is not intended to be complete. This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or the solicitation of an offer to buy or acquire the securities of TNT Express in any jurisdiction.

Forward Looking Statements

Certain statements in this press release may be considered “forward-looking statements,” such as statements relating to the impact of this transaction on FedEx and TNT Express. Forward-looking statements include those preceded by, followed by or that include the words “anticipated,” “expected” or similar expressions. These forward-looking statements speak only as of the date of this release. Although FedEx and TNT Express believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these forward-looking statements will prove to be correct. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, receipt of regulatory approvals without unexpected delays or conditions, FedEx’s ability to successfully operate TNT Express without disruption to its other business activities, FedEx’s ability to achieve the anticipated results from the acquisition of TNT Express, the effects of competition (in particular the response to the transaction in the marketplace), economic conditions in the global markets in which FedEx and TNT Express operate, and other factors that can be found in FedEx’s and its subsidiaries’ and TNT Express press releases and public filings.

Neither FedEx nor TNT Express, nor any of their advisors, accepts any responsibility for any financial information contained in this press release relating to the business, results of operations or financial condition of the other or their respective groups. Each of FedEx and TNT Express expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

About FedEx Corp.

FedEx Corp. (NYSE: FDX) provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenues of $47 billion, the company offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brand. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 325,000 team members to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities. For more information, visit news.fedex.com.

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About TNT Express

TNT Express is one of the world's largest express delivery companies. On a daily basis, TNT Express delivers close to one million consignments ranging from documents and parcels to palletised freight. The company operates road and air transportation networks in Europe, the Middle East and Africa, Asia-Pacific and the Americas. TNT Express made €6.7 billion in revenue in 2014.

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12.2 Four weeks announcement, dated 1 May 2015

JOINT PRESS RELEASE

This is a joint press release by FedEx Corporation and TNT Express pursuant to Section 7 paragraph 1 sub a of the Decree on Public Takeover Bids (*Besluit Openbare Biedingen Wft, the* ***Decree***) in connection with the intended public offer by FedEx Corporation for all the issued and outstanding ordinary shares in the capital of TNT Express N.V. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in TNT Express N.V. Any offer will be made only by means of an offer document. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Canada.

Update on the intended offer by FedEx for TNT Express

Memphis, Tennessee; Hoofddorp, the Netherlands - May 1, 2015

Reference is made to the joint press release by FedEx Corporation (**FedEx**) and TNT Express N.V. (**TNT Express**) dated 7 April 2015 in respect of the intended recommended public cash offer for all issued and outstanding ordinary shares in the capital of TNT Express at an offer price of €8.00 (cum dividend) for each TNT Express ordinary share (on a fully diluted basis), subject to customary conditions (the **Offer**).

<u>Status update for FedEx's Intended Offer for TNT Express</u>

Pursuant to the provisions of Section 7, paragraph 1 sub a of the Decree requiring a public announcement within four weeks following the announcement of an intended public offer to provide a status update, FedEx and TNT Express provide the following joint update.

FedEx and TNT Express confirm that the companies are making timely progress on the preparations for the Offer. FedEx expects to submit a request for review and approval of its Offer Document with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, **AFM**) in any event before June 30, 2015, which is the date by which under Dutch law a request for approval must be submitted to the AFM.

In addition, FedEx and TNT Express confirm that the process to obtain the required regulatory merger control approvals for the Offer is proceeding without delays. The Offer will be conditional upon FedEx obtaining the required competition clearances in the European Union, China, Brazil and, to the extent applicable, the United States of America. FedEx and TNT Express remain confident that substantive anti-trust concerns, if any, can be addressed adequately and in a timely fashion. Although FedEx and TNT Express aim to obtain the required regulatory clearances as soon as possible, it is noted that completing the formal clearance procedures could take up to one year. As such, it may be required to obtain an exemption from the AFM to (further) extend the offer period.

About FedEx Corp.

FedEx provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenues of $47 billion, the company offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brand. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 325,000 team members to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities.

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About TNT Express

TNT Express is one of the world's largest express delivery companies. On a daily basis, TNT Express delivers close to one million consignments ranging from documents and parcels to palletised freight. The company operates road and air transportation networks in Europe, the Middle East and Africa, Asia-Pacific and the Americas. TNT Express made €6.7 billion in revenue in 2014.

For more information, please visit www.tnt.com/corporate or contact

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Notice to US holders of TNT Express Shares

The Offer will be made for the securities of TNT Express, a public limited liability company incorporated under Dutch Law, and is subject to Dutch disclosure and procedural requirements, which are different from those of the United States. The Offer will be made in the United States in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Exchange Act**), and the rules and regulations promulgated thereunder, including Regulation 14E, and may be subject to the exemptions provided by Rule 14d-1 (d) under the U.S. Exchange Act and otherwise in accordance with the requirements of Dutch law. Accordingly, the Offer will be subject to certain disclosure and other procedural requirements, including with respect to the Offer timetable and settlement procedures that are different from those applicable under U.S. domestic tender offer procedures and laws.

The receipt of cash pursuant to the Offer by a U.S. holder of TNT Express Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of TNT Express Shares is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. holders of TNT Express Shares to enforce their rights and claims arising out of the U.S. federal securities laws, since TNT Express is located in a country other the United States, and some or all of its officers and directors may be residents of country other than the United States. U.S. holders of TNT Express Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

To the extent permissible under applicable law or regulation, including Rule 14e-5 of the US Exchange Act, in accordance with normal Dutch practice. FedEx and its affiliates or brokers (acting as agents for FedEx or its affiliates, as applicable) may from time to time after the date hereof, and other than pursuant to the Offer, directly or indirect purchase, or arrange to purchase, ordinary shares of TNT Express that are the subject of the Offer or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In no event will any such purchases be made for a price per share that is greater than the Offer price. To the extent information about such purchases or arrangements to purchase is made public in The Netherlands, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of TNT Express of such information. No purchases will be made outside the Offer in the United States by or on behalf of FedEx. In addition, financial advisors to FedEx may also engage in ordinary course trading activities in securities of TNT Express, which may include purchases or arrangements to purchase such securities.

Restrictions

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, FedEx and TNT Express disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither FedEx, nor TNT Express, nor any of their advisors assumes any responsibility for any violation by any of these restrictions. Any TNT Express shareholder who is in any doubt as to his or her position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Canada.

The information in the press release is not intended to be complete, for further information reference is made to the Offer Document which is expected to be published in the summer of 2015. This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or the solicitation of an offer to buy or acquire the securities of TNT Express in any jurisdiction.

Forward Looking Statements

Certain statements in this press release may be considered “forward-looking statements,” including those preceded by, followed by or that include the words “anticipated,” “expected” or similar expressions. These forward-looking statements speak only as of the date of this release. Although FedEx and TNT Express believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these forward-looking statements will prove to be correct. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, receipt of regulatory approvals without unexpected delays or conditions and other factors that can be found in FedEx’s and its subsidiaries’ and TNT Express’s press releases and public filings.

Neither FedEx nor TNT Express, nor any of their advisors, accepts any responsibility for any financial information contained in this press release relating to the business, results of operations or financial condition of the other or their respective groups. Each of Fleet and Edgar expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

12.3 Certainty of funds, dated 13 May 2015

PRESS RELEASE

FedEx Corporation

This is a press release by FedEx Corporation pursuant to Section 7 paragraph 4 of the Decree on Public Takeover Bids (*Besluit Openbare Biedingen Wft, the* ***Decree***) in connection with the intended public offer by FedEx Corporation for all the issued and outstanding ordinary shares in the capital of TNT Express N.V. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in TNT Express N.V. Any offer will be made only by means of an offer document. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Canada.

Update on the Intended Offer by FedEx for TNT Express

Memphis, Tennessee – May 13, 2015

Reference is made to the joint press releases by FedEx Corp. (**NYSE:FDX**) (**FedEx**) and TNT Express N.V. (**TNT Express**) dated 7 April 2015 and 1 May 2015 in respect of the intended recommended public cash offer for all issued and outstanding ordinary shares in the capital of TNT Express at an offer price of €8.00 (cum dividend) for each TNT Express ordinary share (on a fully diluted basis), subject to customary conditions (the **Offer**).

Financing of the offer for TNT Express in place

The Offer values 100% of the issued and outstanding TNT Express ordinary shares at approximately €4.4 billion. FedEx will be able to finance the aggregate consideration of the Offer by utilizing available cash on its balance sheet and through existing and new debt arrangements. FedEx will be able to pay approximately €1.5 billion of the Offer consideration with cash from its own available resources. In addition, FedEx has secured fully committed debt financing in the amount of €2.0 billion, subject to customary conditions, and can utilize an existing credit facility for an amount of approximately €0.9 billion.

Filing of Offer Document

FedEx expects to submit a request for review and approval of its Offer Document with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, **AFM**) in any event before June 30, 2015, which is the date by which under Dutch law a request for approval must be submitted to the AFM.

About FedEx Corp.

FedEx provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenues of $47 billion, the company offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brand. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 325,000 team members to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities.

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Notice to US holders of TNT Express Shares

The Offer will be made for the securities of TNT Express, a public limited liability company incorporated under Dutch Law, and is subject to Dutch disclosure and procedural requirements, which are different from those of the United States. The Offer will be made in the United States in compliance with Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Exchange Act**), and the rules and regulations promulgated thereunder, including Regulation 14E, and may be subject to the exemptions provided by Rule 14d-1(d) under the U.S. Exchange Act and otherwise in accordance with the requirements of Dutch law. Accordingly, the Offer will be subject to certain disclosure and other procedural requirements, including with respect to the Offer timetable and settlement procedures that are different from those applicable under U.S. domestic tender offer procedures and laws.

The receipt of cash pursuant to the Offer by a U.S. holder of TNT Express shares may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other, tax laws. Each holder of TNT Express shares is urged to consult his independent professional advisor immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. holders of TNT Express shares to enforce their rights and claims arising out of the U.S. federal securities laws, since TNT Express is located in a country other the United States, and some or all of its officers and directors may be residents of a country other than the United States. U.S. holders of TNT Express shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

To the extent permissible under applicable law or regulation, including Rule 14e-5 of the U.S. Exchange Act, in accordance with normal Dutch practice. FedEx and its affiliates or broker (acting as agent for FedEx or its affiliates, as applicable) may from time to time after the date hereof, and other than pursuant to the Offer, directly or indirect purchase, or arrange to purchase, ordinary shares of TNT Express that are the subject of the Offer or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In no event will any such purchases be made for a price per share that is greater than the Offer price. To the extent information about such purchases or arrangements to purchase is made public in The Netherlands, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of TNT Express of such information. No purchases will be made outside the Offer in the United States by or on behalf of FedEx. In addition, the financial advisors to FedEx may also engage in ordinary course trading activities in securities of TNT Express, which may include purchases or arrangements to purchase such securities.

Restrictions

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, FedEx disclaims any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither FedEx, nor any of its advisors, assumes any responsibility for any violation by any person of any of these restrictions. Any TNT Express shareholder who is in any doubt as to his or her position should consult an appropriate professional advisor without delay. This announcement is not to be published or distributed in or to Canada.

The information in the press release is not intended to be complete. For further information, reference is made to the Offer Document, which is expected to be published in the summer of 2015. This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or the solicitation of an offer to buy or acquire the securities of TNT Express in any jurisdiction.

Forward Looking Statements

Certain statements in this press release may be considered “forward-looking statements,” including those preceded by, followed by or that include the words “anticipated,” “expected” or similar expressions. These forward-looking statements speak only as of the date of this release. Although FedEx believes that the assumptions upon which its financial information and its forward-looking statements are based are reasonable, it can give no assurance that these forward-looking statements will prove to be correct. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, receipt of regulatory approvals without unexpected delays or conditions and other factors that can be found in FedEx’s and its subsidiaries’ press releases and public filings.

Neither FedEx, nor any of its advisors, accepts any responsibility for any financial information contained in this press release relating to its business, results of operations or financial condition or that of TNT Express. FedEx expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

12.4 Filing submitted to European Commission, dated 26 June 2015

PRESS RELEASE

FedEx announced that it has submitted the required filing to the European Commission to obtain regulatory clearance in connection with the intended recommended public cash offer for all issued and outstanding ordinary shares in the capital of TNT Express.

FedEx expects to submit a request for review and approval of its Offer Document with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, AFM) before 30 June 2015, as required under Dutch law. Based on the required steps and subject to the necessary approvals, closing of the Offer is anticipated in the first half of calendar year 2016.

12.5 FedEx response to phase II announcement EC, dated 31 July 2015

PRESS RELEASE

FedEx Corporation

This is a press release by FedEx in connection with the intended public offer by FedEx Corporation for all the issued and outstanding ordinary shares in the capital of TNT Express N.V. This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in TNT Express N.V. Any offer will be made only by means of an offer document. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Canada.

Intended Offer by FedEx for TNT Express Enters Phase II Review with the European Commission

FedEx remains on track with its intended public offer to acquire TNT Express N.V. as the European Commission initiates a Phase II review

MEMPHIS, Tenn., July 31, 2015 … FedEx Corp. (NYSE: FDX) confirmed today that the European Commission has initiated a Phase II review in connection with FedEx's intended public offer to acquire all the issued and outstanding shares of TNT Express N.V. This is the next step in the process where the European Commission conducts an in-depth analysis under the EU Merger Regulation before coming to a decision. The transaction is also being reviewed by other antitrust agencies, including the Ministry of Commerce (MOFCOM) in China and Conselho Administrativo de Defesa Econômica (CADE) in Brazil.

"We will continue to work together with TNT Express to meet the European Commission's need for additional due diligence and are confident that the combination of both companies will increase competition and create benefits for customers," said David Binks, President, FedEx Express - Europe. "We continue to make progress on all of the necessary regulatory steps around the world that would allow us to complete this transaction in the first half of 2016 and unite two great teams that share a passion for customer service."

On June 26, 2015, FedEx started the formal process to obtain merger control approval from the European Commission by submitting the required filing to obtain regulatory clearance in connection with its intended offer to acquire TNT Express. FedEx has also submitted a request for review and approval of its Offer Document with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten, AFM) on June 26, 2015 as required under Dutch law. Based on the required steps and subject to the necessary approvals, closing of the offer is anticipated in the first half of 2016.

About FedEx Corp.

FedEx Corp. (NYSE: FDX) provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenues of $47 billion, the company offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brand. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 325,000 team members to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities.
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12.6 TNT response to phase II announcement EC, dated 31 July 2015

Press release

TNT takes note of European Commission's decision to enter Phase II review of proposed acquisition by FedEx

Amsterdam, 31 July 2015 – TNT takes note of the European Commission's decision to initiate a Phase II review of FedEx's proposed acquisition of TNT.

The Phase II review is part of the European Commission's customary investigation process.

As indicated in April 2015, FedEx and TNT expect the transaction to close in the first half of 2016.

TNT looks forward to the success of the intended acquisition. The company will continue to cooperate with FedEx and the European Commission with a view to a positive outcome.

Once approved, the joining of FedEx and TNT will create benefits for all stakeholders. It is intended to provide customers access to a considerably enhanced, integrated global network, combining TNT's strong European capabilities and FedEx's strength in other regions globally, including North America and Asia. TNT's customers would also benefit from access to the FedEx portfolio of solutions, including global air express, freight forwarding, contract logistics and surface transportation capabilities.

During the transaction approval process, TNT remains focused on executing its Outlook transformation and turnaround strategy, in line with the objectives set out during the company's Capital Markets Day on 18 February 2015. More specifically, TNT remains committed to delivering an outstanding customer experience.

– ENDS –

About TNT
TNT is one of the world's largest express delivery companies. On a daily basis, TNT delivers close to one million consignments ranging from documents and parcels to palletised freight. The company operates road and air transportation networks in Europe, the Middle East and Africa, Asia-Pacific and the Americas. TNT made €6.7 billion in revenue in 2014.

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13. NEDERLANDSE SAMENVATTING (DUTCH LANGUAGE SUMMARY)

13.1 Restricties

In dit Hoofdstuk 13 wordt een samenvatting gegeven van een aantal onderdelen van het Biedingsbericht. Deze Nederlandse samenvatting maakt deel uit van het Biedingsbericht, maar vervangt dit niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor de Aandeelhouders van belang kan zijn om een afgewogen oordeel te kunnen vormen over het Bod. Het bestuderen van deze Nederlandse samenvatting mag derhalve niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. De Aandeelhouders wordt geadviseerd het volledige Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (*incorporation by reference*) zijn opgenomen) zorgvuldig te bestuderen en zo nodig onafhankelijk advies in te winnen teneinde zich een afgewogen oordeel te kunnen vormen over het Bod en de beschrijving daarvan in het Biedingsbericht. In geval van verschillen tussen deze Nederlandse samenvatting en de Engelse tekst van het Biedingsbericht prevaleert de Engelse tekst van het Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (*incorporation by reference*) zijn opgenomen).

Het uitbrengen van het Bod, de verkrijgbaarstelling van het Biedingsbericht en deze Nederlandse samenvatting, alsmede verspreiding van andere informatie met betrekking tot het Bod, kunnen in bepaalde jurisdicties aan bepaalde restricties onderhevig zijn. Dit Bod wordt niet, direct of indirect, gedaan in enige jurisdictie waarin het doen van het Bod of het accepteren daarvan niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving of waarvoor enige registratie, goedkeuring of neerlegging bij enige toezichthoudende instantie vereist is die niet uitdrukkelijk in dit Biedingsbericht is voorzien. Aanmeldingen onder het Bod door Aandeelhouders die niet in Nederland woonachtig zijn, zullen worden aanvaard door de Bieder indien zulke aanmeldingen in overeenstemming zijn met de aanmeldingsprocedures zoals omschreven in dit Biedingsbericht. De Bieder en diens respectievelijke bij de vennootschap betrokken ondernemingen, bestuurders, commissarissen, werknemers en adviseurs sluiten iedere aansprakelijkheid uit ter zake van overtredingen door enig persoon van (enige restricties uit) enige wet- en regelgeving met betrekking tot de acceptatie van het Bod door Aandeelhouders die niet in Nederland woonachtig zijn. De Aandeelhouders dienen zo nodig onverwijld onafhankelijk advies in te winnen over hun positie. Voor de restricties van het Bod wordt tevens verwezen naar Hoofdstuk 2 (*Restrictions*) en Hoofdstuk 3 (*Important Information*) van het Biedingsbericht. Iedere persoon (inclusief maar niet beperkt tot bewaarders, gevolmachtigden en beheerders) die dit Biedingsbericht of enig verwant document naar enige jurisdictie buiten Nederland wenst door te zenden of van plan zou zijn dit te doen dient zorgvuldig Hoofdstuk 2 (*Restrictions*) en Hoofdstuk 3 (*Important Information*) te lezen voor enige actie wordt ondernomen. Het verspreiden van dit Biedingsbericht in jurisdicties buiten Nederland kan wettelijk verboden zijn en personen die de beschikking krijgen over dit Biedingsbericht dienen zichzelf te informeren over, en te voldoen aan, dergelijke beperkingen. Het niet voldoen aan dergelijke restricties kan een overtreding van de effectenwet- en regelgeving van de betreffende jurisdictie opleveren.

13.2 Belangrijke informatie

De informatie opgenomen in Hoofdstukken 2 tot en met 6 (exclusief paragraaf 6.10 en 6.11), 9, 10 (paragrafen (iii), (v), (vi), (viii) en (x)), 11 en 13 van dit Biedingsbericht is enkel verstrekt door de Bieder. De informatie opgenomen in paragraaf 6.10 en Hoofdstukken 7, 8, 10 (paragrafen (iv), (vii) en (ix)) en 15 van dit Biedingsbericht is enkel verstrekt door de Vennootschap. De informatie opgenomen in pagina 1 tot en met 5, paragraaf 6.11 en Hoofdstukken 10 (begin en paragraaf (i) en (ii)), 12 en 14 van dit Biedingsbericht is verstrekt door de Bieder en de Vennootschap gezamenlijk.

De Bieder is exclusief verantwoordelijk voor de juistheid en volledigheid voor de informatie die opgenomen is in dit Biedingsbericht en enkel is verstrekt door de Bieder. De Vennootschap is exclusief verantwoordelijk voor de juistheid en volledigheid voor de informatie die opgenomen is in dit Biedingsbericht en enkel is verstrekt door de Vennootschap. De Bieder en de Vennootschap zijn gezamenlijk verantwoordelijk voor de juistheid en volledigheid van de informatie die is opgenomen in dit Biedingsbericht en enkel is verstrekt door de Bieder en de Vennootschap gezamenlijk.

De controleverklaring opgenomen in Hoofdstuk 15.6 en de beoordelingsverklaring opgenomen in Hoofdstuk 15.8 zijn aangeleverd door PwC en zijn identiek aan de informatie in de respectievelijke originele verklaringen die zijn afgegeven door PwC.

Geen andere persoon dan de Bieder en TNT Express, zonder enige afbreuk te doen aan de controleverklaring en beoordelingsverklaring afgegeven door PwC als opgenomen in dit Biedingsbericht en de Fairness Opinies afgegeven door Goldman Sachs en Lazard aan de Raad van Bestuur en de Raad van Commissarissen (waarvan de volledige tekst, inclusief de aannames, de gevolgde procedures, de in acht genomen zaken en de beperkingen op de review die is gedaan in verband met elke Fairness Opinie, is opgenomen in de Standpuntbepaling), heeft toestemming om enige informatie te verstrekken of enige mededeling te doen namens de Bieder of TNT Express in verband met het Bod of de informatie opgenomen in dit Biedingsbericht. Indien dergelijke informatie is verstrekt of mededeling is gedaan door andere partijen dan de Bieder of TNT Express, dient er niet te worden afgegaan op zulke informatie of mededelingen als ware die zouden zijn afgegeven door of namens de Bieder of TNT Express.

De Bieder en TNT Express verklaren elk dat de informatie in dit Biedingsbericht waarvoor zij verantwoordelijk zijn, voor zover hen redelijkerwijs bekend kan zijn, na het treffen van alle redelijke maatregelen om ervoor zorg te dragen dat zulks het geval is, in overeenstemming is met de werkelijkheid en dat geen gegevens zijn weggelaten waarvan vermelding de strekking van het Biedingsbericht zou wijzigen. Bepaalde financiële en statistische informatie in dit Biedingsbericht kan naar boven of beneden afgerond zijn en kan derhalve niet als accuraat worden aangemerkt.

De informatie uiteengezet in dit Biedingsbericht geeft de situatie weer ten tijde van de datum van dit Biedingsbericht, tenzij anders vermeld. De uitgave en verspreiding van dit Biedingsbericht impliceert geenszins dat de hierin opgenomen informatie juist en compleet zal blijven na de datum van uitgave van het Biedingsbericht. Het voorgaande is niet van invloed op de verplichtingen van de Bieder en TNT Express om een openbare mededeling te doen uit hoofde van artikel 5:25i van de Wft of artikel 4 lid 1 en lid 3 van het Bob, indien vereist.

Dit Biedingsbericht bevat de informatie inzake het Bod zoals vereist uit hoofde van artikel 5:76 Wft en artikel 8 Bob en is goedgekeurd door de AFM uit hoofde van artikel 5:76 Wft. De Standpuntbepaling van de raad van bestuur en raad van commissarissen ingevolge artikel 18 Bob kan beschikbaar gesteld of verstuurd worden aan Aandeelhouders in hetzelfde pakket als dit Biedingsbericht, maar vormt geen onderdeel van dit Biedingsbericht, zoals omschreven in het Bob en is niet onderworpen aan voorafgaande beoordeling en goedkeuring van de AFM. De Standpuntbepaling is wel onderworpen aan beoordeling van de AFM na publicatie daarvan.

Getallen in het Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd.

13.3 Definities

Aanbeveling	de aanbeveling van de Raad van Bestuur en Raad van Commissarissen met betrekking tot het Bod en de Transacties zoals weergegeven is in Hoofdstuk 13.12
Aanmeldingstermijn	de periode, gedurende welke de Aandeelhouders hun Aandelen bij de Bieder kunnen aanmelden, beginnend om 9 uur Nederlandse tijd op 24 augustus 2015 en eindigend om 17:40 uur Nederlandse tijd op 30 oktober 2015, behoudens verlenging in overeenstemming met artikel 15 lid 2 van het Bob of verdere verlenging nadat de Bieder ontheffing heeft gekregen van de AFM voor een verdere verlenging in overeenstemming met artikel 5:81 lid 3 Wft en de bepalingen van dit Biedingsbericht, op het Uiterste Tijdstip van Aanmelding
Aandeelhouder(s)	houder(s) van één of meer Aandelen
Aandelen	Gewone Aandelen en ADSs
Aangesloten Instelling	aangesloten instelling bij Euronext Amsterdam als bedoeld in artikel 1 van de Wet giraal effectenverkeer
Aangesloten Personen	een (rechts)persoon direct or indirect, alleen of gezamenlijk, onder controle van de Bieder of met controle over de Bieder
Acceptatie Voorwaarde	heeft de betekenis die daaraan is gegeven in Hoofdstuk 13.9.1
ADS(s)	American Depositary Share(s), die elk één Gewoon Aandeel vertegenwoordigen

AFM	Stichting Autoriteit Financiële Markten
Amerikaans Betaal- en Wisselkantoor	Citibank, N.A.
BAVA	de buitengewone vergadering van Aandeelhouders, te houden om 9:00 uur Nederlandse tijd, op 5 oktober 2015, in het TNT Centre, Taurusavenue 111, 2132 LS Hoofddorp, ter bespreking van onder andere het Bod overeenkomstig artikel 18 van het Bob en waarin de Besluiten zullen worden genomen
Besluiten	Besluiten over de Verkoop van de Onderneming en Liquidatie, Besluit over de Conversie en Besluiten over de Governance
Besluit over de Conversie	het besluit over de Conversie dat wordt voorgelegd aan de Aandeelhouders op de BAVA, zoals beschreven in Hoofdstuk 7 (*Extraordinary General Meeting of TNT Express Shareholders*)
Besluiten over de Governance	de besluiten over de governance van TNT Express die worden voorgelegd aan de Aandeelhouders op de BAVA, zoals beschreven in Hoofdstuk 7 (*Extraordinary General Meeting of TNT Express Shareholders*)
Besluiten over de Verkoop van de Onderneming en Liquidatie	de besluiten over de Verkoop van de Onderneming en Liquidatie die worden voorgelegd aan de Aandeelhouders op de BAVA, zoals beschreven in Hoofdstuk 7 (*Extraordinary General Meeting of TNT Express Shareholders*)
Betaal- en Wisselkantoor	ING BANK N.V.
Biedingsbericht	dit biedingsbericht dat de voorwaarden en beperkingen beschrijft die van toepassing zijn op het Bod, waar de Standpuntbepaling geen deel van uitmaakt
Bieder	FedEx Acquisition B.V., een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in Amsterdam, Nederland
Biedprijs	een bedrag in contanten van EUR 8,00 (acht euro) (cum dividend) voor elk aan Aandeel dat op een geldige wijze is aangemeld en geleverd, onder de voorwaarden van het Bod

Bob	Besluit openbare biedingen Wft
Bod	het bod dat door de Bieder is gedaan om alle uitstaande Aandelen te kopen onder de voorwaarden uiteengezet in dit Biedingsbericht
Combinatie	de combinatie van TNT Express en FedEx
Conversie	de omzetting van TNT Express in een besloten vennootschap met beperkte aansprakelijkheid in overeenstemming met artikel 2:18 van het Burgerlijk Wetboek
Dag van Gestanddoening	de datum waarop de Bieder publiekelijk aankondigt dat het Bod gestand wordt gedaan; zijnde niet later dan de 3de (derde) Werkdag na de Uiterste Dag van Aanmelding
Dag van Overdracht	de dag van overdracht die niet later zal plaatsvinden dan vijf (5) Werkdagen na Gestanddoening
EU Mededingingsrechtelijke Goedkeuring	eerste fase (heeft de betekenis die aan Phase I Competition Clearance wordt toegekend) of tweede fase (heeft de betekenis die aan Phase II Competition Clearance wordt toegekend) mededingingsrechtelijke goedkeuring, of, indien relevant, goedkeuring van een EU lidstaat wanneer de zaak door de Europese Commissie verwezen wordt naar een nationale mededingingsautoriteit;
EUR, euro of €	euro, het wettig betaalmiddel van de Europese Monetaire Unie
Euronext Amsterdam	de effectenbeurs van Euronext Amsterdam door Euronext Amsterdam, de gereguleerde markt van Euronext N.V.
Exitmogelijkheid	betekent dat de Bieder, door haar te bepalen, ofwel (i) een standaardorder op Euronext Amsterdam zal plaatsen om Aandelen te kopen die nog niet door haar of aan haar Gelieerde Ondernemingen worden gehouden tegen een prijs die gelijk is aan de Biedprijs in euros, voor een periode van tenminste 2 (twee) weken na de Na-aanmeldingsperiode, ofwel (ii) een opvolgend openbaar bod zal uitbrengen en gestand doen voor alle Aandelen die nog niet door haar of aan haar Gelieerde Ondernemingen worden gehouden tegen een prijs die gelijk is aan de

	Biedprijs
Fairness Opinies	de Fairness Opinie van Goldman Sachs International en de Fairness Opinie van Lazard B.V.
Fusieovereenkomst	de fusieovereenkomst tussen FedEx en TNT Express van 7 april 2015
Fusieregels	alle toepasselijke wet en regelgeving, inclusief maar niet beperkt tot de toepasselijke artikelen van en alle nadere regelgeving en beleidsregels afgekondigd onder de Wft, het Bob, het SER-Besluit Fusiegedragsregels 2000, de Wet op de ondernemingsraden, de regelgeving en beleidsregels van Euronext Amsterdam en het Burgerlijk Wetboek
Gelieerde Ondernemingen	in relatie tot de Bieder en/of TNT Express, elke dochtermaatschappij of moedermaatschappij van de Bieder en/of TNT Express en elke dochtermaatschappij van een dergelijke moedermaatschappij, op enig moment
Gewone Aandelen	Alle geplaatste en uitstaande gewone aandelen in het kapitaal van TNT Express, elk met een nominale waarde van EUR 0,08 (acht eurocent)
Materieel Nadelig Effect	heeft de betekenis die aan "Material Adverse Effect" is gegeven in Hoofdstuk 6.6.1(C)
Na-aanmeldingstermijn	een periode van niet meer dan 2 (twee) weken na de Dag van Gestanddoening, gedurende welke Aandeelhouders die hun Aandelen nog niet hebben aangemeld onder het Bod gedurende de Aanmeldingstermijn, de mogelijkheid wordt gegeven dit alsnog te doen, op dezelfde wijze en onder dezelfde voorwaarden als opgenomen in dit Biedingsbericht
Overdracht	de afwikkeling van het Bod, inhoudende (i) de betaling van de Biedprijs door de Bieder aan de Aandeelhouders die op geldige wijze hun Aandelen hebben aangemeld (of op ongeldige wijze, indien de Bieder zulke Aandelen desalniettemin aanvaardt) en geleverd onder het Bod en niet op een geldige wijze ingetrokken en (ii) levering van die Aandelen aan de Bieder
Overige Mededingsrechtelijke	goedkeuring van de betreffende mededingingsautoriteiten in Brazil, China en, voor

Goedkeuring	zover nodig de Verenigde Staten met betrekking tot de voorgenomen transacties zoals omschreven in dit Biedingsbericht, ofwel het verstrijken van wettelijke of anderszins opgelegde wachtperiodes in de hiervoor genoemde landen;
Nederlandse Werkdag(en)	(een) dag, anders dan een zaterdag of zondag, waarop de banken normaal gesproken open zijn in Nederland volgens de CAO Banken
Post-Settlement Herstructurering	elk(e) transactie, herstructurering, procedure of proces welk(e) geïmplementeerd zal worden om zo snel als praktisch uitvoerbaar na Overdracht mogelijk te maken dat (i) de notering van TNT Express beëindigd zal worden en (ii) de Bieder alle Aandelen en of de gehele TNT Express onderneming verwerft, inclusief, maar niet beperkt tot een uitkoop, de Verkoop en Liquidatie van de Onderneming of een juridische fusie
Preferente Aandelen	heeft de betekenis die aan "Protective Preference Shares" is gegeven in Hoofdstuk 8.10
PwC	PricewaterhouseCoopers Accountants N.V.
Raad van Bestuur	raad van bestuur van TNT Express
Raad van Commissarissen	raad van commissarissen van TNT Express
Standpuntbepaling	de standpuntbepaling van TNT Express, welke geen deel van dit Biedingsbericht uitmaakt en welke niet voorafgaand is goedgekeurd door de AFM maar na publicatie zal worden beoordeeld
Superieur Bod	heeft de betekenis die aan "Superior Offer" is gegeven in Hoofdstuk 6.24.3
Transacties	het Bod, de Verkoop en Liquidatie van de Onderneming, andere herstructureringsmaatregelen na Overdracht en andere transacties die het gevolg zijn van de Besluiten
Uiterste Dag van Aanmelding	de datum waarop de Aanmeldingstermijn eindigt, te weten op 30 oktober 2015, behoudens verlenging overeenkomstig artikel 15 van het Bob of verdere verlenging nadat de Bieder ontheffing heeft gekregen van de AFM voor een verdere verlenging in overeenstemming met artikel 5:81 lid 3 Wft en de bepalingen van dit Biedingsbericht

Uiterste Tijdstip van Aanmelding	het tijdstip waarop de Aanmeldingstermijn eindigt, te weten op 30 oktober, behoudens verlenging overeenkomstig artikel 15 van het Bob of verdere verlenging nadat de Bieder ontheffing heeft gekregen van de AFM voor een verdere verlenging in overeenstemming met artikel 5:81 lid 3 Wft en de bepalingen van dit Biedingsbericht
Uitkoopprocedure	de wettelijke uitkoopprocedure in overeenstemming met artikel 2:92a, artikel 2:201a of artikel 2:359c BW;
USD	U.S. dollars, de wettelijke betaaleenheid van de Verenigde Staten van Amerika
Vereffenaar	heeft de betekenis zoals daaraan toegekend in de definitie van Besluiten over de Verkoop van de Onderneming en Liquidatie
Verkoop van de Onderneming en Liquidatie	heeft de betekenis die is toegekend aan "Asset Sale and Liquidation" in Hoofdstuk 6.16.3 (*Asset Sale and Liquidation*)
Voorwaarde(n)	de voorwaarde(n) om het Bod gestand te doen als nader beschreven in Hoofdstuk 13.9.1
Werkdag(en)	(een) dag, anders dan een zaterdag of zondag, waarop de banken, Euronext Amsterdam en NYSE normaal gesproken open zijn in de Verenigde Staten van Amerika en Nederland
Wft	Wet op het financieel toezicht

13.4 Het Bod en uitnodiging aan Aandeelhouders

De Bieder brengt hierbij een openbaar bod in contanten uit om alle geplaatste en uitstaande Aandelen te verwerven onder de voorwaarden en conform de restricties zoals beschreven in dit Biedingsbericht. De Aandeelhouders wordt geadviseerd om dit Biedingsbericht (inclusief alle documenten die zijn opgenomen door middel van verwijzing) grondig en compleet door te lezen en indien toepasselijk onafhankelijk advies in te winnen om zo tot een evenwichtig oordeel te komen ten aanzien van het Bod en de inhoud van dit Biedingsbericht. Aandeelhouders die overwegen hun Aandelen niet aan te melden, worden geadviseerd in het bijzonder Hoofdstuk 13.13 (*Gevolgen van het Bod met betrekking tot liquiditeit en beëindiging beursnotering*) en Hoofdstuk 13.14 (*Mogelijke Herstructureringsmaatregelen na Overdracht*) door te nemen.

De Aandeelhouders worden hierbij uitgenodigd om hun Aandelen onder het Bod aan te melden op de wijze, onder de voorwaarden, conform de bepalingen en onder de restricties zoals beschreven in dit Biedingsbericht.

13.5 Biedprijs

Onder de voorwaarde dat het Bod gestand zal worden en met inachtneming van de voorwaarden die zijn opgenomen in het Biedingsbericht, zullen houders die hun Gewone Aandelen aanmelden onder het Bod een bedrag in contanten van EUR 8,00 per Aandeel ontvangen en houders die hun ADSs aanmelden onder het Bod een bedrag gelijk aan het equivalent van EUR 8,00 in USD ontvangen, zonder betaling van rente en onder aftrek van enige toepasselijke (bron)belasting, welke zal worden berekend door gebruik te maken van de wisselkoers van de USD tegen de euro zoals gepubliceerd op Bloomberg om 12:00 uur New York tijd op de dag onmiddellijk voor de datum waarop het Amerikaanse Betaal- en Wisselkantoor de middelen ontvangt om te betalen voor de ADSs bij de totstandbrenging van het Bod voor elk Aandeel dat op juiste wijze is aangemeld (of op onjuiste wijze, indien de Bieder de Aanmelding desalniettemin aanvaardt) en geleverd (de **Biedprijs**).

De Biedprijs is inclusief enig dividend of andere uitkering op de Aandelen die mogelijk is of wordt vastgesteld en/of betaald voor de Dag van Overdracht. In het geval van een dergelijke uitkering, indien de registratiedatum plaatsvindt voor de Dag van Overdracht, zal de Biedprijs dientengevolge verminderd worden met een bedrag gelijk aan wat er is uitgekeerd per Aandeel. Verwezen wordt naar Hoofdstuk 5.2 (*Offer Price*) en Hoofdstuk 5.9 (*Dividends*).

De Biedprijs vertegenwoordigt:

- een premie van 33.2% ten opzichte van de slotkoers van de Aandelen op de Peildatum;
- een premie van 40.5% ten opzichte van de gemiddelde slotkoers van de Aandelen gedurende een periode van 1 (één) maand eindigend op de Peildatum;
- een premie van 41.5% ten opzichte van de gemiddelde slotkoers van de Aandelen gedurende een periode van 3 (drie) maanden eindigend op de Peildatum;
- een premie van 49.3% ten opzichte van de gemiddelde slotkoers van de Aandelen gedurende een periode van 6 (zes) maanden eindigend op de Peildatum; en
- een premie van 38.3% ten opzichte van de gemiddelde slotkoers van de Aandelen gedurende een periode van 12 (twaalf) maanden eindigend op de Peildatum.

13.6 Rationale van het Bod

Door het samengaan van de ondernemingen van TNT Express en FedEx zal er een wereldwijde en toonaangevende speler ontstaan op het gebied van logistiek, transport en aanverwante zakelijke dienstverlening. De klanten van de Combinatie zullen toegang krijgen tot een aanzienlijk verbeterd, geïntegreerd wereldwijk netwerk. Ook qua bedrijfscultuur passen TNT Express en FedEx zeer goed bij elkaar, nu zij beide zeer gefocust zijn op klantenservice, uitstekende operationele prestaties en maatschappelijk verantwoord ondernemen. Daarnaast biedt de Combinatie uitdagende nieuwe perspectieven en carrièremogelijkheden voor de medewerker van TNT Express als onderdeel van een wereldwijde, groeiende en zeer gerespecteerde organisatie. Zie tevens Hoofdstuk 6.4 (*Rationale for* *the Offer*).

13.7 Toezegging PostNL

PostNL, houdster van ongeveer 14,7% (veertien komma zeven procent) van de Aandelen, heeft onherroepelijk toegezegd de door haar gehouden Aandelen of nog te verkrijgen Aandelen voor de Uiterste Dag van Aanmelding aan te bieden onder de voorwaarden en bepalingen van het Bod.

De onherroepelijke toezegging gedateerd op 6 april 2015 (zoals gewijzigd op 14 augustus 2015 ter bevestiging van de verlenging daarvan) bevat gebruikelijke voorwaarden, waaronder de bepaling dat de onherroepelijke toezegging zal eindigen (ten gevolge waarvan PostNL niet gehouden is haar Aandelen aan te bieden of gerechtigd zal zijn de door haar gehouden Aandelen die reeds zijn aangemeld onder het Bod in te trekken) indien een Superieur Bod is gedaan, als gevolg waarvan de Raad van Bestuur en Raad van Commissarissen hun aanbeveling hebben ingetrokken of aangepast. Verwezen wordt naar paragraaf 6.24 (*Exclusivity*).

De onherroepelijke toezegging vervalt tevens indien, onder andere, (i) de Fusieovereenkomst wordt beëindigd in overeenstemming met de bepalingen daarvan, (ii) het Bod wordt ingetrokken, (iii) het Bod niet gestand wordt gedaan binnen 3 (drie) Nederlandse Werkdagen na de Aanmeldingstermijn of (iv) het Bod niet gestand wordt gedaan voor 6 juni 2016.

Als en wanneer het Bod gestand wordt gedaan, zal PostNL een bedrag van ongeveer EUR 643 miljoen in contanten ontvangen.

PostNL heeft geen informatie ontvangen ten aanzien van het Bod welke niet in het Biedingsbericht is opgenomen en zal haar aandelen aanbieden onder het Bob op dezelfde voorwaarden als de andere Aandeelhouders.

13.8 Financiering van het Bod

Onder verwijzing naar Artikel 7 van het Bob, heeft FedEx op 13 mei 2015 aangekondigd over voldoende middelen te beschikken om het Bod te financieren. De maximale biedprijs van EUR 4,4 miljard zal door de Bieder worden gefinancierd voor ongeveer EUR 1,5 miljard uit haar beschikbare middelen. FedEx heeft gecommitteerde schuldfinanciering aangetrokken van EUR 2 miljard met de gebruikelijke voorwaarden en kan verder gebruik maken van een beschikbare kredietfaciliteit van ongeveer EUR 0,9 miljard. Verwezen wordt naar Hoofdstuk 6.5 (*Financing of the Offer*).

13.9 Voorwaarden, afstand en vervulling

13.9.1 Voorwaarden

Niettegenstaande de andere bepalingen met betrekking tot het Bod, is de verplichting van de Bieder om het Bod gestand te doen ervan afhankelijk dat aan de volgende Voorwaarden is voldaan of, voor zover van toepassing, daarvan (geheel of gedeeltelijk en te allen tijde) afstand is gedaan:

A. dat op de, al dan niet verlengde, Uiterste Dag van Aanmelding een zodanig aantal Aandelen

ter aanvaarding wordt aangemeld dat dit, tezamen met (i) de Aandelen die rechtstreeks of indirect door de Bieder op de Uiterste Dag van Aanmelding worden gehouden, (ii) de Aandelen die zijn toegezegd aan FedEx of een van haar groepsmaatschappijen en (iii) de Aandelen waartoe de Bieder gerechtigd is, ten minste de Acceptatie Voorwaarde vertegenwoordigen;
Acceptatie Voorwaarde betekent:

i. 95% (vijfennegentig procent) van het geplaatste en uitstaande gewone aandelenkapitaal van TNT Express op basis van volledige verwatering op de Uiterste Dag van Aanmelding; of

ii. 80% (tachtig procent) van het geplaatste en uitstaande gewone aandelenkapitaal van TNT Express op basis van volledige verwatering op de Uiterste Dag van Aanmelding, op voorwaarde dat:

a. de voorwaarde genoemde in clausule 13.9.1(I) is vervuld; en

b. de Besluiten over de Verkoop van de Onderneming en Liquidatie en het Besluit over de Conversie zijn aangenomen;

B. dat EU Mededingingsrechtelijke Goedkeuring en de Overige Mededingsrechtelijke Goedkeuringen zijn verkregen;

C. dat zich geen Materieel Negatief Effect heeft voorgedaan;

D. dat TNT Express geen inbreuk heeft gemaakt op enige bepaling uit de Fusieovereenkomst, voorzover deze inbreuk naar verwachting (i) redelijkerwijs materieel negatieve consequenties heeft of kan hebben voor TNT Express, FedEx of het Bod en (ii) niet kan worden hersteld binnen tien (10) Werkdagen na ontvangst door TNT Express van een schriftelijke aanmaning van FedEx of niet is hersteld binnen 10 (tien) Werkdagen na ontvangst door TNT Express van een schriftelijke aanmaning van FedEx;

E. dat FedEx geen inbreuk heeft gemaakt op enige bepaling uit de Fusieovereenkomst, voorzover deze inbreuk naar verwachting (i) redelijkerwijs materieel negatieve consequenties heeft of kan hebben voor TNT Express of het Bod en (ii) niet kan worden hersteld binnen tien (10) Werkdagen na ontvangst door FedEx van een schriftelijke aanmaning van TNT Express of niet is hersteld binnen 10 (tien) Werkdagen na ontvangst door FedEx van een schriftelijke aanmaning van TNT Express;

F. dat de Aanbeveling van noch de Raad van Bestuur noch de Raad van Commissarissen niet is ingetrokken, materieel gewijzigd of gekwalificeerd anders dan als toegestaan onder de Fusieovereenkomst;

G. dat geen Superieur Bod van een derde partij dat wordt aanbevolen door de Raad van Bestuur en de Raad van Commissarissen (i) is overeengekomen met TNT Express of (ii) is uitgebracht;

H. dat geen partij die niet aan de Bieder gerelateerd is (i) verplicht is een verplicht bod te doen op grond van artikel 5:70 Wft en dit heeft aangekondigd in overeenstemming met artikel 5 lid 3 Bob of (ii) een verplicht bod heeft gedaan op grond van artikel 5:70 Wft voor alle Aandelen waarvan (a) de prijs minstens gelijk is aan de Biedprijs of (b) in verband waarmee geen Preferente aandelen zijn uitgegeven;

I. dat geen vonnis of beschikking is uitgesproken en geen maatregel of onderzoek is bevolen, en van kracht is, door enige rechtbank, arbitraal college, regering, overheidsinstantie of andere toezichthoudende of administratieve instantie, of enig statuut, regel, wetgeving, overheidsaanwijzing of maatregel van toepassing is verklaard op het Bod welke het afronden van het Bod op enige wezenlijke wijze kan beperken of verbieden;

J. dat geen mededeling is ontvangen van de AFM, waarin wordt gesteld dat het Bod is gedaan in strijd met hoofdstuk 5.5 van de Wft en dat, ingevolge artikel 5:80, paragraaf 2 van de Wft, beleggingsondernemingen niet zouden mogen meewerken aan de uitvoering en voltooiing van het Bod;

K. dat op of voorafgaand aan de Dag van Gestanddoening, de handel in de Aandelen op Euronext Amsterdam niet is opgeschort of beëindigd als gevolg van een noteringsmaatregel genomen door Euronext Amsterdam overeenkomstig artikel 6901/2 of enige andere relevante bepaling van het Euronext Rulebook I (Geharmoniseerde Regels); en

L. (i) dat de Stichting Continuïteit TNT Express haar optierecht om preferente aandelen aan haar uit te geven niet, geheel of gedeeltelijk, heeft uitgeoefend of dat de Stichting Continuïteit TNT Express haar optierecht om preferente aandelen aan haar uit te geven wel heeft uitgeoefend onder omstandigheden waarin een dergelijke uitoefening (a) niet ten nadele is van de Bieder of (b) in verband met een verplicht bod zoals bedoeld in artikel 5:70 Wft voor alle Aandelen door een partij die niet gerelateerd is aan de Bieder en (ii) dat de Stichting Continuïteit heeft ingestemd met de beëindiging van de optieovereenkomst tussen de Stichting Continuïteit TNT Express en TNT Express.

13.9.2 Afstand

Voorwaarden ten behoeve van FedEx

De Voorwaarde uiteengezet in sub clausule A van Hoofdstuk 13.9.1 is uitsluitend opgenomen ten behoeve van de Bieder en hiervan mag, voor zover toegestaan op grond van de wet, op of na de Uiterste Dag van Aanmelding (geheel of gedeeltelijk) afstand worden gedaan door de Bieder, door middel van een schriftelijke verklaring aan TNT Express, met dien verstande dat voor het door de Bieder afstand doen van Voorwaarde 13.9.1A de voorafgaande uitdrukkelijke schriftelijke goedkeuring van de Raad van Bestuur en Raad van Commissarissen is vereist in het geval dat het aantal aangemelde Aandelen, de Aandelen die direct of indirect worden gehouden door de Bieder of een van zijn Aangesloten Personen, en de Aandelen die onvoorwaardelijk en onherroepelijk aan de Bieder of een van zijn Aangesloten Personen zijn aangemeld, op de Uiterste Dag van Aanmelding minder dan 65% (vijfenzestig procent) van de Aandelen vertegenwoordigen op basis van volledige verwatering.

De Voorwaarden uiteengezet in sub clausules B, C, D, F, G, H en L van Hoofdstuk 13.9.1 zijn uitsluitend opgenomen ten behoeve van de Bieder en hiervan mag, voor zover toegestaan op grond van de wet, te allen tijde (geheel of gedeeltelijk) afstand worden gedaan door de Bieder, door middel van een schriftelijke verklaring aan TNT Express.

FedEx zal tijdig afstand doen van de Voorwaarde genoemd in 13.9.1I, voor zover het vonnis of de beschikking betrekking heeft op de Verkoop en Liquidatie van de Onderneming, op voorwaarde dat minstens 95% (vijfennegentig procent) van de Aandelen zijn aangemeld op basis van volledige verwatering.

Voorwaarden ten behoeve van FedEx en TNT Express

Voorwaarden 13.9.1I en K zijn ten behoeve van de Bieder en de Vennootschap gezamenlijk en daarvan mag alleen (geheel of gedeeltelijk) afstand van worden gedaan door de Vennootschap en de Bieder gezamenlijk door middel van een schriftelijke overeenkomst.

Voorwaarde ten behoeve van TNT Express

De Voorwaarde uiteengezet in Hoofdstuk 13.9.1E is uitsluitend opgenomen ten behoeve van TNT Express en hiervan mag, voor zover toegestaan op grond van de wet, te allen tijde (geheel of gedeeltelijk) afstand worden gedaan door TNT Express, door middel van een schriftelijke verklaring aan FedEx.

Geen afstand

Van de Voorwaarde in Hoofdstuk 13.9.1J kan geen afstand worden gedaan.

13.9.3 Vervulling

De vervulling van elk van de Voorwaarden hangt niet af van de wil van de Bieder, overeenkomstig de in artikel 12, paragraaf 2 van het Bob opgenomen verbodsbepaling.

Zowel de Bieder als TNT Express zal zijn uiterste best doen om zo snel als redelijkerwijs mogelijk de vervulling van de Voorwaarden te bewerkstelligen. Wanneer op enig moment de Bieder of TNT Express kennis neemt van het feit dat een Voorwaarde is vervuld, zal de Bieder respectievelijk TNT Express daarvan onmiddellijk schriftelijk op de hoogte worden gesteld.

Ten aanzien van Voorwaarde 13.9.1B zal de Bieder zich inspannen om deze Voorwaarde zo snel als mogelijk in vervulling te doen gaan. Indien door een nationale of internationale autoriteit een vereiste mededingingsgoedkeuring of verklaring van geen bezwaar wordt gegeven onder bepaalde voorwaarden of verplichtingen, dan zal de Bieder, indien deze voorwaarden en/ of verplichtingen redelijkerwijs toereikend zijn voor de Bieder, die in dit verband redelijkerwijs zal handelen, deze voorwaarden en/of verplichtingen aanvaarden.

Ten aanzien van Voorwaarde 13.9.1C, zijn de Bieder en TNT Express een bindend advies procedure overeengekomen, voor het geval dat een van de partijen meent dat de Voorwaarde niet is vervuld en de andere partij het daar niet mee eens is.

Ten aanzien van Voorwaarde 13.9.1I zijn de Bieder en TNT Express overeengekomen om samen te werken en zich in redelijke mate in te spannen om verweer te voeren tegen een dergelijk vonnis, beschikking, maatregel of onderzoek.

13.10 Aanmelding

13.10.1 Het Bod en uitnodiging aan Aandeelhouders

De Aanmeldingstermijn vangt aan om 9:00 uur op 24 augustus 2015 en eindigt, tenzij de termijn verlengd wordt, om 17:40 uur Nederlandse tijd op 30 oktober 2015.

Indien en voor zover één of meer van de Voorwaarden niet is vervuld of daarvan afstand is gedaan in overeenstemming met Hoofdstuk 13.9.2 (*Afstand*), kan de Bieder de Aanmeldingstermijn verlengen voor een minimale periode van twee (2) weken en een maximale periode van 10 (tien) weken zodat in deze periode deze Voorwaarden kunnen worden vervuld of, voor zover wettelijk toegestaan, daarvan afstand kan worden gedaan. In aanvulling daarop kan de Aanmeldingstermijn worden verlengd als een van de gebeurtenissen in artikel 15, paragraaf 5 van het Bob plaatsvindt. Verdere verlengingen zijn afhankelijk van de goedkeuring van de AFM, welke alleen in uitzonderlijke omstandigheden gegeven zal worden.

Als de Bieder het Bod verlengt tot na de initiële Aanmeldingstermijn, zullen alle verwijzingen in dit Biedingsbericht naar "Aanmeldingstermijn", "Dag van Gestanddoening" of "17:40 uur Nederlandse tijd op 30 oktober 2015" verwijzen naar de laatste datum en tijd van de verlengde Aanmeldingstermijn, tenzij uit de context anders blijkt.

Zoals in Hoofdstuk 5.3 (*Acceptance of the Offer by Shareholders and tender Procedures*), is aangeven, kan een financiële tussenpersoon een eerdere deadline voor Aandeelhouders vaststellen, zodat de financiële tussenpersoon tijdig kan voldoen aan haar aanmeldingsverplichtingen.

Indien de Bieder de Aanmeldingstermijn verlengt, zal de Bieder binnen drie (3) Nederlandse Werkdagen na de initiële Uiterste Dag van Aanmelding een publieke aankondiging maken. Zie Hoofdstuk 5.10 (*Announcements*).

Indien aan alle Voorwaarden van het Bod is voldaan of, voor zover wettelijk toegestaan, daarvan afstand is gedaan in overeenstemming met Hoofdstuk 13.9.2 (*Afstand*), zal de Bieder alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder deze Aandelen desalniettemin heeft aanvaard) en niet zijn ingetrokken als gevolg van de voorwaarden van het Bod, met inachtneming van de procedures zoals uiteengezet in Hoofdstuk 5.3 (*Acceptance of the Offer by Shareholders and tender procedures*). Verwezen wordt naar Hoofdstuk 5.4 (*The Acceptance Period and extension of the Acceptance Period*).

13.10.2 Gestanddoening

Het Bod wordt gedaan onder voorbehoud van de vervulling van de Voorwaarden zoals uiteengezet in Hoofdstuk 13.9.1. Van de Voorwaarden kan te allen tijde (geheel of gedeeltelijk) afstand worden gedaan, voor zover wettelijk toegestaan, zoals uiteengezet in Hoofdstuk 13.9.2 (*Afstand*).

De Bieder zal niet later dan op de 3de (derde) Nederlandse Werkdag na de Uiterste Dag van Aanmelding, zijnde de Dag van Gestanddoening, vaststellen of aan de Voorwaarden is voldaan of dat daarvan afstand wordt gedaan. De Bieder zal op de Dag van Gestanddoening een openbare mededeling doen inhoudende dat ofwel (i) het Bod gestand wordt gedaan, ofwel (ii) het Bod wordt verlengd in overeenstemming met artikel 15 van het Bob ofwel (iii) het Bod wordt ingetrokken omdat niet is voldaan aan de Voorwaarden en daarvan geen afstand is gedaan. Indien het Bod niet gestand wordt gedaan, zal de Bieder dit besluit motiveren.

13.10.3 Overdracht

Indien de Bieder het Bod gestand doet, zal aan de Aandeelhouders die het Bod accepteren en hun Aandelen hebben aangemeld voor het Uiterste Tijdstip van Aanmelding, onder de voorwaarden en conform de restricties zoals opgenomen in het Biedingsbericht, voor elk Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, indien de Bieder die Aandelen desalniettemin aanvaardt) en geleverd en niet op een geldige wijze is ingetrokken, een betaling plaatsvinden ten bedrage van EUR 8,00 (acht euro) per Aandeel. De Dag van Overdracht zal niet later zijn dan 5 (vijf) Werkdagen na de Dag van Gestanddoening.

De Aandeelhouders die tijdens de Na-aanmeldingstermijn het Bod accepteren en hun aandelen aanmelden zullen onverwijld worden betaald en in elk geval niet later dan 5 (vijf) Werkdagen volgend op de laatste dag van de Na-aanmeldingstermijn.

Na overdracht (levering) van de Aandelen is, intrekking, ontbinding of nietigverklaring van de aanmelding of overdracht van Aandelen niet toegestaan.

13.10.4 Na-aanmeldingstermijn

Indien de Bieder het Bod gestand doet, zal de Bieder, in overeenstemming met artikel 17 van het Bob, een Na-aanmeldingstermijn aankondigen teneinde Aandeelhouders die hun Aandelen nog niet hadden aangemeld gedurende de Aanmeldingstermijn in staat te stellen hun Aandelen aan te melden onder dezelfde voorwaarden en condities die van toepassing zijn op het Bod. Een dergelijke Na-aanmeldingstermijn zal aanvangen op de 1ste (eerste) Nederlandse Werkdag na de datum waarop de Na-aanmeldingstermijn is aangekondigd en kan maximaal 2 (twee) weken duren.

Gedurende de Na-aanmeldingstermijn hebben Aandeelhouders die hun Aandelen gedurende de Aanmeldingstermijn hebben aangemeld en welke Aandelen zijn geaccepteerd en Aandeelhouders die hun Aandelen hebben aangemeld gedurende de Na-aanmeldingstermijn, niet het recht om hun Aandelen in te trekken.

13.11 Aanvaarding van het Bod en aanmeldingsprocedure

13.11.1 Algemeen

De Bieder behoudt zich het recht voor om Aandelen te aanvaarden die zijn aangemeld voor aanvaarding, zelfs indien dit niet geschiedt op de wijze zoals omschreven in Hoofdstuk 5.3 (*Acceptance of the Offer by Shareholders and tender procedures*).

13.11.2 Aanmelding via een Aangesloten Instelling

Aandeelhouders die hun Aandelen houden via een Aangesloten Instelling moeten hun Aanmelding via hun bank of commissionair niet later dan 17:40 uur Nederlandse tijd op 30 oktober 2015 bekend maken, tenzij de Aanmeldingstermijn is verlengd overeenkomstig Hoofdstuk 5.4 (*The Acceptance Period and extension of the Acceptance Period*). Bewaarinstellingen, banken of effectenmakelaars kunnen een eerdere deadline vaststellen voor Aanmelding door Aandeelhouders zodat de bewaarinstelling, bank of effectenmakelaar voldoende tijd heeft om de Aanmelding door te geven aan het Betaal- en Wisselkantoor. Dienovereenkomstig dienen houders van Aandelen die direct of indirect gehouden worden via een Aangesloten Instelling contact op te nemen met hun bewaarinstelling, bank of effectenmakelaar om informatie te verkrijgen omtrent de uiterste datum waarop de Aandeelhouders het Bod dienen te aanvaarden en zich te houden aan de data gecommuniceerd door een dergelijke bewaarinstelling, bank of effectenmakelaar aangezien die data zouden kunnen verschillen met de data en tijden aangegeven in dit Biedingsbericht. Verwezen wordt naar Hoofdstuk 5.3.2 (*Acceptance by holders of Ordinary Shares through Admitted Institutions*).

13.11.3 Houders van Aandelen die individueel zijn geregistreerd in het aandeelhoudersregister van TNT Express

Aandeelhouders van Aandelen die individueel zijn geregistreerd in het aandeelhoudersregister van TNT Express die hun Aandelen willen aanmelden onder het Bod, dienen een compleet en getekend aanmeldingsformulier te overhandigen aan het Betaal- en Wisselkantoor in overeenstemming met de voorwaarden van het Bod, niet later dan voor het Uiterste Tijdstip van Aanmelding. De aanmeldingsformulieren zijn op verzoek verkrijgbaar bij het Betaal- en Wisselkantoor. Het aanmeldingsformulier zal dienen als een akte van levering met betrekking tot de Aandelen waarnaar hierin verwezen wordt. Verwezen wordt naar Hoofdstuk 5.3.3 (*Acceptance by holders of Ordinary Shares individually recorded in TNT Express*' *shareholders*' *register*).

13.12 Besluitvorming en aanbeveling van de Raad van Bestuur en Raad van Commissarissen van TNT Express

Het Bod is door de Raad van Bestuur en de Raad van Commissarissen (met en zonder de aanwezigheid van de Raad van Bestuur), reeds vanaf de eerste toenadering vanuit FedEx, veelvuldig besproken. Er zijn zeer regelmatig vergaderingen gehouden waarbij de voorbereidingen, ontwikkelingen en vooruitgang van het Bod zijn besproken in het licht van de belangrijke beslissingen die daaromtrent genomen moesten worden.

De leden van de Raad van Bestuur en de leden van Raad van Commissarissen hebben voorafgaand aan hun deelname in het besluitvormingsproces met betrekking tot het Bod getoetst of zij ter zake een conflicterend belang hadden. Door ieder van hen is vastgesteld dat er geen sprake was van een conflicterend belang.

Om correcte besluitvorming te faciliteren en verantwoordelijkheden optimaal te verdelen is een speciale commissie geïnstalleerd, bestaande uit de voorzitter van de Raad van Commissarissen, dhr. Burgmans, en de leden van de Raad van Bestuur, dhr. Gunning en dhr. De Vries. Deze commissie had de taak om de leden van de Raad van Commissarissen voor te lichten en te adviseren over de strategische alternatieven van TNT Express, het Bod van FedEx en mogelijke alternatieve transacties. Alvorens de Raad van Bestuur heeft besloten om de Fusieovereenkomst aan te gaan, heeft zij daarvoor toestemming verkregen van de Raad van Commissarissen en is ter zake uitgebreid advies ingewonnen bij professionele adviseurs.

De leden van de Raad van Bestuur en van de Raad van Commissarissen hebben uitgebreid financieel en juridisch advies ingewonnen. Daarnaast is door Goldman Sachs een Fairness Opinie afgegeven aan de leden van de Raad van Bestuur en de Raad van Commissarissen op 6 april 2015 met de strekking dat de Biedprijs op die datum en gebaseerd op en afhankelijk van de factoren en aannames gedaan in de opinie vanuit een financieel oogpunt *fair* was jegens de aandeelhouders, en dat de prijs die TNT Express zal ontvangen in het geval van de Verkoop en Liquidatie van de Onderneming *fair* was jegens TNT Express. Lazard heeft, als onafhankelijk adviseur van de Raad van Commissarissen, een Fairness Opinie afgegeven op 6 april 2015 met de strekking dat de Biedprijs op die datum en gebaseerd op en afhankelijk van de factoren en aannames gedaan in de opinie vanuit een financieel oogpunt *fair* was jegens de aandeelhouders en dat de prijs die TNT Express zal ontvangen in het geval van Verkoop en Liquidatie van de Onderneming *fair* was jegens TNT Express. Verwezen wordt naar de Fairness Opinies, zoals die in hun geheel zijn opgenomen in de Standpuntbepaling.

Na kritische beschouwing van de strategische ratio, de financiële en sociale aspecten en gevolgen van het Bod, en onder de voorwaarde dat er geen Superieur Bod wordt uitgebracht, zijn de leden van de Raad van Bestuur en de Raad van Commissarissen tot de conclusie gekomen dat FedEx de aandeelhouders een eerlijke prijs biedt en het accepteren van het Bod in het belang is van de stakeholders van TNT Express.

Onder verwijzing naar het bovenstaande, en onverlet de voorwaarden en condities opgenomen in de Fusieovereenkomst, ondersteunen de Raad van Bestuur en de Raad van Commissarissen het Bod volledig en bevelen zij unaniem Aandeelhouders aan het Bod te accepteren. Zij bevelen ook aan om op de Aandeelhoudersvergadering van TNT Express voor alle in Hoofdstuk 7 beschreven voorstellen te stemmen.

Meer informatie is opgenomen in de Standpuntbepaling.

13.13 Gevolgen van het Bod met betrekking tot liquiditeit en beëindiging beursnotering

Door de aankoop van Aandelen door de Bieder als gevolg van het Bod zal het aantal Aandeelhouders en het aantal openbaar verhandelbare aandelen afnemen als gevolg waarvan de liquiditeit en mogelijk marktwaarde van de resterende niet aangemelde Aandelen negatief zal worden beïnvloed. De Bieder heeft niet de intentie dit te compenseren, bijvoorbeeld door te voorzien in een liquiditeitsmechanisme voor de Aandelen die niet worden aangemeld onder het Bod. De Bieder en TNT Express zijn overeengekomen om de Aandeelhouders een Exitmogelijkheid te bieden, waarvan een van die mogelijkheden afhankelijk is van de vereiste regulatoire goedkeuringen.

Indien het Bod gestand wordt gedaan is de Bieder voornemens om, voor zover toegestaan onder het toepasselijke recht, zo spoedig als redelijkerwijs mogelijk onder de geldende regels en voorschriften, de notering van de Aandelen aan Euronext Amsterdam te beëindigen.

Als de Bieder en/of aan haar Gelieerde Ondernemingen 95% (vijfennegentig procent) of meer van de Aandelen heeft verworven kan de notering van de Aandelen aan Euronext Amsterdam worden beëindigd. Echter, de notering van de Aandelen aan de Euronext Amsterdam kan ook worden beëindigd als gevolg van de verkoop van de onderneming, gevolgd door liquidatie (zie Hoofdstuk 6.16.3 (*Asset Sale and Liquidation*)) of door middel van een juridische fusie (zie Hoofdstuk 6.16.5 (*Statutory Merger*)).

In het geval dat TNT Express of een rechtspersoon waarmee TNT Express mee fuseert niet langer beursgenoteerd zal zijn en de aandelen daarvan dientengevolge niet meer publiek verhandelbaar zullen zijn, zullen bepalingen ten aanzien van de governance van beursgenoteerde ondernemingen niet meer van toepassing zijn en zullen de rechten van minderheidsaandeelhouders mogelijkerwijs gelimiteerd zijn tot het wettelijke minimum.

13.14 Mogelijke Herstructureringsmaatregelen na Overdacht

Het is de intentie van de Bieder om uiteindelijk 100% (honderd procent) van de Aandelen en/of volledige eigendom van TNT Express te verwerven. De bereidheid van de Bieder om de Biedprijs te betalen is daarop gebaseerd. De Bieder en TNT Express verwachten dat volledige integratie van de Bieder en TNT Express substantiële operationele, commerciële, organisatorische en financiële voordelen heeft, welke niet volledig behaald kunnen worden als TNT Express zou doorgaan als zelfstandig entiteit met minderheidsaandeelhouders. Om die voordelen te behalen, behoudt de Bieder zich iedere juridisch toegestane methode voor om alle Aandelen te verwerven (of de volledige eigendom van de onderneming van TNT Express) en/of om de juridische, financiële of fiscale structuur van TNT Express te optimaliseren als onderdeel van de groep van de Bieder.

Na Gestanddoening kan de Bieder Post-Settlement Herstructureringen voorstellen of implementeren, inclusief, maar niet beperkt tot, de Post-Settlement Herstructureringen genoemd in Hoofdstuk 13.15 (*Uitkoopprocedure*), 13.15.1 (*Verkoop en Liquidatie van de Onderneming*) en 13.15.2 (*Overige Herstructureringsmaatregelen na Overdracht*).

Dergelijke maatregelen zullen waarschijnlijk een significant effect hebben voor de Aandeelhouders die hun Aandelen niet hebben aangemeld onder het Bod, waaronder de mogelijkheid van een significante vertraging in het ontvangen van de opbrengst.

13.15 Uitkoopprocedure

In het geval dat na de Dag van Gestanddoening of, voor zover van toepassing, na de Na-aanmeldingsperiode, de Bieder en/of aan haar Gelieerde Ondernemingen meer dan 95%

(vijfennegentig procent) van het geplaatste gewone kapitaal van TNT Express houden in de zin van artikel 2:92a BW en/of 2:359c BW, zal zij de resterende Aandelen die niet zijn aangemeld verwerven door middel van de wettelijke uitkoopprocedure overeenkomstig artikel 2:92a BW en/of 2:359c BW. Verwezen wordt naar Hoofdstuk 6.16.2 (*Buy-Out*).

13.15.1 Verkoop en Liquidatie van de Onderneming

Voor een uitgebreide beschrijving van de Verkoop en Liquidatie van de Onderneming, inclusief de rationale daarvan en een stappenplan, wordt verwezen naar Hoofdstuk 6.16.3 (*Asset Sale and Liquidation*).

13.15.2 Overige Herstructureringsmaatregelen na Overdracht

Op grond van het Fusieovereenkomst behoudt de Bieder zich het recht voor om van iedere toegestane mogelijkheid gebruik te maken om 100% (honderd procent) van de Aandelen te verkrijgen als een alternatief voor de Uitkoopprocedure of de Verkoop en Liquidatie van de Onderneming. Verwezen wordt naar Hoofdstuk 6.16.4 (*Other Post-Settlement Restructurings*).

13.16 Aankondigingen

Iedere aankondiging met betrekking tot het gestand doen van het Bod en aankondigingen met betrekking tot het verlengen van de Aanmeldingstermijn zal door middel van een persbericht worden uitgebracht. Onder voorbehoud van de wettelijke vereisten op grond van de Fusieregels en zonder afbreuk te doen aan de manier waarop de Bieder een publieke aankondiging zou willen doen, zal op de Bieder geen enkele verplichting rusten om een publieke aankondiging te verrichten anders dan zoals hierboven uiteengezet.

13.17 TNT Express en FedEx

De Raad van Bestuur van TNT Express bestaat uit T. (Tex) Gunning (CEO) en M. (Maarten) de Vries (CFO).

De Raad van Commissarissen van TNT Express bestaat uit A. (Antony) Burgmans (voorzitter), M.E. (Mary) Harris, R. (Roger) King, S. (Shemaya) Levy, M.A. (Margot) Scheltema en S. (Sjoerd) Vollebregt.

Het bestuur van FedEx bestaat uit Frederick W. Smith (CEO), James L. Barksdale, John A. Edwardson, Marvin R. Ellison, Kimberly A. Jabal, Shirley Ann Jackson, Gary W. Loveman, R. Brad Martin, Joshua Cooper Ramo, Susan C. Schwab , David P. Steiner en Paul S. Walsh.

14. ADVISORS

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15. FINANCIAL STATEMENTS

This Section 15 contains certain consolidated selected financial information with respect to TNT Express. The following financial information is made available:

15.1 Selected consolidated financial information of TNT Express

The selected consolidated financial information has been derived from the 2014, 2013 and 2012 financial statements. Reading the selected consolidated financial information is not a substitute for reading the audited financial statements of TNT Express which are included in Section 15.9 (*Financial Statements of 2014 of TNT Express*).

15.2 Basis of Preparation

The selected consolidated financial information of TNT Express is presented as originally reported in TNT Express' audited consolidated financial statements for the Financial Years 2014, 2013 and 2012.

TNT Express has prepared their audited consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and part 9 of Book 2 of the DCC. IFRS includes the application of International Financial Reporting Standards including International Accounting Standards (IAS), related Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and Interpretations of the Standing Interpretations Committee (SIC). The consolidated financial statements have been prepared under the historical cost convention except for financial instruments and assets held for disposal.

Retrospective adjustments, relating to changes in accounting policies, for the Financial Years 2013 and 2012 have not been included in the selected consolidated financial information. The following changes in accounting policies have a noteworthy influence on the comparability of the financial statements:

- Adoption of IFRS 11 (effective as of 2014), as disclosed in the paragraph regarding the changes in accounting policies and disclosures in chapter 5 of the 2014 audited consolidated financial statements; and
- Adoption of IAS 19R (effective as of 2013), as disclosed in the paragraph regarding the

changes in accounting policies and disclosures in chapter 5 of the 2013 audited consolidated financial statements.

For a better understanding of TNT Express' financial position and results, the abbreviated overviews should be read in conjunction with the consolidated financial statements of TNT for the Financial Years 2014, 2013 and 2012 and the notes thereto.

15.3 Consolidated statement of financial position relating to the Financial Years 2014, 2013 and 2012

Consolidated statement of financial position in € millions	31 Dec 2014	31 Dec 2013 [1]	31 Dec 2012 [1]
Assets			
Non-current assets			
Intangible assets			
Goodwill	1,007	1,039	1,340
Other intangible assets	110	98	117
Total	1,117	1,137	1,457
Property, plant and equipment			
Land and buildings	441	448	482
Plant and equipment	204	163	207
Aircraft	156	182	40
Other	87	79	87
Construction in progress	50	19	20
Total	938	891	836
Financial fixed assets			
Investments in associates and joint ventures	17	1	10
Other loans receivable	2	3	3
Deferred tax assets	198	198	209
Other financial fixed assets	14	14	15
Total	231	216	237
Pension assets	4	3	57
Total non-current assets	2,290	2,247	2,587
Current assets			
Inventory	11	10	13
Trade accounts receivable	968	942	1,026
Accounts receivable	127	100	88
Income tax receivable	46	28	14
Prepayments and accrued income	182	123	129
Cash and cash equivalents	652	700	397
Total current assets	1,986	1,903	1,667
Assets classified as held for disposal	1	100	235
Total assets	4,277	4,250	4,489
Liabilities and equity			
Equity			
Equity attributable to the equity holders of the parent	2,180	2,413	2,710
Non-controlling interests	12	7	7
Total equity	2,192	2,420	2,717
Non-current liabilities			
Deferred tax liabilities	10	15	31
Provisions for pension liabilities	222	93	43
Other provisions	94	69	109
Long-term debt	166	176	191
Accrued liabilities	4	3	3
Total non-current liabilities	496	356	377
Current liabilities			
Trade accounts payable	471	440	439
Other provisions	218	121	66
Other current liabilities	290	279	297
Income tax payable	52	96	44
Accrued current liabilities	558	477	504
Total current liabilities	1,589	1,413	1,350
Liabilities related to assets classified as held for disposal	0	61	45
Total liabilities and equity	4,277	4,250	4,489

[1] As originally reported in the Annual Report of the respective years

15.4 Consolidated income statement relating to the Financial Years 2014, 2013 and 2012

Consolidated income statement

in € millions	FY14	FY13 [1]	FY12 [1]
Net sales	6,472	6,516	7,162
Other operating revenues	208	177	165
Total revenues	6,680	6,693	7,327
Other income/(loss)	17	208	(11)
Cost of materials	(407)	(419)	(480)
Work contracted out and other external expenses	(3,623)	(3,597)	(3,880)
Salaries and social security contributions	(2,126)	(2,174)	(2,302)
Depreciation, amortisation and impairments	(210)	(433)	(291)
Other operating expenses	(417)	(230)	(274)
Total operating expenses	(6,783)	(6,853)	(7,227)
Operating income	(86)	48	89
Interest and similar income	12	12	16
Interest and similar expenses	(36)	(36)	(50)
Net financial (expense)/income	(24)	(24)	(34)
Results from investments in associates and joint ventures	7	17	(8)
Profit/(loss) before income taxes	(103)	41	47
Income taxes	(87)	(134)	(128)
Profit/(loss) for the period from continuing operations	(190)	(93)	(81)
Profit/(loss) from discontinued operations		(29)	
Profit/(loss) for the period	(190)	(122)	(81)
Attributable to:			
Non-controlling interests	5	0	2
Equity holders of the parent	(195)	(122)	(83)

[1] As originally reported in the Annual Report of the respective years

15.5 Consolidated cash flow statement relating to the Financial Years 2014, 2013 and 2012

Consolidated statement of cash flows in € millions	FY14	FY13 [1]	FY12 [1]
Profit/(loss) before income taxes	(103)	41	47
Adjustments for:			
Depreciation, amortisation and impairments	210	433	291
Amortisation of financial instruments/derivatives	2	2	2
Share-based compensation	5	2	
Investment income:			
(Profit)/loss of assets held for disposal	(7)	(2)	15
(Profit)/loss on sale of Group companies	(7)		(1)
Interest and similar income	(12)	(12)	(16)
Foreign exchange (gains) and losses	5	2	4
Interest and similar expenses	31	34	46
Results from investments in associates and joint ventures	(7)	(17)	8
Changes in provisions:			
Pension liabilities	(10)	(7)	(26)
Other provisions	89	64	(22)
Cash from/(used in) financial instruments/derivatives			
Changes in w orking capital:			
Inventory		1	1
Trade accounts receivable	(2)	5	76
Accounts receivable	(16)	(8)	18
Other current assets	(28)	(1)	4
Trade accounts payable	29	17	4
Other current liabilities excluding short-term financing and taxes	67	(40)	(68)
Cash generated from operations	246	514	383
Interest paid	(31)	(35)	(46)
Income taxes received/(paid)	(109)	(82)	(66)
Net cash from/(used in) operating activities	106	397	271
Interest received	12	12	17
Acquisition of subsidiaries and joint ventures	(1)		
Disposal of subsidiaries and joint ventures	39	61	
Disposal of associates		27	2
Capital expenditure on intangible assets	(43)	(25)	(24)
Disposal of intangible assets	2		
Capital expenditure on property, plant and equipment	(147)	(105)	(121)
Proceeds from sale of property, plant and equipment	14	5	21
Cash from financial instruments/derivatives	19	(15)	19
Other changes in (financial) fixed assets	(17)	(1)	2
Dividends received	5		
Other		1	
Net cash from/(used in) investing activities	(117)	(40)	(84)
Financing discontinued operations		(25)	
Proceeds from long-term borrow ings	12		1
Repayments of long-term borrow ings		(1)	(8)
Proceeds from short-term borrow ings	40	38	57
Repayments of short-term borrow ings	(44)	(32)	(66)
Repayments of finance leases	(20)	(15)	(18)
Dividends paid	(21)	(18)	(2)
Net cash from/(used in) financing activities	(33)	(53)	(36)
Change in cash from continuing operations	(44)	304	151
Cash flows from discontinued operations			
Net cash from/(used in) operating activities		(28)	
Net cash from/(used in) investing activities		5	
Net cash from/(used in) financing activities		23	
Change in cash from discontinued operations	0	0	0
Total changes in cash	(44)	304	151

[1] As originally reported in the Annual Report of the respective years

15.6 Independent auditor's report of PwC on the selected consolidated financial information of TNT Express

Independent Auditor's report

To: the Executive Board of TNT Express N.V.

Amsterdam, 21 August 2015

We refer to the selected consolidated financial information of TNT Express N.V., Amsterdam as included in Chapters 15.3, 15.4 and 15.5 of this Offer Document. The financial information for the years 2014, 2013 and 2012 of this selected consolidated financial information, comprising summaries of the consolidated statement of financial position as at 31 December 2014, 2013 and 2012, the consolidated income statement, the consolidated statement of cash flows for the years then ended, are derived from the audited consolidated financial statements of the years 2014, 2013 and 2012 of TNT Express N.V. We expressed an unqualified audit opinion on the consolidated financial statements of the years 2014, 2013 and 2012 in our independent auditor's reports dated 17 February 2015, 18 February 2014 and 18 February 2013 respectively. Those consolidated financial statements, and the selected consolidated financial information, do not reflect the effects of events that occurred subsequent to the date of our reports on those financial statements. The selected consolidated financial information as included in Chapters 15.3, 15.4 and 15.5 of this Offer Document does not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and by Part 9 of Book 2 of the Dutch Civil Code. Reading the selected consolidated financial information, therefore, is not a substitute for reading the audited consolidated financial statements of TNT Express N.V.

Executive Board's responsibility

The Executive Board of TNT Express N.V. is responsible for the preparation of selected consolidated financial information in accordance with the criteria as set out in the Basis for preparation paragraph in this Offer Document.

Auditor's responsibility

Our responsibility is to express an opinion on the financial information for the years 2014, 2013 and 2012 of the selected consolidated financial information of TNT Express N.V. based on our procedures, which we conducted in accordance with Dutch Law, including the Dutch Standard 810 "Engagements to report on summary financial statements".

Opinion

In our opinion, the financial information for the years 2014, 2013 and 2012 of the selected consolidated financial information as included in Chapters 15.3, 15.4 and 15.5 of this Offer Document derived from the audited consolidated financial statements of TNT Express N.V. for the years 2014, 2013 and 2012, are consistent, in all material aspects, with those financial statements in accordance with the criteria as set out in the Basis for preparation paragraph in the Offer Document.

Restriction on use

The selected consolidated financial information and our auditor's report thereon are intended solely for enclosure in this Offer Document in connection with the recommended cash offer of FedEx Acquisition B.V. and cannot be used for other purposes.

PricewaterhouseCoopers Accountants N.V.

Original has been signed by drs. R. Dekkers RA

15.7 Unaudited but reviewed information for the first half of the financial year 2015

Press release

TNT reports second quarter results

- *Revenue growth of 6.2%, 4.1% at constant FX, net of fuel surcharges and disposals*
- *Adjusted operating income of €41m includes Outlook-related transition costs*
- *Signed BPO contract as part of plan to establish global business services (GBS)*
- *Capex investments increased to €96m (2Q14: €37m) in line with Outlook strategy*
- *Higher service performance and revenues from SMEs year-on-year*
- *No interim dividend planned for first half of 2015*
- *Net cash position of €261m*

Amsterdam, The Netherlands, 27 July 2015 – TNT today reported second-quarter revenues of €1,757 million, up 6.2% year-on-year, and an operating income of €19 million, compared with €3 million in the second quarter of 2014.

Adjusted for positive currency effects, which increased revenues by 4.1%, the negative impact of lower fuel surcharges, which lowered revenues by 1.3% and disposals (-0.6%), TNT's underlying revenue growth for the period was 4.1%, driven by the continued growth of revenues from SMEs.

Operating income for the second quarter of 2015 includes €22 million of restructuring and other charges.

Adjusted operating income was €41 million in the second quarter, €29 million below last year. Profitability was affected by IT transition and Outlook project costs (€15 million), costs to introduce new services and facilities, as well as pricing pressures.

Capital expenditures rose to €96 million (or 5.5% of revenues) in the second quarter, compared with €37 million (2.2% of revenues) in the same period of last year. During the second quarter, TNT continued to invest in sorting machinery, vehicles and IT. Next to investing in Liege, the company is completing new sorting facilities in Madrid, Eindhoven, Swindon (UK), Brisbane and Melbourne, all of which will enter operations during the second half of this year.

Tex Gunning, TNT's Chief Executive Officer, said: "TNT's turnaround is progressing well under our Outlook strategy. Service levels and customer satisfaction scores further improved. We are achieving good growth in the SME customer segment after years of decline. Operational excellence investments in infrastructure and Global Business Services are being implemented according to plan and we continue to attract top industry talent. We have guided that we expect 2015 to be a transition year in terms of bottom-line performance, as we continue to invest in the transformation of TNT. As for the macro economic backdrop, we have experienced some positive developments in Western Europe, but we remain cautious given the economic volatility in China, Brazil, Australia and Greece. During the quarter, FedEx announced its intention to acquire TNT. The management team believes this is a very positive development for all our stakeholders."

Summary: Consolidated results

in million euros and @ respective rates	Notes	Reported			Adjusted (non-GAAP)[1]		
		2Q15	2Q14	%chg	2Q15	2Q14	%chg
Revenues		1,757	1,655	6.2			
Operating income/(loss)	(2)	19	3		41	70	-41.4
Operating income margin (%)		1.1	0.2		2.3	4.2	
Profit/(loss) equity holders of the parent		(1)	(4)	75.0			
Cash generated from operations		63	65	-3.1			
Net cash from/(used in) operating activities		26	(11)				
Net cash from/(used in) investing activities		(77)	12				
Net cash		261	395	-33.9			

Notes: Non-GAAP adjustments
(1) The definition of adjusted operating income has changed from constant foreign exchange rate to respective foreign exchange rate
(2) 2Q15: €17m restructuring related, €5m other cost
(2) 2Q14: €61m restructuring related, €13m implementation cost, €(7)m profit on sale of Fashion Group BV

International Europe segment

in million euros and @ respective rates	2Q15	2Q14	%chg	1H15	1H14	%chg
Revenues	719	684	5.1	1,382	1,356	1.9
Comparable revenue growth (%)[1]	3.9	1.0		0.7	1.6	
Operating income/(loss)	18	20	-10.0	21	45	-53.3
One-offs	10	23	-56.5	15	29	-48.3
Adjusted operating income/(loss)	28	43	-34.9	36	74	-51.4
Adjusted operating income margin (%)	3.9	6.3		2.6	5.5	
Average consignments per day ('000)	253	243	4.1	248	244	1.6
Revenue per consignment (€)[2]	45.3	45.5	-0.4	44.8	44.9	-0.2
Average kilos per day ('000)	8,788	8,263	6.4	8,592	8,232	4.4
Revenue per kilo (€)[2]	1.30	1.34	-3.0	1.29	1.33	-3.0

(1) based on reported revenues @ constant fx
(2) based on reported revenues @avg14

International Europe revenues increased 5.1% year-on-year despite lower fuel surcharges. Currency comparable revenue growth was 3.9%.

Adjusted for positive currency effects, which increased revenues by 1.3%, and the negative impact of lower fuel surcharges, which lowered revenues by 1.9%, the segment's underlying revenue growth was 5.7%. The revenue increase was driven by continued revenue growth from SMEs and supported by continued improvement of on-time delivery performance. The International Europe segment transported more and heavier shipments in the second quarter, with a marginal decline in revenue per consignment (-0.4%) due to lower fuel surcharges and some price pressures.

Adjusted operating income in the second quarter of 2015 was €28 million, compared to €43 million in the second quarter of 2014. The main factors for the decrease were IT transition and Outlook project costs (€8 million) and costs of introducing new road and air connections, such as the flights to Tel Aviv and Malta. The segment also experienced higher air network costs associated with the stronger US dollar (€7 million).

International AMEA segment

in million euros and @ respective rates	2Q15	2Q14	%chg	1H15	1H14	%chg
Revenues	**257**	221	*16.3*	**490**	420	*16.7*
Comparable revenue growth (%)(1)	***-1.8***	*-17.4*		***-1.7***	*-18.0*	
Operating income/(loss)	**20**	17	*17.6*	**28**	22	*27.3*
One-offs	**1**	1		**2**	1	
Adjusted operating income/(loss)	**21**	18	*16.7*	**30**	23	*30.4*
Adjusted operating income margin (%)	***8.2***	*8.1*		***6.1***	*5.5*	
Average consignments per day ('000)	**58**	60	*-3.3*	**57**	59	*-3.4*
Revenue per consignment (€)(2)	**60.0**	59.5	*0.8*	**59.4**	57.2	*3.8*
Average kilos per day ('000)	**1,323**	1,199	*10.3*	**1,243**	1,136	*9.4*
Revenue per kilo (€)(2)	**2.65**	2.98	*-11.1*	**2.70**	2.98	*-9.4*

(1) based on reported revenues @ constant fx
(2) based on reported revenues @avg14

International AMEA revenues rose 16.3% in the second quarter to €257 million, as a result of stronger local currencies. Currency comparable revenue growth was -1.8%. Adjusted for positive currency effects (18%) and the negative impact of lower fuel surcharges (-2.4%), the segment's underlying revenue growth was flat.
Revenues were affected by a sharp decline in China's exports.
Service quality continued to show marked improvements year-on-year, with on-time delivery performance 5 to 6 percentage points higher than in 2014. The segment also experienced continued revenue growth from SMEs in the second quarter.
As in the first quarter, the segment transported fewer but heavier consignments compared to the prior year. Average daily weights rose by 10.3%, which reflects the growth of higher weight Economy freight shipments. Revenue per consignment rose slightly year-on-year (0.8%).
Adjusted operating income increased by €3 million to €21 million, supported by ongoing Outlook improvement initiatives.

Domestics segment

in million euros and @ respective rates	2Q15	2Q14	%chg	1H15	1H14	%chg
Revenues	**655**	630	*4.0*	**1,276**	1,225	*4.2*
Comparable revenue growth (%)(1)	***1.1***	*-0.5*		***0.3***	*-1.6*	
Operating income/(loss)	**(7)**	(17)	*58.8*	**(15)**	(18)	*16.7*
One-offs	6	37	*-83.8*	**10**	53	*-81.1*
Adjusted operating income/(loss)	**(1)**	20		**(5)**	35	
Adjusted operating income margin (%)	***-0.2***	*3.2*		***-0.4***	*2.9*	
Average consignments per day ('000)	**673**	639	*5.3*	**665**	634	*4.9*
Revenue per consignment (€)(2)	**15.3**	15.9	*-3.8*	**15.0**	15.6	*-3.8*
Average kilos per day ('000)	**13,383**	13,331	*0.4*	**13,135**	13,154	*-0.1*
Revenue per kilo (€)(2)	**0.77**	0.76	*1.3*	**0.76**	0.75	*1.3*

(1) based on reported revenues @ constant fx
(2) based on reported revenues @avg14

In the Domestics segment, revenues increased 4% year-on-year to €655 million. Currency comparable revenue growth was 1.1%. Adjusted for positive currency effects (2.9%) and the negative impact of lower fuel surcharges (-0.6%), the segment's underlying revenue growth was 1.7%.
Revenues from SMEs improved year-on-year in all markets, supported by improved service quality. On-time delivery performance was 3 to 4 percentage points higher than in 2014.
TNT delivered 5.3% more consignments per day than in the second quarter of 2014. However, revenue per consignment declined 3.8% due to pricing pressures.
Domestic France was affected by lower yield and higher B2C delivery cost. Performance in Pacific and Brazil remained under pressure due to downtrading and pricing pressures in challenging macroeconomic environments.
Adjusted operating income decreased by €21 million to €(1) million, reflecting the pressure on yields, especially in France, Brazil and Australia, as well as €5 million of costs related to the execution of the Outlook strategy (IT transition and Outlook project costs).
The segment continues to execute plans to increase productivity through new or upgraded facilities and to reduce indirect costs further.

Unallocated segment

in million euros and @ respective rates	2Q15	2Q14	%chg	1H15	1H14	%chg
Revenues	**128**	121	*5.8*	**235**	259	*-9.3*
Comparable revenue growth (%)(1)	***5.8***	*-12.9*		***-9.3***	*-5.8*	
Operating income/(loss)	**(12)**	(17)	*29.4*	**(26)**	(31)	*16.1*
One-offs	**5**	6	*-16.7*	**7**	12	*-41.7*
Adjusted operating income/(loss)	**(7)**	(11)	*36.4*	**(19)**	(19)	*0.0*
Adjusted operating income margin (% of tot. TNT rev.)	***-0.4***	*-0.7*		***-0.6***	*-0.6*	

(1) based on reported revenues @ constant fx

The Unallocated segment consists of Other Networks (TNT Innight), Central Networks and corporate head office functions.

The segment's revenues were up 5.8% year-on-year to €128 million. Adjusted operating loss was €7 million, compared with €11 million in the second quarter of 2014.

Guidance

TNT reiterates its current financial year and longer-term guidance.

TNT expects 2015 to be a challenging year of transition marked by the progressive ramp-up of new and upgraded facilities and other transformation projects, such as the outsourcing of IT.

TNT anticipates restructuring charges of between €25 million and €30 million in the third quarter of 2015.

2Q15 segmental performance overview

in million euros and @ respective rates		Reported				Adjusted (non-GAAP)(1)		
Revenues (€m)	Notes	2Q15	2Q14	%chg	One-offs	2Q15	2Q14	%chg
International Europe		719	684	5.1				
International AMEA		257	221	16.3				
Domestics		655	630	4.0				
Unallocated		128	121	5.8				
Elimination		(2)	(1)					
Total		1,757	1,655	6.2				
Operating income (€m)								
International Europe	(2)	18	20	-10.0	10	28	43	-34.9
International AMEA	(3)	20	17	17.6	1	21	18	16.7
Domestics	(4)	(7)	(17)	58.8	6	(1)	20	
Unallocated	(5)	(12)	(17)	29.4	5	(7)	(11)	36.4
Total		19	3		22	41	70	-41.4
Operating income margin (%)								
International Europe		2.5	2.9			3.9	6.3	
International AMEA		7.8	7.7			8.2	8.1	
Domestics		-1.1	-2.7			-0.2	3.2	
Unallocated (% of total TNT revenues)		-0.7	-1.0			-0.4	-0.7	
Total		1.1	0.2			2.3	4.2	

Notes: Non-GAAP adjustments
(1) The definition of adjusted operating income has changed from constant foreign exchange rate to respective foreign exchange rate
(2) 2Q15: €10m restructuring related
(2) 2Q14: €23m restructuring related
(3) 2Q15: €1m restructuring related
(3) 2Q14: €1m restructuring related
(4) 2Q15: €6m restructuring related
(4) 2Q14: €37m restructuring related
(5) 2Q15: €5m other cost
(5) 2Q14: €13m implementation cost, €(7)m profit on sale of Fashion Group BV

Year-to-date performance commentary

2015 is a year of transition for TNT, as the company takes structural measures to transform and reinvigorate its business under the Outlook strategy. Year-to-date, revenue increased by 3.8%.
Adjusted operating income in the first half was €42 million, down 62.8% from the year-ago number. Profitability was affected by transition costs related to the execution of the Outlook strategy, lower volumes from international accounts as well as pricing pressures.

Summary: Consolidated results

in million euros and @ respective rates		Reported			Adjusted (non-GAAP)(1)		
	Notes	1H15	1H14	%chg	1H15	1H14	%chg
Revenues		3,379	3,256	3.8			
Operating income/(loss)	(2)	8	18	-55.6	42	113	-62.8
Operating income margin (%)		0.2	0.6		1.2	3.5	
Profit/(loss) equity holders of the parent		(20)	(3)				
Cash generated from operations		(30)	29				
Net cash from/(used in) operating activities		(85)	(75)	-13.3			
Net cash from/(used in) investing activities		(128)	(2)				
Net cash		261	395	-33.9			

Notes: Non-GAAP adjustments
(1) The definition of adjusted operating income has changed from constant foreign exchange rate to respective foreign exchange rate
(2) 1H15: €28m restructuring related, €6m other cost
(2) 1H14: €75m restructuring related, €18m implementation cost, €(7)m profit on sale of Fashion Group BV
€9m impairment and depreciation Brazil Domestic

in million euros and @ respective rates		Reported				Adjusted (non-GAAP)[1]		
Revenues (€m)	Notes	**1H15**	1H14	*%chg*	One-offs	**1H15**	1H14	*%chg*
International Europe		**1,382**	1,356	*1.9*				
International AMEA		**490**	420	*16.7*				
Domestics		**1,276**	1,225	*4.2*				
Unallocated		**235**	259	*-9.3*				
Elimination		**(4)**	(4)					
Total		**3,379**	3,256	*3.8*				
Operating income (€m)								
International Europe	(2)	**21**	45	*-53.3*	15	**36**	74	*-51.4*
International AMEA	(3)	**28**	22	*27.3*	2	**30**	23	*30.4*
Domestics	(4)	**(15)**	(18)	*16.7*	10	**(5)**	35	
Unallocated	(5)	**(26)**	(31)	*16.1*	7	**(19)**	(19)	
Total		**8**	18	*-55.6*	34	**42**	113	*-62.8*
Operating income margin (%)								
International Europe		***1.5***	*3.3*			***2.6***	*5.5*	
International AMEA		***5.7***	*5.2*			***6.1***	*5.5*	
Domestics		***-1.2***	*-1.5*			***-0.4***	*2.9*	
Unallocated (% of total TNT revenues)		***-0.8***	*-1.0*			***-0.6***	*-0.6*	
Total		***0.2***	*0.6*			***1.2***	*3.5*	

Notes: Non-GAAP adjustments

(1) The definition of adjusted operating income has changed from constant foreign exchange rate to respective foreign exchange rate

(2) 1H15: €15m restructuring related

(2) 1H14: €29m restructuring related

(3) 1H15: €2m restructuring related

(3) 1H14: €1m restructuring related

(4) 1H15: €10m restructuring related

(4) 1H14: €44m restructuring related, €9m impairment and depreciation Brazil Domestic

(5) 1H15: €1m restructuring related, €6m other cost

(5) 1H14: €1m restructuring related, €18m implementation cost, €(7)m profit on sale of Fashion Group BV

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

GENERAL INFORMATION

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', 'Group' or 'the company'). The company was incorporated under the laws of the Netherlands and is listed on Euronext Amsterdam.

TNT operates in the Courier, Express and Parcel (CEP) market and collects, transports and delivers documents, parcels and palletised freight on a day-definite or time-definite basis. Its services are primarily classified by the speed, distance, weight and size of consignments. Whereas the majority of its shipments are between businesses (B2B), TNT also offers business-to-consumer (B2C) services to select key customers.

The express business is seasonal in that it is affected by public and local holiday patterns.

BASIS OF PREPARATION

The information is reported on quarter-to-date and year-to-date bases ending 27 June 2015. Where material to an understanding of the period starting 1 January 2015 and ending 27 June 2015, further information is disclosed. The interim financial statements were discussed and approved by the Executive Board. The interim financial statements should be read in conjunction with TNT's consolidated financial statements in the 2014 annual report as published on 17 February 2015. The interim financial statements have been prepared in accordance with IAS 34 'Interim financial reporting'.

The significant accounting policies applied in these consolidated interim financial statements are consistent with those applied in TNT's consolidated financial statements in the 2014 annual report for the year ended 31 December 2014.

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

AUDITOR'S INVOLVEMENT

The content of this interim financial report has not been audited by our external auditor PwC. A review report on the figures referring to first half year 2015 ending per 27 June as included in these interim financial statements has been issued. We refer to page 19.

SEGMENT INFORMATION

TNT discloses the following reportable segments: 1) International Europe; 2) International AMEA; 3) Domestics; and 4) Unallocated. This reporting segmentation was introduced during 4Q14 and is integral to TNT's Outlook strategy to create focused and accountable units, with a clearer line of sight on the distinct domestic and international businesses.

The International Europe reporting segment is centrally led with integrated responsibility across Europe.

The International Asia, Middle East & Africa reporting segment is managed separately but operates in close cooperation with International Europe.

The Domestics reportable segment includes the domestic operations in France, Italy and the United Kingdom, as well as Brazil, Chile, Australia and New Zealand. The domestic entity creates a dedicated focus on domestic operations, whilst keeping the synergies with the international activities.

The Unallocated segment consist of Other Networks (TNT Innight), Central Networks, IT, GBS (Global Business Services) and the TNT Head Office.

The following table presents the segment information relating to the income statement and total assets of the reportable segments for the first half year of 2015 (ending 27 June) and 2014 (ending 28 June):

in €millions	International Europe	International AMEA	Domestics	Unallocated	Inter-company	**Total**
1H 2015 ended at 27 June 2015						
Net sales	1,373	487	1,275	125		3,260
Inter-company sales	1		1	2	(4)	0
Other operating revenues	8	3	0	108		119
Total operating revenues	1,382	490	1,276	235	(4)	3,379
Other income/(loss)			2	1		3
Depreciation/impairment property, plant and equipment	(13)	(5)	(28)	(31)		(77)
Amortisation/impairment intangibles	(1)	(2)	(3)	(13)		(19)
Operating income	21	28	(15)	(26)		8
Total assets	1,424	604	1,285	1,038		4,351
1H 2014 ended at 28 June 2014						
Net sales	1,349	417	1,224	170		3,160
Inter-company sales	2			2	(4)	0
Other operating revenues	5	3	1	87		96
Total operating revenues	1,356	420	1,225	259	(4)	3,256
Other income/(loss)			2	10		12
Depreciation/impairment property, plant and equipment	(12)	(5)	(31)	(22)		(70)
Amortisation/impairment intangibles	(1)	(1)	(5)	(11)		(18)
Operating income	45	22	(18)	(31)		18
Total assets	1,404	596	1,192	1,037		4,229

Consolidated statement of financial position

in € millions	Notes	27 Jun 2015	31 Dec 2014
Assets			
Non-current assets			
Intangible assets			
Goodwill		1,008	1,007
Other intangible assets		130	110
Total	(1)	1,138	1,117
Property, plant and equipment			
Land and buildings		439	441
Plant and equipment		243	204
Aircraft		139	156
Other		79	87
Construction in progress		88	50
Total	(2)	988	938
Financial fixed assets			
Investments in associates and joint ventures		16	17
Other loans receivable		2	2
Deferred tax assets		156	198
Other financial fixed assets		14	14
Total		188	231
Pension assets	(3)	9	4
Total non-current assets		2,323	2,290
Current assets			
Inventory		11	11
Trade accounts receivable		1,078	968
Accounts receivable		146	127
Income tax receivable		60	46
Prepayments and accrued income		263	182
Cash and cash equivalents	(6)	435	652
Total current assets		1,993	1,986
Assets classified as held for disposal	(4)	35	1
Total assets		4,351	4,277
Liabilities and equity			
Equity			
Equity attributable to the equity holders of the parent		2,338	2,180
Non-controlling interests		14	12
Total equity	(5)	2,352	2,192
Non-current liabilities			
Deferred tax liabilities		7	10
Provisions for pension liabilities	(3)	82	222
Other provisions	(7)	92	94
Long-term debt	(6)	165	166
Accrued liabilities		5	4
Total non-current liabilities		351	496
Current liabilities			
Trade accounts payable		501	471
Other provisions	(7)	182	218
Other current liabilities		326	290
Income tax payable		42	52
Accrued current liabilities		596	558
Total current liabilities		1,647	1,589
Liabilities related to assets classified as held for disposal	(4)	1	0
Total liabilities and equity		4,351	4,277

Consolidated income statement

in € millions	2Q15	2Q14	1H15	1H14
Net sales	1,689	1,606	3,260	3,160
Other operating revenues	68	49	119	96
Total revenues	1,757	1,655	3,379	3,256
Other income/(loss)	2	7	3	12
Cost of materials	(97)	(98)	(180)	(194)
Work contracted out and other external expenses	(970)	(879)	(1,884)	(1,746)
Salaries and social security contributions	(545)	(562)	(1,060)	(1,079)
Depreciation, amortisation and impairments	(49)	(40)	(96)	(88)
Other operating expenses	(79)	(80)	(154)	(143)
Total operating expenses	(1,740)	(1,659)	(3,374)	(3,250)
Operating income	19	3	8	18
Interest and similar income	4	2	8	5
Interest and similar expenses	(9)	(8)	(19)	(14)
Net financial (expense)/income	(5)	(6)	(11)	(9)
Results from investments in associates and joint ventures	2	2	4	4
Profit/(loss) before income taxes	16	(1)	1	13
Income taxes	(16)	2	(20)	(12)
Profit/(loss) for the period	0	1	(19)	1
Attributable to:				
Non-controlling interests	1	5	1	4
Equity holders of the parent	(1)	(4)	(20)	(3)
Earnings per ordinary share (in € cents) [1]	(0.2)	(0.7)	(3.6)	(0.6)

[1] Based on an average of 548,386,715 of outstanding ordinary shares (2014: 545,233,990)

Consolidated statement of comprehensive income

in € millions	2Q15	2Q14	1H15	1H14
Profit/(loss) for the period	0	1	(19)	1
Other comprehensive income that will not be reclassified to the income statement				
Pensions: Actuarial gains/(losses), before income tax	304	(47)	146	(65)
Income tax on pensions	(75)	12	(36)	16
Other comprehensive income items that are or may be reclassified to the income statement				
Gains/(losses) on cash flow hedges, before income tax	3	2	3	4
Income tax on gains/(losses) on cash flow hedges	(1)	0	(1)	(1)
Currency translation adjustment, before income tax	(13)	24	74	31
Income tax on currency translation adjustment	0	0	0	0
Total other comprehensive income	218	(9)	186	(15)
Total comprehensive income for the period	218	(8)	167	(14)
Attributable to:				
Non-controlling interests	1	5	1	4
Equity holders of the parent	217	(13)	166	(18)

Consolidated statement of cash flows

in € millions	2Q15	2Q14	1H15	1H14
Profit/(loss) before income taxes	16	(1)	1	13
Adjustments for:				
Depreciation, amortisation and impairments	49	40	96	88
Amortisation of financial instruments/derivatives	1	1	1	1
Share-based compensation	3	2	4	2
Investment income:				
(Profit)/loss of assets held for disposal	(2)	(1)	(3)	(3)
(Profit)/loss on sale of Group companies		(7)		(7)
Interest and similar income	(4)	(2)	(8)	(5)
Foreign exchange (gains) and losses	(1)		1	
Interest and similar expenses	10	8	18	14
Results from investments in associates and joint ventures	(2)	(2)	(4)	(4)
Changes in provisions:				
Pension liabilities	1	(5)		(6)
Other provisions	(15)	33	(39)	20
Cash from/(used in) financial instruments/derivatives				
Changes in w orking capital:				
Trade accounts receivable	(45)	(7)	(88)	(19)
Accounts receivable	(6)	(8)	(15)	(21)
Other current assets	(4)	(4)	(69)	(62)
Trade accounts payable	28	8	18	(57)
Other current liabilities excluding short-term financing and taxes	34	10	57	75
Cash generated from/(used in) operations	63	65	(30)	29
Interest paid	(11)	(10)	(17)	(13)
Income taxes received/(paid)	(26)	(66)	(38)	(91)
Net cash from/(used in) operating activities	26	(11)	(85)	(75)
Interest received	4	3	8	5
Acquisition of subsidiaries and joint ventures				(1)
Disposal of subsidiaries and joint ventures		39		39
Capital expenditure on intangible assets	(20)	(8)	(32)	(18)
Disposal of intangible assets		1	1	2
Capital expenditure on property, plant and equipment	(76)	(29)	(142)	(45)
Proceeds from sale of property, plant and equipment	6	2	8	7
Cash from financial instruments/derivatives	1	(1)	5	4
Other changes in (financial) fixed assets	3	1	18	2
Dividends received	5	4	5	4
Other			1	(1)
Net cash from/(used in) investing activities	(77)	12	(128)	(2)
Proceeds from long-term borrow ings	(1)		1	
Proceeds from short-term borrow ings	17	21	40	26
Repayments of short-term borrow ings	(12)	(16)	(24)	(34)
Repayments of finance leases	(9)	(6)	(11)	(8)
Dividends paid	(12)	(7)	(12)	(7)
Net cash from/(used in) financing activities	(17)	(8)	(6)	(23)
Total changes in cash	(68)	(7)	(219)	(100)

Consolidated statement of changes in equity

in €millions	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
Balance at 31 December 2013[1]	44	2,647	(84)	(69)	(125)	2,413	7	2,420
Profit/(loss) for the period					(3)	(3)	4	1
Other comprehensive income/(loss)			34	(49)		(15)		(15)
Total comprehensive income/(loss)			34	(49)	(3)	(18)	4	(14)
Final dividend previous year		(7)				(7)		(7)
Compensation retained earnings		(125)			125			
Legal reserves reclassifications			2	(2)				
Share-based payments				2		2		2
Total direct changes in equity		(132)	2		125	(5)		(5)
Balance at 28 June 2014	44	2,515	(48)	(118)	(3)	2,390	11	2,401
Balance at 31 December 2014	44	2,500	12	(181)	(195)	2,180	12	2,192
Profit/(loss) for the period					(20)	(20)	1	(19)
Other comprehensive income/(loss)			76	110		186		186
Total comprehensive income/(loss)			76	110	(20)	166	1	167
Final dividend previous year		(12)				(12)		(12)
Compensation retained earnings		(195)			195			
Legal reserves reclassifications			4	(4)				
Share-based payments				4		4		4
Stock dividend	0	(0)						
Total direct changes in equity	0	(207)	4	-	195	(8)	1	(7)
Balance at 27 June 2015	44	2,293	92	(71)	(20)	2,338	14	2,352

[1]For comparative purposes 2013 numbers have been restated to reflect the impact of changes in accounting policies.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. INTANGIBLE ASSETS

The movements in the intangible assets are as follows:

in €millions	2015	2014
Balance at 1 January	1,117	1,137
Additions	32	18
Disposals	(1)	(2)
Amortisation	(19)	(18)
Exchange rate differences	9	2
Transfers from/(to) assets held for disposal	0	3
Balance at end of period (27 June 2015, 28 June 2014)	1,138	1,140

The intangible assets of €1,138m consist of goodwill for an amount of €1,008m and other intangibles for an amount of €130m.

The additions to the intangible assets of €32m (2014: 18) are related to software licence and software development costs.

In 2014, the transfers (to)/from assets held for disposal relate to the re-classification of Brazil as an asset held for disposal and discontinued operations to continuing operations and the classification of the Dutch operations of TNT Fashion Group B.V. to assets held for disposal. Refer to note 4.

2. PROPERTY, PLANT AND EQUIPMENT

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

in €millions	2015	2014
Balance at 1 January	938	888
Capital expenditures in cash	142	45
Capital expenditures in financial leases/other	0	2
Disposals	(4)	(2)
Depreciation	(77)	(66)
Impairment	0	(4)
Exchange rate differences	23	16
Transfers from/(to) assets held for disposal	(34)	18
Balance at end of period (27 June 2015, 28 June 2014)	988	897

Total capital expenditures of €142m consist of investments within International Europe of €20m, International AMEA of €7m, Domestics of €87m and Unallocated of €28m. The investments mainly relate to sorting machinery, depots, depot equipment, vehicles and IT.

In 2015, the transfers (to)/from assets held of disposal relate to the intended sale of buildings, vehicles, and IT equipment. Refer to note 4.

In 2014, the transfers (to)/from assets held for disposal relate to the re-classification of Brazil as an asset held for disposal and discontinued operations to continuing operations and the classification of the Dutch operations of TNT Fashion Group B.V. to assets held for disposal. Refer to note 4.

As per 27 June 2015 TNT has entered into capital expenditure commitments accounting to €44m (December 2014: 49), primarily related to vehicle replacement and upgrading of network infrastructure.

3. PENSIONS

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

On the balance sheet, the net pension assets and net pension liabilities of the various defined benefit pension schemes have been presented separately. At 27 June 2015, the pension asset is €9m (2014: 4) and the pension liability is €82m (2014: 222). In the first half year ending 27 June 2015 the net pension liability decreased significantly due to a higher discount rate of 2.95% per June 2015 versus 2.3% per December 2014. Total Defined Benefit Obligation decreases with €146m through other comprehensive income (or €110m net of tax) thus increasing the group equity with €110m.

4. ASSETS CLASSIFIED AS HELD FOR DISPOSAL AND LIABILITIES RELATED TO ASSETS CLASSIED AS HELD FOR DISPOSAL

The assets classified as held for disposal amount to €35m (2014: 1) and relate to buildings of €18m (2014: 0), vehicles of €3m (2014: 1), IT equipment of €11m (2014: 0) and Global Business Services Mauritius of €3m (2014: 0). The IT equipment predominately relates to the IT transformation process.

The liabilities related to assets classified as held for disposal of €1m (2014: 0) fully relate to Global Business Services Mauritius.

(i) Global Business Services (GBS)

TNT announced on 1 July 2015 that it had signed a 5-year business process outsourcing (BPO) contract with Accenture as part of its drive to focus on core express delivery activities, reduce indirect costs and improve operational efficiencies. As part of this transaction, the service centre in Mauritius (TNT Business Solutions Ltd.) was sold on 1 July 2015. As per 1 September 2015 the activities in the service centres of Poland and India will be transferred.

Until completion date, the year-to-date third party revenue for TNT Business Solutions Ltd. was €1m and operating income was €0m as included in the consolidated income statement.

The sales transaction is expected to be completed in the third quarter of 2015.

(ii) Brazil Domestic

As of 2014, Brazil Domestic is no longer reported as a discontinued operation and asset held for disposal, as the ultimately offers received from bidders were determined by management to be unacceptable. Consequently, amortisation and depreciation has been continued.

(iii) TNT Fashion Group B.V.

On 16 May 2014, TNT has completed the sale of its specialist fashion supply chain business in the Netherlands, TNT Fashion Group B.V. (TNT Fashion).Until completion date, the year-to-date revenue for TNT Fashion was €40m and operating income was €1m as included in the consolidated income statement of 2014. The profit on sale as reported in Other Income (within Unallocated) amounted to €7m. The net cash proceeds of €39m were received in full in the second quarter of 2014.

5. EQUITY

Total equity increased to €2,352m per 27 June 2015 from €2,192m as per 31 December 2014. This increase of €160m is mainly due to a positive comprehensive income attributable to equity holders of the parent of €166m, of which €110m relates to actuarial gains (refer to note 3) on pensions (net of taxes), €74m is due to positive foreign currency translation results offset by a loss of €20m attributable to equity holders of the parent and a final dividend paid of €12m pertaining to 2014.

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.

At 27 June 2015, the Company's issued share capital amounts to €44m divided into 548,898,900 ordinary shares with a nominal value of €0.08 each.

Additional paid-in capital amounted to €2,293m per 27 June 2015. The amount of paid-in capital recognised for Dutch dividend withholding tax purposes was €762m.

For administration and compliance purposes, a foundation ('Stichting Bewaarneming Aandelen TNT') legally holds shares under (former) incentive schemes which are beneficially owned by the employees.

6. NET CASH

The net cash is specified in the table below:

in €millions	27 Jun 2015	31 Dec 2014
Short term debt	11	37
Long term debt	165	166
Total interest bearing debt	176	203
Cash and cash equivalents	(437)	(652)
Net debt/(cash)	(261)	(449)

The net cash position per 27 June 2015 decreased by €188m compared to 31 December 2014. The decrease reflects the negative change in cash of €215m offset by repayments of leases and various non-cash items of €27m. The short-term debt position includes the net asset value for derivatives amounting to €43m (2014: 13). The increase in net asset value for derivatives is the main reason for the decrease in the short-term debt position. The decrease in cash includes €4m of positive foreign currency exchange rate differences. The Cash and cash equivalents include €2m cash from entities that are classified as assets held for disposal in the balance sheet.

The negative total changes in cash of €215m is due to net cash used in operating activities of €85m, net cash used in investing activities of €128m and net cash used in financing activities of €6m, offset by €4m of positive foreign currency exchange rate differences.

7. 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 27 June 2015 decreased by €38m compared to 31 December 2014 as specified hereafter.

in €millions	2015	2014
Balance at 1 January	312	188
Additions	33	84
Withdrawals/releases	(72)	(61)
Exchange rate differences	1	5
Transfers from/(to) liabilities held for disposal		22
Balance at end of period (27 June 2015, 28 June 2014)	274	238

The additions of €33m relate to restructuring (€19m), long-term employment benefits (€5m), claims indemnities (€2m) and other movements (€7m).

The withdrawals/releases of €72m relate to restructuring (€50m), claims indemnities (€3m), long-term employment benefits (€3m) and other movements (€16m).

In 2014, the transfers (to)/from assets held for disposal relate to the re-classification of Brazil as an asset held for disposal and discontinued operations to continuing operations and the classification of the Dutch operations of TNT Fashion Group B.V. to assets held for disposal. Refer to note 4.

8. OTHER INCOME

In 2015, other income of €3m is related to the profit on sale of assets held for disposal.

In 2014, other income is related to the profit on the sale of TNT Fashion Group B.V. of €7m, other assets held for disposal of €2m and miscellaneous items of €3m.

9. TAXES

The tax expense in the half year of 2015 amounted to €20m (2014: 12m). This €20m tax expense is largely caused by the adverse net impact of losses for which no deferred tax assets could be recognised. The combination of the relatively high tax expense of €20m and the relatively low profit before tax of €1m leads to the high effective tax rate of 2000% in the first half year of 2015 (2014: 92.3%). The Dutch statutory tax rate is 25% (2014: 25%), the effect of the other statutory tax rates is -462.2% (2014: 23.2%). The mix of income from countries in which TNT operates resulted in a weighted average statutory tax rate of -437.2%. Non deductible costs adversely affected the effective tax rate by 547.1 percentage points.

10. LABOUR FORCE

Employees	27 Jun 2015	31 Dec 2014
International Europe	15,155	15,205
International AMEA	9,132	9,260
Domestics	27,527	27,864
Unallocated	5,941	5,963
Total	57,755	58,292
Average FTEs	YTD 2015	YTD 2014
International Europe	13,794	13,267
International AMEA	9,527	9,444
Domestics	28,036	28,911
Unallocated	5,520	6,126
Total	56,877	57,748

The average number of full time equivalents working in TNT during the first half year ending 27 June 2015 was 56,877, a decrease by 871 compared to YTD December 2014.

This was mainly due to the restructuring in Brazil, Benelux, France, United Kingdom, Australia and Spain. The decrease in Unallocated mainly relates to the sale of TNT Fashion Group B.V. in the second quarter of 2014 and the establishment of the new International Europe organisation which was offset by the ramp-up of shared service centre activities in Eastern Europe.

The presented figures are excluding joint ventures and external agency staff.

11. FINANCIAL INSTRUMENTS

TNT uses a variety of financial derivatives to manage foreign currency risk and interest rate risk. The derivative financial instruments are solely used for the purpose of hedging exposures. The fair value of financial instruments is based on foreign exchange and interest rate market prices. TNT uses commonly practised fair value valuation methods for its derivatives. The valuations represent a best approximation of the trading value of these derivatives at their valuation moment. The derivatives are grouped within level 2 of the fair value measurement hierarchy.

Fluctuations in fair value of financial instruments are mainly due to increased volatility of foreign currency rates. As a result the asset value of the cross currency swap increased to €37m (31 December 2014: 15), which is recorded under current assets in prepayments and accrued income. The fair value of the Interest rate swaps of €11m (31 December 2014: 12) is recorded in long-term debt.

The fair value of the other financial instruments approximates the carrying amount of these assets and liabilities.

12. RELATED PARTIES

Purchases of TNT from joint ventures amounted to €13m (2014: 13). During the first half of 2015, ending 27 June 2015, €18m (2014: 13) sales were made by TNT companies to its joint ventures.

At 27 June 2015, net amounts due to the joint venture entities amounted to €17m (28 June 2014: 16). Net amounts due to associated companies amounted to €6m (28 June 2014: 0).

At 27 June 2015, TNT is owned by PostNL N.V. ("PostNL") for approximately 14.8%, as per AFM-register, of TNT's outstanding share capital. TNT also has trading relationships with a number of PostNL subsidiary companies.

As a result of the demerger, TNT and PostNL entered into a relationship agreement which contains certain arrangements in respect of the stake that PostNL retained in TNT after the demerger ('the Relationship

Agreement'). The Relationship Agreement was updated in February 2013, amongst others to provide for relaxation of certain conditions and restrictions in respect of possible divestment by PostNL of its shareholding, or part thereof, in TNT. The Relationship Agreement will terminate if PostNL holds less than 5% of the ordinary shares. Reference is made to the 2014 annual report as published on 17 February 2015, for more information on the Relationship Agreement.

12. SUBSEQUENT EVENTS

No subsequent events to report.

EXECUTIVE BOARD COMPLIANCE STATEMENT

In-line with the requirements of the EU Transparency Directive as incorporated in the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht) the Executive Board confirms to the best of its knowledge that:

- The consolidated interim financial statements for the period ended 27 June 2015 give a true and fair view of the assets, liabilities, financial position and profit or loss of TNT Express N. V. and its consolidated companies, and

- The Interim Report of the Executive Board gives a fair review of the information required pursuant to section **5:25d/(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).**

Tex Gunning – *Chief Executive Officer*
Maarten de Vries – *Chief Financial Officer*
Hoofddorp, 27 July 2015

RISKS

TNT's management has regularly reviewed the risk profile of the company in the first half of 2015 and will continue to do so throughout the rest of the year. For those risks deemed material, comprehensive mitigation action plans are developed and reviewed by the Executive Board. All operating units worldwide and material projects participate in the risk identification process, the outcome of which is reported to the relevant functional management and regular status reports detailing the mitigation actions are provided to the Executive Board to further strengthen the company's risk management processes. The outcome of the risk management process is shared and discussed with the audit committee of the Supervisory Board and with the Supervisory Board.

The Executive Board has reviewed TNT's risk profile as at 27 June 2015 and confirms that the risks disclosed in Chapter 4 (Section VI) of the TNT Express N.V. 2014 Annual Report have been updated but remain and continue to require focused and decisive management attention in the second half of 2015. The Executive Board has added a new risk regarding the intended offer by FedEx Corporation (FedEx). This risk relates to the situation where there is a delay in, or non-pursuit of, the intended acquisition of TNT by FedEx as a result of the offer conditions not being satisfied or waived. This could have a material adverse effect on the share price of TNT. The updated risk profile can be found at www.tnt.com/corporate/risks.

It should be noted that no matter how good a risk management and control system is, it cannot be assumed to be exhaustive nor can it provide certainty that it will prevent negative developments in TNT's business and business environment from occurring or that mitigating actions are fully effective. It is important to note that new risks could be identified that are not known currently.

FINANCIAL CALENDAR

26 October 2015	Publication 3Q15 results

CONFERENCE CALLS AND WEBCASTS

TNT will discuss its second quarter 2015 results on a **conference call for analysts and investors today at 2:00 pm CET.**
The live conference call can be accessed via audio webcast at http://www.tnt.com/corporate
Pre-registration is required for participants who wish to ask questions during the call.
To register, please use the following link:
https://www.kpnconferencing.nl/EventRegistration/aeb6176a-9984-4741-96e3-cbdef1ae37fd

TNT will also hold a **press conference call today at 9:00 am CET.**
The live conference call can be accessed via audio webcast at http://www.tnt.com/corporate
Pre-registration is required for journalists who wish to ask questions during the call.
To register, please use the following link:
https://www.kpnconferencing.nl/EventRegistration/144eab29-3daf-4bb0-9368-ecff7ce22b37

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Corporate website:	http://www.tnt.com/corporate		

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.

15.8 Independent review report of PwC on the information for the first half of the financial year 2015 of TNT Express

REVIEW REPORT

To: the Executive Board and the Supervisory Board of TNT Express N.V.

Introduction

We have reviewed the accompanying consolidated interim financial information for the six-month period ended 27 June 2015 of TNT Express N.V., Amsterdam, which comprises the consolidated statement of financial position as at 27 June 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the selected explanatory notes for the six-month period then ended (the “condensed consolidated interim financial information”). We have not reviewed the consolidated interim financial information for the three-month period ended 27 June 2015. The Executive Board is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, ‘Interim Financial Reporting’ as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the company. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the six-month period ended 27 June 2015 is not prepared, in all material respects, in accordance with IAS 34, ‘Interim Financial Reporting’ as adopted by the European Union.

Amsterdam, 27 July 2015
PricewaterhouseCoopers Accountants N.V.
Original has been signed by drs. R. Dekkers RA

15.9 Financial Statements of 2014 of TNT Express

I. FINANCIAL STATEMENTS

Consolidated statement of financial position

	Notes	31 December 2014	variance %	31 December 2013[1]
Assets				
Non-current assets				
Intangible assets	(1)			
Goodwill		1,007		1,039
Other intangible assets		110		98
Total		1,117	(1.8)	1,137
Property, plant and equipment	(2)			
Land and buildings		441		447
Plant and equipment		204		161
Aircraft		156		182
Other		87		79
Construction in progress		50		19
Total		938	5.6	888
Financial fixed assets	(3)			
Investments in associates and joint ventures		17		16
Other loans receivable		2		3
Deferred tax assets	(23)	198		198
Other financial fixed assets		14		12
Total		231	0.9	229
Pension assets	(10)	4		3
Total non-current assets		2,290	1.5	2,257
Current assets				
Inventory	(4)	11		9
Trade accounts receivable	(5)	968		930
Accounts receivable	(5)	127		101
Income tax receivable	(23)	46		28
Prepayments and accrued income	(6)	182		120
Cash and cash equivalents	(7)	652		696
Total current assets		1,986	5.4	1,884
Assets held for disposal	(8)	1		100
Total assets		4,277	0.8	4,241
Liabilities and equity				
Equity	(9)			
Equity attributable to the equity holders of the parent		2,180		2,413
Non-controlling interests		12		7
Total equity		2,192	(9.4)	2,420
Non-current liabilities				
Deferred tax liabilities	(23)	10		15
Provisions for pension liabilities	(10)	222		93
Other provisions	(11)	94		68
Long-term debt	(12)	166		175
Accrued liabilities		4		3
Total non-current liabilities		496	40.1	354
Current liabilities				
Trade accounts payable		471		430
Other provisions	(11)	218		120
Other current liabilities	(13)	290		292
Income tax payable	(23)	52		94
Accrued current liabilities	(14)	558		470
Total current liabilities		1,589	13.0	1,406
Liabilities related to assets held for disposal	(8)			61
Total liabilities and equity		4,277	0.8	4,241

[1] For comparative purposes 2013 numbers have been restated to reflect the impact of changes in accounting policies.

(in €millions, except percentages)

The accompanying notes form an integral part of the financial statements.

Consolidated income statement

Year ended at 31 December	Notes	2014	variance %	2013[1]
Net sales	(15)	6,472		6,713
Other operating revenues	(16)	208		191
Total revenues		6,680	(3.2)	6,904
Other income/(loss)	(17)	17		208
Cost of materials		(407)		(444)
Work contracted out and other external expenses		(3,623)		(3,724)
Salaries and social security contributions	(18)	(2,126)		(2,259)
Depreciation, amortisation and impairments	(20)	(210)		(434)
Other operating expenses	(21)	(417)		(242)
Total operating expenses		(6,783)	4.5	(7,103)
Operating income/(loss)		(86)		9
Interest and similar income		12		14
Interest and similar expenses		(36)		(36)
Net financial (expense)/income	(22)	(24)	(9.1)	(22)
Results from investments in associates and joint ventures	(3)	7		22
Profit/(loss) before income taxes		(103)		9
Income taxes	(23)	(87)		(131)
Profit/(loss) for the period		(190)	(55.7)	(122)
Attributable to:				
Non-controlling interests		5		0
Equity holders of the parent		(195)	(59.8)	(122)
Earnings per ordinary share (in €cents)[2]		(35.7)		(22.4)

[1]For comparative purposes 2013 numbers have been restated to reflect the impact of changes in accounting policies and discontinued operations.
[2]Based on an average of 546,396,949 outstanding ordinary shares (2013: 544,171,809). Refer to note 31
(in €millions, except percentages and per share data)

The accompanying notes form an integral part of the financial statements.

Consolidated statement of comprehensive income

Year ended at 31 December	2014	variance %	2013[1]
Profit/(loss) for the period	(190)	(55.7)	(122)
Other comprehensive income that will not be reclassified to the income statement			
Pensions: Actuarial gains/(losses), before income tax	**(146)**		19
Income tax on pensions	**37**		(6)
Other comprehensive income items that are or may be reclassified to the income statement			
Gains/(losses) on cash flow hedges, before income tax	**7**		11
Income tax on gains/(losses) on cash flow hedges	**(2)**		(4)
Currency translation adjustment, before income tax	**84**		(79)
Income tax on currency translation adjustment	**0**		
Other comprehensive income for the period net of tax	(20)	66.1	(59)
Total comprehensive income for the period	(210)	(16.0)	(181)
Attributable to:			
Non-controlling interests	5		0
Equity holders of the parent	(215)	(18.8)	(181)

[1]For comparative purposes 2013 numbers have been restated to reflect the impact of changes in accounting policies and discontinued operations.
(in €millions, except percentages)

Consolidated statement of cash flows

Year ended at 31 December	Notes	2014	variance %	2013[1]
Profit/(loss) before income taxes		(103)		9
Adjustments for:				
Depreciation, amortisation and impairments		210		434
Amortisation of financial instruments/derivatives		2		2
Share-based compensation		5		2
Investment income:				
(Profit)/loss of assets held for disposal	(17)	(7)		(2)
(Profit)/loss on sale of Group companies		(7)		
Interest and similar income		(12)		(14)
Foreign exchange (gains) and losses		5		2
Interest and similar expenses		31		34
Results from investments in associates and joint ventures		(7)		(22)
Changes in provisions:				
Pension liabilities		(10)		(7)
Other provisions		89		58
Changes in w orking capital:				
Inventory		0		1
Trade accounts receivable		(2)		16
Accounts receivable		(16)		(6)
Other current assets		(28)		(2)
Trade accounts payable		29		19
Other current liabilities excluding short-term financing and taxes		67		(50)
Cash generated from operations		246	(48.1)	474
Interest paid		(31)		(35)
Income taxes received/(paid)		(109)		(79)
Net cash from/(used in) operating activities	(24)	106	(70.6)	360
Interest received		12		14
Acquisition of subsidiaries and joint ventures		(1)		
Disposal of subsidiaries and joint ventures		39		61
Disposal of associates		0		27
Capital expenditure on intangible assets		(43)		(25)
Disposal of intangible assets		2		
Capital expenditure on property, plant and equipment		(147)		(108)
Proceeds from sale of property, plant and equipment		14		12
Cash from financial instruments/derivatives		19		(15)
Other changes in (financial) fixed assets		(17)		(1)
Dividends received		5		8
Other		0		1
Net cash from/(used in) investing activities	(25)	(117)	(350.0)	(26)
Proceeds from long-term borrow ings		12		0
Repayments of long-term borrow ings		0		(2)
Proceeds from short-term borrow ings		40		66
Repayments of short-term borrow ings		(44)		(61)
Repayments of finance leases		(20)		(15)
Dividends paid		(21)		(18)
Net cash from/(used in) financing activities	(26)	(33)	(10.0)	(30)
Total changes in cash	(27)	(44)	(114.5)	304

[1]For comparative purposes 2013 numbers have been restated to reflect the impact of changes in accounting policies and discontinued operations.

(in €millions, except percentages)

The accompanying notes form an integral part of the financial statements.

Consolidated statement of changes in equity

	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
Balance at 31 December 2012	43	2,749	(4)	(92)	(86)	2,610	7	2,617
Profit/(loss) for the period					(122)	(122)		(122)
Other comprehensive income/(loss)			(72)	13		(59)		(59)
Total comprehensive income/(loss)			(72)	13	(122)	(181)		(181)
Final dividend previous year		(11)				(11)		(11)
Interim dividend		(7)				(7)		(7)
Compensation retained earnings		(83)			83			
Legal reserves reclassifications			(8)	8				
Share-based payments				2		2		2
Stock dividend	1	(1)						
Total direct changes in equity	1	(102)	(8)	10	83	(16)		(16)
Balance at 31 December 2013[1]	44	2,647	(84)	(69)	(125)	2,413	7	2,420
Profit/(loss) for the period					(195)	(195)	5	(190)
Other comprehensive income/(loss)			89	(109)		(20)		(20)
Total comprehensive income/(loss)			89	(109)	(195)	(215)	5	(210)
Final dividend previous year		(7)				(7)		(7)
Interim dividend		(15)				(15)		(15)
Compensation retained earnings		(125)			125			
Legal reserves reclassifications			7	(7)				
Share-based payments				5		5		5
Stock dividend	0	(0)				0		0
Other				(1)		(1)		(1)
Total direct changes in equity	0	(147)	7	(3)	125	(18)		(18)
Balance at 31 December 2014	44	2,500	12	(181)	(195)	2,180	12	2,192

[1]For comparative purposes 2013 numbers have been restated to reflect the impact of changes in accounting policies.

(in €millions)

Refer to the accompanying notes 9 and 38 for further details on equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INFORMATION AND DESCRIPTION OF THE BUSINESS

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', 'Group' or 'the company'). The company was incorporated under the laws of the Netherlands and is listed on Euronext Amsterdam.

For purposes of these consolidated financial statements, 'TNT' refers to the company and its subsidiaries.

TNT operates in the Courier, Express and Parcel (CEP) market and collects, transports and delivers documents, parcels and palletised freight on a day-definite or time-definite basis. Its services are primarily classified by the speed, distance, weight and size of consignments. Whereas the majority of its shipments are between businesses (B2B), TNT also offers business-to-consumer (B2C) services to select key customers.

The consolidated financial statements have been authorised for issue by TNT's Executive Board and Supervisory Board on 17 February 2015 and are subject to adoption by the Annual General Meeting of Shareholders on 8 April 2015.

Segment information

As part of the *Deliver!* improvement programme, in 2013 a new management structure was implemented, which led to a change in operating segments and subsequently to a change in reportable segments: Europe Main, Europe Other & Americas, Pacific, AMEA (Asia, Middle East and Africa) and Unallocated.

In February 2014, as part of Outlook, and its *Organise to Win* initiative, TNT announced that its management structure would be further updated to create focused and accountable units, as such this led to a change in operating segments and subsequently to a change in reportable segments to: International Europe, International AMEA, Domestics and Unallocated, effective 1 October 2014.

- The International Europe reportable segment is centrally led with integrated responsibility across Europe.
- The International Asia, Middle East, Africa reportable segment is managed separately but operates in close cooperation with International Europe.
- The Domestics reportable segment includes the domestic operations in France, Italy and the United Kingdom, as well as Brazil, Chile, Australia and New Zealand. The domestic entity creates a dedicated focus on domestic operations, whilst keeping the synergies with the international activities.
- The Unallocated segment continues to consist of Other Networks (TNT Innight), Central Networks (European Road Network and European Air Network), IT, Global Business Services (GBS) and the TNT Head Office.

In 2013, Brazil Domestic was reported as a discontinued operation, following the announcement earlier that year that the unit would be sold. On 30 January 2014, TNT announced that it would retain Brazil Domestic. Therefore, as of 2014, Brazil Domestic is no longer reported as a discontinued operation but is incorporated in the Domestics reportable segment.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. All amounts included in the financial statements are presented in euro, unless otherwise stated.

Basis of preparation

The consolidated financial statements of TNT have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. IFRS includes the application of International Financial Reporting Standards and International Accounting Standards (IAS), related Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and Interpretations of the Standing Interpretations Committee (SIC). The consolidated financial statements have been prepared under the historical cost convention except for financial instruments and assets held for disposal.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying TNT's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in the 'Critical accounting estimates and judgments in applying TNT's accounting policies' section.

The International Accounting Standards Board (IASB) has issued certain International Financial Reporting Standards or amendments thereon and the IFRIC has issued certain interpretations. The impact of changes, when adopted by the European Union, on TNT's consolidated financial statements has been assessed.

Changes in accounting policies and disclosures

In Brazil, the social integration (Programa de Integração Social [PIS]) and the social contribution on billing (Contribuição para o Financiamento da Seguridade Social [COFINS]) programmes, levy taxes which are highly regulated and represent a significant share of the overall Brazilian tax collection.

PIS is conceived as a means to share the business profits with employees, through a mandatory national savings programme, financed by monthly deposits collected as a percentage on the gross sales. COFINS was created to finance special social programmes enforced by the Federal Government through the collection of a social contribution as a percentage of revenues.

Previously, in the absence of clear guidance under IFRS, TNT had accounted for these taxes as taxes on profit since and although the tax is levied as a percentage of revenues, certain cost credits are to be taken into account to arrive at the taxes due.

However, it is now more customary to account for the PIS/COFINS taxes as an adjustment of revenue and affected cost. As a result, TNT has decided to change its accounting for the PIS/COFINS, since such a change will result in the financial statements providing more reliable and relevant information about the effects of its financial performance.

The impact on the 2014 reported figures of this change results in €33 million lower revenue, €17 million lower operating income and €17 million lower income tax with no impact on the profit for the period nor the equity position of the Group.

a) New and amended standards adopted by TNT

- IFRS 10, '*Consolidated Financial Statements'*, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. As of 1 January 2014, TNT has adopted IFRS 10. This did not have a material impact on the consolidated financial statements.

- IFRS 11, *'Joint Arrangements'*, replaces IAS 31 '*Interests in Joint Ventures'* and deals with how a joint arrangement in which two or more parties have joint control should be classified. Under IFRS 11, joint ventures are required to be accounted for using the equity method of accounting, whereas under IAS 31, jointly controlled entities can be accounted for using either the equity method of accounting or proportionate consolidation method. As of 1 January 2014, TNT has adopted IFRS 11. The impact is disclosed in the paragraph hereafter.

- IFRS 12, *'Disclosures of Interests in Other Entities'*, includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose entities and other off-balance sheet vehicles. As of 1 January 2014, TNT has adopted IFRS 12. This did not have a material impact on the consolidated financial statements.

b) New standards, amendments and interpretations not yet adopted

A number of new standards, amendments and interpretations have been issued but are not yet effective for the financial year beginning 1 January 2014 and are not early adopted by TNT. The items applicable are presented below:

- IFRS 9, *'Financial Instruments'*, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. TNT is yet to assess IFRS 9's full impact.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Adoption of IFRS 11

TNT has joint control over the following entities:

- TNT Swiss Post AG;
- TNT Express Luxembourg SA;
- PNG Air Charter Services Limited; and
- X-Air Services NV/SA.

These investments have been classified as joint ventures under IFRS 11 and therefore the equity method of accounting has been used in the consolidated financial statements. Prior to the adoption of IFRS 11, TNT applied proportionate consolidation, and recognised its investment in the joint ventures at the beginning of the earliest period presented (1 January 2013), as the total of the carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. Upon transition to the equity method of accounting, this is the deemed cost of the Group's investment in the joint ventures.

The effect of this change is shown in the following tables. There is no impact on equity, comprehensive income, net result and earnings per share.

Consolidated statement of financial position

	31 December 2013 before adoption of IFRS11[1]	Equity accounting joint ventures	31 December 2013 after adoption of IFRS11	1 January 2013 before adoption of IFRS11	Equity accounting joint ventures	1 January 2013 after adoption of IFRS11
Assets						
Non-current assets						
Intangible assets						
Goodwill	1,039	0	1,039	1,340	0	1,340
Other intangible assets	98	0	98	117	0	117
Total	1,137	0	1,137	1,457	0	1,457
Property, plant and equipment						
Land and buildings	448	(1)	447	482	(1)	481
Plant and equipment	163	(2)	161	207	(2)	205
Aircraft	182	0	182	40	0	40
Other	79	0	79	87	(1)	86
Construction in progress	19	0	19	20	0	20
Total	891	(3)	888	836	(4)	832
Financial fixed assets						
Investments in associates and joint ventures	1	15	16	10	19	29
Other loans receivable	3	0	3	3	0	3
Deferred tax assets	198	0	198	243	0	243
Other financial fixed assets	14	(2)	12	15	(1)	14
Total	216	13	229	271	18	289
Pension assets	3	0	3	1	0	1
Total non-current assets	2,247	10	2,257	2,565	14	2,579
Current assets						
Inventory	10	(1)	9	13	(1)	12
Trade accounts receivable	942	(12)	930	1,026	(12)	1,014
Accounts receivable	100	1	101	88	2	90
Income tax receivable	28	0	28	14	0	14
Prepayments and accrued income	123	(3)	120	129	(3)	126
Cash and cash equivalents	700	(4)	696	397	(4)	393
Total current assets	1,903	(19)	1,884	1,667	(18)	1,649
Assets held for disposal	100	0	100	235	0	235
Total assets	4,250	(9)	4,241	4,467	(4)	4,463
Liabilities and equity						
Equity						
Equity attributable to the equity holders of the parer	2,413	0	2,413	2,610	0	2,610
Non-controlling interests	7	0	7	7	0	7
Total equity	2,420	0	2,420	2,617	0	2,617
Non-current liabilities						
Deferred tax liabilities	15	0	15	31	0	31
Provisions for pension liabilities	93	0	93	124	0	124
Other provisions	69	(1)	68	106	(1)	105
Long-term debt	176	(1)	175	191	(1)	190
Accrued liabilities	3	0	3	3	0	3
Total non-current liabilities	356	(2)	354	455	(2)	453
Current liabilities						
Trade accounts payable	440	(10)	430	439	(11)	428
Other provisions	121	(1)	120	66	0	66
Other current liabilities	279	13	292	297	17	314
Income tax payable	96	(2)	94	44	(2)	42
Accrued current liabilities	477	(7)	470	504	(6)	498
Total current liabilities	1,413	(7)	1,406	1,350	(2)	1,348
Liabilities related to assets held for disposal	61	0	61	45	0	45
Total liabilities and equity	4,250	(9)	4,241	4,467	(4)	4,463

[1] 2013 comparative numbers have been restated to reflect other changes not related to the adoption of IFRS11.
(in €millions)

Consolidated income statement

Year ended at 31 December	2013 before adoption of IFRS11[2]	accounting joint ventures	2013 after adoption of IFRS11
Net sales	6,787	(74)	6,713
Other operating revenues	177	14	191
Total revenues	6,964	(60)	6,904
Other income/(loss)	208	0	208
Cost of materials	(447)	3	(444)
Work contracted out and other external expenses	(3,744)	20	(3,724)
Salaries and social security contributions	(2,284)	25	(2,259)
Depreciation, amortisation and impairments	(435)	1	(434)
Other operating expenses	(246)	4	(242)
Total operating expenses	(7,156)	53	(7,103)
Operating income	16	(7)	9
Interest and similar income	14	0	14
Interest and similar expenses	(36)	0	(36)
Net financial (expense)/income	(22)	0	(22)
Results from investments in associates and joint ventures	17	5	22
Profit before income taxes	11	(2)	9
Income taxes	(133)	2	(131)
Profit/(loss) for the period	(122)	0	(122)
Attributable to:			
Non-controlling interests	0	0	0
Equity holders of the parent	(122)	0	(122)
Earnings per ordinary share (in €cents)[1]	(22.4)		(22.4)

[1] Based on an average of 544,171,809 outstanding ordinary shares.
[2] 2013 comparative numbers have been restated to reflect other changes not related to the adoption of IFRS11.
(in €millions, except per share data)

Consolidated statement of cash flows

Year ended at 31 December	2013 before adoption of IFRS11[1]	accounting joint ventures	2013 after adoption of IFRS11
Profit before income taxes	11	(2)	9
Adjustments for:			
Depreciation, amortisation and impairments	435	(1)	434
Amortisation of financial instruments/derivatives	2		2
Share-based compensation	2		2
Investment income:			
(Profit)/loss of assets held for disposal	(2)		(2)
Interest and similar income	(14)		(14)
Foreign exchange (gains) and losses	2		2
Interest and similar expenses	34		34
Results from investments in associates and joint ventures	(17)	(5)	(22)
Changes in provisions:			
Pension liabilities	(7)		(7)
Other provisions	58		58
Changes in working capital:			
Inventory	1		1
Trade accounts receivable	14	2	16
Accounts receivable	(6)		(6)
Other current assets	(2)		(2)
Trade accounts payable	19		19
Other current liabilities excluding short-term financing and taxes	(45)	(5)	(50)
Cash generated from operations	485	(11)	474
Interest paid	(35)		(35)
Income taxes received/(paid)	(81)	2	(79)
Net cash from/(used in) operating activities	369	(9)	360
Interest received	14		14
Disposal of subsidiaries and joint ventures	61		61
Disposal of associates	27		27
Capital expenditure on intangible assets	(25)		(25)
Capital expenditure on property, plant and equipment	(109)	1	(108)
Proceeds from sale of property, plant and equipment	12		12
Cash from financial instruments/derivatives	(15)		(15)
Other changes in (financial) fixed assets	(1)		(1)
Dividends received	0	8	8
Other	1		1
Net cash from/(used in) investing activities	(35)	9	(26)
Proceeds from long-term borrowings	0		0
Repayments of long-term borrowings	(2)		(2)
Proceeds from short-term borrowings	66		66
Repayments of short-term borrowings	(61)		(61)
Repayments of finance leases	(15)		(15)
Dividends paid	(18)		(18)
Net cash from/(used in) financing activities	(30)	0	(30)
Total changes in cash	304	0	304

[1] 2013 comparative numbers have been restated to reflect other changes not related to the adoption of IFRS11.

(in €millions)

Consolidation

The consolidated financial statements include the financial numbers of TNT Express N.V. and its subsidiaries, associates and joint ventures and have been prepared using uniform accounting policies for similar transactions and other events in similar circumstances. All significant intercompany transactions, balances and unrealised gains on transactions have been eliminated on consolidation. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. A complete list of subsidiaries, associates and joint ventures included in TNT's consolidated financial statements is filed for public review at the Chamber of Commerce in Amsterdam. This list has been prepared in accordance with the provisions of article 379 (1) and article 414 of Book 2 of the Dutch Civil Code.

As the financial statements of TNT Express N.V. are included in the consolidated financial statements, the corporate income statement is presented in an abridged form (article 402 of Book 2 of the Dutch Civil Code).

Subsidiaries, associates and joint ventures

Subsidiaries are all entities (including structured entities) over which TNT has control. TNT controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to TNT. They are deconsolidated from the date that control ceases.

An associate is an entity that is neither a subsidiary nor an interest in a joint venture, over which commercial and financial policy decisions TNT has significant influence. Significant influence is the power to participate in financial and operating policy decisions of an entity but is not control or joint control over those policies. TNT's share of results of all significant associates is included in the income statement using the equity method. The carrying value of TNT's share in associates includes goodwill on acquisition and changes to reflect TNT's share in net earnings of the respective companies, reduced by dividends received. TNT's share in non-distributed earnings of associates is included in net investment. When TNT's share of any accumulated losses exceeds the acquisition value of the shares in the associates, the book value is reduced to zero and the reporting of losses ceases, unless TNT is bound by guarantees or other undertakings in relation to the associate.

A joint venture is a contractual arrangement whereby TNT and one or more other parties undertake an economic activity subject to joint control. Joint ventures in which TNT participates with other parties are accounted for in the same manner as associates, using the equity method.

Business combinations

TNT applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identfiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred over the fair value of TNT's share of the identifiable net assets of the subsidiary is recorded as goodwill. If the cost of acquisition is less than the fair value of TNT's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

TNT treats transactions with non-controlling interests as transactions with equity owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When TNT ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in income statement. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if TNT had directly disposed of the related assets or liabilities. This could lead to a reclassification of amounts previously recognised in other comprehensive income to the income statement. Losses applicable to the non-controlling interest in excess of its share of the subsidiary's equity are allocated against TNT's interests, except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with TNT's accounting policies.

Functional currency and presentation currency

Items included in the financial statements of all TNT's entities are measured using the currency of the primary environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in euro, which is the functional and presentation currency of TNT.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities in foreign currencies are translated to the functional currency using year-end exchange rates.

Foreign currency exchange gains and losses resulting from the settlement of foreign currency transactions and balances and from the translation at year-end exchange rates are recognised in the income statement, except for qualifying cash flow hedges and qualifying net investment hedges that are directly recognised in equity.

Foreign operations

The results and financial position of all TNT entities (none of which has the currency of a hyperinflationary economy) with a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rate;
- income and expenses are translated at average exchange rates; and
- the resulting exchange differences based on the different ways of translation between the statement of financial position and the income statement are recognised as a separate component of equity (translation reserve).

Foreign currency exchange differences arising from the translation of the net investment in foreign entities and of borrowings and other currency instruments designated as hedges of such investments are recognised in the translation reserve. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on the sale.

Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate.

Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the share of the identifiable net assets acquired by TNT. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates and joint ventures is included in the carrying amount of investments in associates.

Goodwill is recognised as an asset and, although it is not amortised, it is reviewed for impairment annually and whenever there is a possible indicator of impairment. Any impairment is recognised immediately in the income statement and is not subsequently reversed. Goodwill is carried at cost less accumulated impairment losses. On disposal of an entity any residual amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous historical values, as no adjustment was required on transition. These have also been subject to impairment tests at that date and will continue to be, at least, annually.

Other intangible assets

Costs related to the development and installation of software for internal use are capitalised at historical cost and amortised, using the straight-line method, over the estimated useful life. Apart from software, other intangible assets mainly include customer relationships, assets under development, licences and concessions. Other intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

An asset under development is reclassified when it is ready for use and is subsequently amortised using the straight-line method over its estimated useful life. Other intangible assets are valued at the lower of historical cost less amortisation and impairment.

Property, plant and equipment

Property, plant and equipment are valued at historical cost using a component approach, less depreciation and impairment losses. In addition to the costs of acquisition, the company also includes costs of bringing the asset to its working condition, handling and installation costs and the non-refundable purchase taxes. Under the component approach, each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

Depreciation is calculated using the straight-line method based on the estimated useful life, taking into account any residual value. The asset's residual value and useful life is reviewed and adjusted if appropriate, at each balance sheet date. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Land is not depreciated. System software is capitalised and amortised as a part of the tangible asset for which it was acquired to operate, because the estimated useful life is inextricably linked to the estimated useful life of the associated asset.

Leases of property, plant and equipment are classified as finance leases if the company bears substantially all the risks and rewards of ownership. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in long-term debt. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Impairment of goodwill, intangible assets and property, plant and equipment

Goodwill

Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is an indication that the asset might be impaired.

For the purposes of assessing impairment, assets are grouped by cash-generating unit (CGU), the lowest level at which there are separately identifiable cash flows. For impairment testing of goodwill, the group of CGUs is defined as the lowest level where goodwill is monitored for internal purposes. This level may be higher than the level used for testing other assets, but is not at a higher level than an operating segment.

If the recoverable value of the CGU is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to the unit and then to other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. The recoverable amount is the higher of the fair value less cost to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the asset specific risks. For the purpose of assessing impairment, corporate assets are allocated to specific CGUs before impairment testing. The allocation of corporate assets is based on the contribution of those assets to the future cash flows of the CGU under review. Goodwill following the acquisition of associates and joint ventures is not separately recognised or tested for impairment.

Impairment losses recognised for goodwill are not reversed in a subsequent period.

Finite-lived intangible assets and property, plant and equipment

At each balance sheet date, TNT reviews the carrying amount of its finite-lived intangible assets and property, plant and equipment to determine whether there is an indication that those assets have suffered an impairment loss. If any indication exists, the recoverable amount of the assets is estimated in order to determine the extent, if any, of the impairment loss. An asset is impaired if the recoverable amount is lower than the carrying value. The recoverable amount is defined as the higher of an asset's fair value less costs to sell and its value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is recognised immediately in the income statement. Impairment losses recognised in prior periods shall be reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The recoverable amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Financial assets and liabilities

TNT classifies financial assets and liabilities into the following categories:
- financial assets and liabilities at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments;
- available-for-sale financial assets; and
- financial liabilities measured at amortised cost.

The classification depends on the purpose for which the financial asset or liability was acquired. Management determines the classification of TNT's financial assets and liabilities at initial recognition.

Financial assets and liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss include derivatives and other assets and liabilities that are designated as such upon initial recognition.

Measurement at fair value requires disclosure of measurement methods based on the following fair value measurement hierarchy:
- Level 1: Quoted prices (unadjusted) in active markets
- Level 2: Inputs other than quoted prices that are observable either directly (prices) or indirectly (derived from prices)
- Level 3: Inputs not based on observable market data

Financial assets and financial liabilities at fair value through profit or loss are initially recorded at fair value and subsequently remeasured at fair value in the statement of financial position. TNT designates certain derivatives as: hedges of the fair value of recognised assets and liabilities of a firm commitment (fair value hedge); hedges of a particular risk associated with a recognised asset or liability or a highly probable forecasted transaction (cash flow hedge); or hedges of a net investment in a foreign operation (net investment hedge).

If a derivative is designated as a cash flow or net investment hedge, changes in its fair value are considered to be effective and recorded in a separate component of equity (hedge reserve) until the hedged item is recorded in income. Any portion of a change in the fair value of a derivative that is considered to be ineffective, or is excluded from the measurement of effectiveness, is immediately recorded in the income statement.

At the inception of the transaction, TNT documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The company also documents the assessment, both at hedge inception and on an ongoing basis, of whether the derivatives used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Unrealised gains and losses arising from changes in the fair value of financial assets and liabilities classified at fair value through profit or loss are directly recorded in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect the income statement (for example, when the forecasted sale that is hedged takes place). However, when the forecasted transaction that is hedged, results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the asset or liability.

When a hedging instrument expires or is sold, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gains or losses existing in equity at that time, remain in equity until the forecasted transaction is ultimately recognised in the income statement. When a forecasted transaction is no longer expected to occur, the cumulative gains or losses that were reported in equity are immediately transferred to the income statement.

Loans and receivables

Loans granted and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which TNT has no intention of trading. Loans and receivables are included in trade and other receivables in the statement of financial position, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Loans and receivables are carried at amortised cost using the effective interest method.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities where TNT has the positive intention and ability to hold to maturity.

Held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Available-for-sale financial assets are carried at fair value. Unrealised gains and losses arising from changes in the fair value of financial assets classified as available for sale are recognised in other comprehensive income. When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as a gain or a loss.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), TNT establishes fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are recognised initially at fair value net of transaction costs incurred and are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the financial liability using the effective interest method.

Impairment of financial assets

TNT assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in income statement – is removed from equity and recognised in the income statement. Impairment losses on equity instruments recognised in the income statement are not reversed through equity.

Inventory

Inventories of raw materials and finished goods are valued at the lower of historical cost or net realisable value. Historical cost is based on weighted average prices.

Accounts receivable

Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for doubtful debt. An allowance for doubtful debt is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the loss is recognised in the income statement. Any reversal of the impairment loss is included in the income statement at the same line as where the original expense has been recorded.

The risk of uncollectibility of accounts receivable is primarily estimated based on prior experience with, and the past due status of, doubtful debtors, while large accounts are assessed individually based on factors that include ability to pay, bankruptcy and payment history. In addition, debtors in certain countries are subject to a higher collectability risk, which is taken into account when assessing the overall risk of uncollectability. The assumptions and estimates applied for determining the valuation allowance are reviewed periodically.

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at fair value. Cash and cash equivalents include cash at hand, bank account balances, bills of exchange and cheques (only those which can be cashed in the short term). All highly liquid investments with an original maturity of three months or less at date of purchase are considered to be cash equivalents. Bank overdrafts are not netted off from cash and cash equivalents.

Assets (or disposal groups) held for disposal and discontinued operations

Assets (or disposal groups) held for disposal are stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount is recovered principally by means of disposal rather than through continuing use. Assets held for disposal are no longer amortised or depreciated from the time they are classified as such.

Assets held for disposal are available for immediate disposal in its present condition, and are considered as highly probable.

Operations that represent a separate major line of business or geographical area of operations, or that are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale and either have been disposed of or have been classified as held for disposal, are presented as discontinued operations in TNT's financial statements.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are presented in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases TNT's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects are included in equity.

Provisions for pension liabilities

The obligation for all pension and other post-employment benefit plans that qualify as defined benefit plans is determined by calculating the present value of the defined benefit obligation and deducting the fair value of the plan assets. TNT uses actuarial calculations (projected unit credit method) to measure the obligations and the costs. For the calculations, actuarial assumptions are made about demographic variables (such as employee turnover, mortality and disability) and financial variables. The discount rate is determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs, if any, are recognised immediately in the income statement.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised at the date of the curtailment or settlement.

Pension costs for defined contribution plans are expensed in the income statement when incurred or due.

Other provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The gross up of the provision following the discounting of the provision is recorded in the income statement as interest expense.

Provisions are recorded for employee benefit obligations, restructuring, onerous contracts and other obligations.

Provisions for employee benefit obligations include long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within 12 months after the end of the period, profit-sharing, bonuses and deferred compensation. The expected costs of these benefits are recognised over the period of employment. Actuarial gains and losses and changes in actuarial assumptions are charged or credited to income in the period in which such gain or loss occurs. Related service costs are recognised immediately.

Provisions recorded for restructuring largely relate to termination benefits. Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. TNT recognises termination benefits when the company has committed to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

Provisions for onerous contracts are recorded when the unavoidable costs of meeting the obligation under the contract exceed the economic benefits expected to arise from that contract, taking into account impairment of tangible assets first.

The provision for other obligations relates to legal and contractual obligations and received claims.

Trade accounts payable

Trade accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in other comprehensive income.

The amount of income tax included in the income statement is determined in accordance with the rules established by the taxation authorities, based on which income taxes are payable or recoverable.

Deferred tax assets and liabilities, arising from temporary differences between the carrying amounts of assets and liabilities and the tax base of assets and liabilities, are calculated using the substantively enacted tax rates expected to apply when they are realised or settled. Deferred tax assets are recognised if it is probable that they will be realised. Deferred tax assets and liabilities where a legally enforceable right to offset exists and within the same tax group are presented net in the statement of financial position.

Revenue recognition

Revenue is recognised when services are rendered, goods are delivered or work is completed. Revenue is the gross inflow of economic benefits during the current year that arise from ordinary activities and result in an increase in equity, other than increases relating to contributions from equity participants.
Revenue from delivered goods and services is recognised when:

- the company has transferred to a buyer the significant risks and rewards of ownership of the goods and services;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control of the goods and services sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the costs to be incurred in respect of the transaction can be measured reliably; and

- the stage of completion of the transaction at the balance sheet date can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable.

Amounts received in advance are recorded as accrued liabilities until services are rendered to customers or goods are delivered.

Net sales

Net sales represent the revenue from the delivery of goods and services to third parties less discounts, credit notes and taxes levied on sales. Accumulated experience is used to estimate and provide for the discounts and returns.

Other operating revenue

Other operating revenue relates to the sale of goods and rendering of services not related to the normal trading activities of TNT and mainly includes sale of unutilised air cargo space to third parties, operation of aircraft for third parties (including charters and wet leases), custom clearance services and administration services.

Other income

Other income includes net gains or losses from fair value adjustments relating to assets held for disposal, the sale of property, plant and equipment and other gains and losses. Costs are recognised on the historical cost convention and are allocated to the reporting year to which they relate.

Operating expenses

Operating expenses represent the direct and indirect expenses attributable to sales, including cost of materials, cost of work contracted out and other external expenses, personnel expenses directly related to operations, and depreciation, amortisation and impairment charges.

Salaries

Salaries, wages and social security costs are charged to the income statement when due, in accordance with employment contracts and obligations.

Profit-sharing and bonus plans

TNT recognises a liability and an expense for cash-settled bonuses and profit-sharing when the company has a legal or constructive obligation to make such payments as a result of past performance and when a reliable estimate of the obligation can be made.

Share-based payments

Share-based payment transactions are transactions in which TNT receives benefits from its employees in consideration for equity instruments or for amounts of cash that are based on the price of equity instruments of the company. The fair value of the equity-settled share-based transactions is recognised as an expense (part of the employee costs) and a corresponding increase in equity over the vesting period. The fair value of payments of share-based payment plans, based on market conditions is calculated using the Monte Carlo model. The fair value of payments of share-basement plans based on non-market conditions are based on the share price on the date the grant is made, corrected for a dividend yield. The equity instruments granted do not vest until the employee completes a specific period of service.

Interest income and expense

Interest income and expense are recognised on a time proportion basis using the effective interest method. Interest income comprises interest income on lendings, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains and gains on hedged items. Interest expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets and losses on hedged items.

All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as part of the cost of the qualifying asset.

Grants

Grants are recognised initially as income when there is reasonable assurance that they will be received and TNT has complied with the conditions associated with the grant. Grants that compensate TNT for expenses incurred are recognised in the income statement on a systematic basis in the same period in which the expenses are recognised. Grants that compensate TNT for the cost of an asset are deducted from the historical value of the asset and recognised in the income statement on a systematic basis over the useful life of the asset.

Operating leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Dividend distribution

Dividend distribution to TNT's shareholders is recognised as a liability in the statement of financial position in the year in which the dividends are approved by the shareholders. If TNT offers its shareholders dividends in additional shares, the additionally issued shares are recognised at their nominal amount.

Consolidated statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method. Cash flows in foreign currencies are translated at average exchange rates. Exchange rate differences affecting cash items are shown separately in the consolidated statement of cash flows. Receipts and payments with respect to taxation on profits are included in cash flows from operating activities. Interest payments are included in cash flows from operating activities while interest receipts are included in cash flows from investing activities. The cost of acquisition of subsidiaries, associates and investments, insofar as it was paid for in cash, is included in cash flows from investing activities. Acquisitions of subsidiaries are presented net of cash balances acquired. Cash flows from derivatives are recognised in the consolidated statement of cash flows in the same category as those of the hedged item.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS IN APPLYING TNT'S ACCOUNTING POLICIES

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. The critical accounting estimates, judgments and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Business combinations

TNT accounts for all its business combinations applying the acquisition method. The assets acquired and the liabilities assumed are recognised and measured on the basis of their fair values at the date of acquisition. To determine fair values of assets acquired and liabilities assumed, TNT must make estimates and use valuation techniques when a market value is not readily available. Any excess of the cost of an acquisition over the fair value of the net identifiable assets acquired represents goodwill.

For purposes of preparation of the consolidated financial statements, internal reorganisations or transfer of businesses between TNT companies were accounted for at predecessor carrying amounts. These transactions did not give rise to goodwill.

Segment reporting

TNT reports separate information about each operating segment or results from aggregating two or more operating segments that meet the criteria of similar economic characteristics consistent with the core principle of IFRS when operating segments are similar in respect of:

- the nature of products and services;
- the nature of the production process;
- the type or class of customers for their products and services;
- the method used to distribute their products or provide their services; and
- if applicable, the nature of the regulatory environment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker function. The chief operating decision-maker function is performed by the Management Board whom receives operational and financial information on a monthly basis for the operating segments. Operating segments have been aggregated into reportable segments by a process that involves managements' judgment in respect of the aggregation criteria. Operating segments where the majority of activities relate to the International business activities are allocated to either the International Europe or International AMEA reportable segment. Furthermore the domestic businesses are allocated to the Domestics reportable segment.

The reportable segments consist of the following operating segments:
- International Europe: Benelux, Eastern Europe, Germany, Nordics, South East Europe & Turkey, France International, Spain, Portugal, Italy International, Austria, UK International & Ireland, and North America
- International AMEA: Greater China, East Asia, Middle East and Africa
- Domestics: France Domestic, Italy Domestic, UK Domestic, Brazil, Chile, Australia and New Zealand
- Unallocated: Other Networks, Central Networks, IT, GBS and TNT Head Office

Impairment of assets

In determining impairments of intangible assets including goodwill, property, plant and equipment and financial fixed assets, management must make significant judgments and estimates to determine whether the fair value of the cash flows generated by those assets is less than their carrying value. Determining cash flows requires the use of judgments and estimates that have been included in the strategic plans and long-range forecasts of TNT. The data necessary for executing the impairment tests are based on management estimates of future cash flows, which require estimating revenue growth rates and profit margins. Refer to note 1 for applied sensitivities on intangible assets.

Depreciation and amortisation of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets, except for goodwill, are depreciated or amortised at historical cost using a straight-line method based on the estimated useful life, taking into account any residual value. The asset's residual value and useful life are based on TNT's best estimates and are reviewed, and adjusted if required, at each balance sheet date.

Impairment of receivables

The risk of uncollectability of accounts receivable is primarily estimated based on prior experience with, and the past due status of, doubtful debtors, while large accounts are individually assessed based on factors that include ability to pay, bankruptcy and payment history. In addition, debtors in certain countries are subject to a higher collectability risk, which is taken into account when assessing the overall risk of uncollectability. Should the outcome differ from the assumptions and estimates, revisions to the estimated valuation allowances would be required.

Restructuring

Restructuring charges mainly result from restructuring operations, including combinations and/or relocations of operations, changes in TNT's strategic direction, or managerial responses to declining demand, increasing costs or other market factors. Restructuring provisions reflect many estimates, including those pertaining to separation costs, reduction of excess facilities, contract settlements and tangible asset impairments. Actual experience has been and may continue to be different from these estimates.

Income taxes

The company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision and liability for income taxes. There are many transactions and calculations where the ultimate tax determination is uncertain during the ordinary course of business. TNT recognises liabilities for tax issues based on estimates of whether additional taxes will be due, based on its best interpretation of the relevant tax laws and rules. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

TNT recognises deferred tax assets to the extent that it is probable that future taxable profits will allow the deferred tax asset to be recovered. This is based on estimates of taxable income by jurisdiction in which the company operates and the period over which deferred tax assets are recoverable. In the event that actual results differ from these estimates in future periods, and depending on the tax strategies that the company may be able to implement, changes to the recognition of deferred tax assets could be required, which could impact TNT's financial position and net profit.

Accounting for assets held for disposal

Accounting for assets held for disposal requires the use of significant assumptions and estimates, such as the assumptions used in fair value calculations as well as the estimated costs to dispose.

Pension benefits

The present value of the pension obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any change in these assumptions will impact the carrying amount of pension obligations. The assumptions used in determining the net pension expense/(income) include the discount rate, which is based on the long-term yield of high-quality corporate bonds. Other key assumptions for pension obligations are based in part on current market conditions. TNT reviews the assumptions at the end of each year. Refer to note 10 for more information.

Contingent liabilities

Legal proceedings covering a range of matters are pending against the company in various jurisdictions. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. Cases and claims against the company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, TNT consults with legal counsel and certain other experts on matters related to litigations.

TNT accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed as a contingent liability.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1 Intangible assets: 1,117 million (2013: 1,137)

Statement of changes

	Goodwill	Software	Other intangibles	Total
Amortisation percentage		10%-35%	0%-35%	
Historical cost	1,908	443	100	2,451
Accumulated amortisation and impairments	(568)	(340)	(86)	(994)
Balance at 31 December 2012[1]	1,340	103	14	1,457
Changes in 2013				
Additions		7	18	25
Disposals at historical cost		(6)	(2)	(8)
Disposals accumulated depreciation		6	2	8
Internal transfers/reclassifications at historical cost		14	(14)	0
Internal transfers/reclassifications accumulated depreciation				0
Amortisation		(38)	(1)	(39)
Impairments	(296)			(296)
Transfers (to)/from assets held for disposal historical cost	(232)	(14)	(59)	(305)
Transfers (to)/from assets held for disposal amortisation and impairments	232	11	59	302
Exchange rate differences at historical cost		(10)	(6)	(16)
Exchange rate differences accumulated depreciation	(5)	8	6	9
Total changes	(301)	(22)	3	(320)
Historical cost	1,676	434	37	2,147
Accumulated amortisation and impairments	(637)	(353)	(20)	(1,010)
Balance at 31 December 2013[1]	1,039	81	17	1,137
Changes in 2014				
Additions		11	32	43
Disposals at historical cost		(11)	2	(9)
Disposals accumulated depreciation		10	(1)	9
Internal transfers/reclassifications at historical cost		17	(17)	0
Internal transfers/reclassifications accumulated depreciation				0
Amortisation		(36)	(1)	(37)
Impairments	(32)			(32)
Transfers (to)/from assets held for disposal historical cost	157	8	58	223
Transfers (to)/from assets held for disposal amortisation and impairments	(157)	(6)	(58)	(221)
Exchange rate differences at historical cost		14	5	19
Exchange rate differences accumulated depreciation		(11)	(4)	(15)
Total changes	(32)	(4)	16	(20)
Historical cost	1,833	473	117	2,423
Accumulated amortisation and impairments	(826)	(396)	(84)	(1,306)
Balance at 31 December 2014	1,007	77	33	1,117

[1]For comparative purposes 2012 and 2013 numbers have been restated to reflect the impact of changes in accounting policies.

(in €millions)

Goodwill

Goodwill is allocated to TNT's CGUs and tested for impairment. The introduction of the revised management structure that was announced in February 2014 and was implemented in the fourth quarter, resulted in a revised operating segment and subsequently a revised structure of CGUs for the allocation of goodwill.

Previously, the CGUs carrying goodwill balances were Germany, France, Other Europe, Other South Americas, the Pacific and AMEA. Following the revised organisational structure, the CGUs for goodwill impairment testing purposes have changed into Germany, France Domestic, Nordics, Eastern Europe, South East Europe & Turkey, Spain, Portugal, Austria, Chile, the Pacific and AMEA. The relevant goodwill was re-allocated to the new CGUs based on the relative value of the CGUs which were part of the former CGUs, unless directly allocated to the specific CGU if it originated from a prior acquisition relating to the CGU.

Subsequent to the revised allocation of goodwill in 2014, the goodwill balances were tested for impairment. As a result of this test, it was concluded that an amount of €32 million of goodwill allocated to CGU Spain was impaired.

The total goodwill balance at 31 December 2014, which amounted to €1,007 million (2013: 1,039), was allocated to: Germany (€161 million), France Domestic (€125 million), Nordics (€53 million), Eastern Europe (€224 million), South East Europe & Turkey (€120 million), Portugal (€10 million), Austria (€21 million), Chile (€24 million), the Pacific (€20 million) and AMEA (€249 million).

The annual goodwill impairment test did not result in additional impairment charges. More information is disclosed in the following sections.

Goodwill impairment testing

As part of its goodwill impairment test, TNT performed a detailed review of the recoverable amount of each CGU. The recoverable amount is the higher of the fair value less cost to sell and the value in use. Fair value less cost to sell represents the best estimate of the amount TNT would receive if it were to sell the CGU. The value in use is estimated on the basis of the present value of future cash flows. The subsequent impairment test is based on the the value in use.

For mature markets, the estimated future net cash flows are based on a five-year forecast and business plan. For emerging markets where no steady state has been achieved to date, a ten-year forecast has been applied to estimate the future net cash flows. The cash flow projections were based on management's latest estimates.

Projected gross margins are based on past performance and expectations for market development. The applied growth rates do not exceed the long-term average growth rate of the related operations and markets and are consistent with forecasts included in industry reports. The discount rates used vary from 7.3% to 11.9% post-tax (8.7% to 13.6% pre-tax) to reflect specific risks relating to each CGU.

Key assumptions used to determine the recoverable values of all CGUs are:
– maturity of the underlying market, market share and volume development to determine the revenue mix and growth rate;
– level of capital expenditure in network related assets that may affect the further roll-out of the network;
– level of operating income largely impacted by revenue and cost development taking into account the nature of the underlying costs, potential economies of scale; and
– discount rate to be applied following the nature of the underlying cash flows and foreign currency and inflation-related risks.

Management has carried out an impairment test and concluded that the recoverable amount, based on value in use of the individual CGUs (with the exception of CGU Spain) is higher than the carrying amount. A sensitivity analysis has been applied for all CGUs (with the exception of CGU Spain). This sensitivity analysis included the individual impact of the following items which are considered to be the most critical when determining the recoverable value:
– increase of the discount factor by 1% and 2%;
– increase of capital expenditure by 5% per year; and
– decrease of operating income by 5% per year.

Based on the impairment test, management concluded that the recoverable amount, based on value in use of CGU Spain was below the carrying amount. As a result of which, an impairment has been recognised for an amount of €32 million.

In 2013, management concluded that the recoverable amount, based on value in use of the former CGUs Southern Europe & MEA, Northern Europe and Other Networks, was below the carrying amount for a total amount of €296 million.

– Goodwill allocated to the former CGU Southern Europe & MEA (€571 million) was impaired by €159 million, due to weaker performances in France and Italy, and the higher granularity of the new CGUs as a result of which compensating developments could no longer be taken into account.
– Goodwill allocated to the former CGU Northern Europe (€659 million) was impaired by €79 million, as a result of the worsened economic climate and the higher granularity of the new CGUs.
– Goodwill allocated to Other Networks (€58 million) was fully impaired, as a result of the discontinuation of an important fashion contract and the decline in the results of TNT Innight activities.

Software and other intangible assets

At 31 December 2014, the software balance of €77 million (2013: 81) included internally generated software with a book value of €57 million (2013: 66). The addition to software of €11 million is related to purchased software. An amount of €17 million was reclassified to software, related to finalised IT projects.

At 31 December 2014, the other intangible assets balance of €33 million (2013: 17) is related to customer relationships of €3 million (2013: 5) and software under construction of €30 million (2013: 12). The addition to other intangibles of €32 million is mainly related to software development projects.

The estimated amortisation expenses for software and other intangibles for the subsequent five years are as follows: 2015: €30 million; 2016: €30 million; 2017: €24 million; 2018: €13 million; 2019: €11 million; and thereafter: €3 million. Besides software development, TNT does not conduct significant research and development and therefore does not incur research and development costs.

In 2014, the transfers (to)/from assets held for disposal relate to the reclassification of Brazil Domestic from assets held for disposal and discontinued operations to continuing operations.

2 Property, plant and equipment: 938 million (2013: 888)

Statement of changes

	Land and buildings	Plant and equipment	Aircraft	Other	Construction in progress	Total
Depreciation percentage	0%-10%	4%-33%	4%-10%	7%-25%	0%	
Historical cost	742	621	317	468	20	2,168
Accumulated depreciation and impairments	(261)	(416)	(277)	(382)		(1,336)
Balance at 31 December 2012[1]	481	205	40	86	20	832
Changes in 2013						
Capital expenditure in cash	4	15	2	16	61	98
Capital expenditure in financial leases/other					7	7
Disposals		(1)		(1)		(2)
Exchange rate differences	(16)	(6)		(2)	(1)	(25)
Depreciation	(28)	(40)	(33)	(36)		(137)
Impairments			39	(1)		38
Transfers (to)/from assets held for disposal	(1)	(53)	134	(3)		77
Internal transfers/reclassifications	7	41		20	(68)	
Total changes	(34)	(44)	142	(7)	(1)	56
Historical cost	698	525	521	459	19	2,222
Accumulated depreciation and impairments	(251)	(364)	(339)	(380)		(1,334)
Balance at 31 December 2013[1]	447	161	182	79	19	888
Changes in 2014						
Capital expenditure in cash	3	27	5	20	92	147
Capital expenditure in financial leases/other					9	9
Disposals	(5)	(21)		(3)	(1)	(30)
Exchange rate differences	11	6		2	3	22
Depreciation	(25)	(47)	(28)	(37)		(137)
Impairments		(4)				(4)
Transfers (to)/from assets held for disposal		40		3		43
Internal transfers/reclassifications	10	42	(3)	23	(72)	
Total changes	(6)	43	(26)	8	31	50
Historical cost	715	620	454	480	50	2,319
Accumulated depreciation and impairments	(274)	(416)	(298)	(393)		(1,381)
Balance at 31 December 2014	441	204	156	87	50	938

[1]For comparative purposes 2012 and 2013 numbers have been restated to reflect the impact of changes in accounting policies.
(in €millions)

Land and buildings mainly relate to depots, hubs and other production facilities. TNT does not hold freehold office buildings for long-term investments or for long-term rental income purposes. Land and buildings of €8 million (2013: 3) are pledged as security to third parties.

Plant and equipment primarily relate to investments in vehicles, sorting machinery and other depot equipments. Plant and equipment of €5 million (2013: 11) are pledged as security to third parties. Other property, plant and equipment mainly relate to furniture, fittings, IT equipment and other office equipment.

Aircraft and (spare) engines are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term to estimated residual values. Spare parts are depreciated to their estimated residual value on a straight-line basis over the remaining estimated useful life of the associated aircraft or engine type.

In 2014, the transfers (to)/from assets held for disposal relate to the reclassification of Brazil Domestic from assets held for disposal and discontinued operations to continuing operations.

In 2013, of the €77 million transfers from assets held for disposal, €-57 million is related to Brazil Domestic (transfer to assets held for disposal) and €134 million is related to the reclassification of the two Boeing 747 freighters (transfer from assets held for disposal). Refer to note 8 for more information.

Finance leases included in the property, plant and equipment balance at 31 December 2014 are:

Finance leases At 31 December	Land and buildings	Plant and equipment	Aircraft	Other	Total 2014	Total 2013
Total	5	8	130		143	163
International Europe	5				5	7
International AMEA					0	0
Domestics		3			3	7
Unallocated		5	130		135	149

(in €millions)

Included in land and buildings under finance leases are leasehold rights and ground rent. The book value of the leasehold rights and ground rent is €5 million (2013: 8), comprising a historical cost of €15 million (2013: 26), with accumulated depreciation of €10 million (2013: 18).

Leasehold rights and ground rents expiring:

- within one year amount to €1 million (2013: 1);
- between one and five years amount to €3 million (2013: 5); and
- between five and 20 years amount to €1 million (2013: 2).

There are no leasehold rights and ground rents contracts with indefinite terms. Leasehold rights and ground rent for land and buildings located in Belgium amounted to €5 million (2013: 6) and in France to €0 million (2013: 2).

There was no material temporarily idle property, plant and equipment at 31 December 2014 (2013: 0).

3 Financial fixed assets: 231 million (2013: 229)

Statement of changes				Other financial fixed assets		
	Investments in associates and joint ventures	Other loans receivable	Deferred tax assets	Financial fixed assets at fair value	Other prepayments and accrued income	Total
Balance at 31 December 2012[1]	29	3	243	1	13	289
Changes in 2013						
Acquisitions/additions			29			29
Disposals/decreases	(9)		(74)			(83)
Result from investments in associates and joint ventures	5					5
Impairments and other value adjustments	(1)				(1)	(2)
Withdrawals/repayments					(1)	(1)
Dividend received	(8)					(8)
Total changes	(13)		(45)		(2)	(60)
Balance at 31 December 2013[1]	16	3	198	1	11	229
Changes in 2014						
Acquisitions/additions			123		2	125
Disposals/decreases			(123)			(123)
Result from investments in associates and joint ventures	7					7
Impairments and other value adjustments	(1)			1		
Withdrawals/repayments		(1)			(1)	(2)
Dividend received	(5)					(5)
Total changes	1	(1)		1	1	2
Balance at 31 December 2014	17	2	198	2	12	231

[1]For comparative purposes 2012 and 2013 numbers have been restated to reflect the impact of changes in accounting policies.

(in €millions)

Investments in associates and joint ventures

At 31 December 2014, investments in associates and joint ventures are valued at €17 million (2013: 16) and relate mainly to TNT Swiss Post AG. The investments in associates and joint ventures balance does not include goodwill (2013: 0).

In 2013, TNT's investment fund Logispring sold its 14.3% equity interest in Apriso. The cash proceeds to TNT were €25 million. The book value amounted to €9 million. The profit of €16 million was recorded as a result from investments in associates and joint ventures. Logispring also sold its investment in Datatrac for an amount of €2 million. The book value amounted to nil. The profit of €2 million was recorded as a result from investments in associates and joint ventures.

Deferred tax assets

Deferred tax assets are further explained in note 23.

4 Inventory: 11 million (2013: 9)

Specification of inventory

At 31 December	2014	2013
Raw materials and supplies	10	9
Finished goods	1	0
Total	11	9
(in €millions)		

Total inventory of €11 million (2013: 9) was valued at historical cost for an amount of €15 million (2013: 13) and was stated net of provisions for obsolete items amounting to €4 million (2013: 4). There were no inventories pledged as security for liabilities at 31 December 2014 (2013: 0). In 2014 and 2013, no material write-offs relating to inventories occurred. The balance of inventories that were expected to be recovered after 12 months is nil (2013: 0).

Inventory of €0 million (2013: 1) is included in assets held for disposal.

5 (Trade) accounts receivable: 1,095 million (2013: 1,031)

Specification of (trade) accounts receivable

At 31 December	2014	2013
Trade accounts receivable - total	1,041	999
Allowance for doubtful debt	(73)	(69)
Trade accounts receivable	968	930
VAT receivable	19	13
Accounts receivable from associates	1	1
Other accounts receivable	107	87
Accounts receivable	127	101
(in €millions)		

At 31 December 2014, the total trade accounts receivable amounted to €1,041 million (2013: 999), of which €395 million (2013: 343) were past due but not individually impaired. Refer to the following table. The balance of trade accounts receivable that is expected to be recovered after 12 months is €0 million (2013: 0). The standard payment term for customers of TNT is around seven days.

Ageing analyses of trade accounts receivable

At 31 December	2014	2013
Up to 1 month	262	251
1-3 months	83	57
3-6 months	32	18
Over 6 months	18	17
Total	395	343
(in €millions)		

The total allowance for doubtful debt amounted to €73 million (2013: 69) of which €38 million (2013: 37) is related to trade accounts receivable that were individually impaired for the notional amount. The remainder of the allowance is related to a collective loss component in respect to losses that have been incurred but not yet identified as such. This collective loss component is largely based on the ageing of the trade receivables and is reviewed periodically.

The movements in the allowance for doubtful debt of trade accounts receivables are as follows:

Allowance for doubtful debt

	2014	2013
Balance at 1 January	69	63
Transfers (to)/from assets held for disposal	4	(5)
Provided for during financial year	23	31
Receivables written off during year as uncollectible	(23)	(20)
Unused amounts reversed	0	0
Balance at 31 December	73	69
(in €millions)		

The fair value of accounts receivable approximates its carrying value. Other accounts receivable mainly includes receivables from insurance companies, deposits and various other items. The balance of other accounts receivable that is expected to be recovered after 12 months is €0 million (2013: 0). The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivables mentioned above. TNT does not hold collateral as security for the outstanding balances. The concentration of the accounts receivable per customer is limited. The top ten trade receivables of TNT accounted for 5% of the outstanding trade receivables at 31 December 2014 (2013: 2%). The concentration of the trade accounts receivable portfolio over the different segments can be summarised as follows: International Europe: €411 million (2013: 396); International AMEA: €162 million (2013: 138); Domestics: €354 million (2013: 335) and Unallocated: €41 million (2013:61). For the non-trade accounts receivables no allowance for doubtful debt was required.

Trade accounts receivable of €0 million (2013: 30) and accounts receivable of €0 million (2013: 12) are included in assets held for disposal.

6 Prepayments and accrued income: 182 million (2013: 120)

Prepayments and accrued income include amounts paid in advance to cover costs that will be charged against income in future years and net revenues not yet invoiced. At 31 December 2014, total prepayments amounted to €82 million (2013: 60). The balance of prepayments and accrued income that is expected to be recovered after 12 months is €1 million (2013: 1).

Prepayments and accrued income include a balance of unbilled trade receivables of €48 million (2013: 51).

Prepayments and accrued income also include outstanding short-term foreign exchange forward contracts that amounted to €4 million (2013: 5) and short-term cross-currency swaps that amounted to €15 million (In 2013 the cross-currency swap was recorded as liability in long-term debt: 17). The fair value of these financial instruments has been calculated at the relevant (forward) market rates at 31 December 2014. Refer to note 30 for the notional principal amount of the outstanding foreign exchange forward contracts and the outstanding cross-currency swaps.

Prepayments and accrued income of €0 million (2013: 5) are included in assets held for disposal.

7 Cash and cash equivalents: 652 million (2013: 696)

Cash and cash equivalents comprise of cash at bank and cash in hand of €99 million (2013: 74) and short-term bank deposits of €553 million (2013: 622). The effective interest rate during 2014 on short-term bank deposits was -0.01% (2013: 0.01%) and the average outstanding amount was €455 million (2013: 395). The individual deposits have an average maturity of 1.7 days (2013: 1.5). Included in cash and cash equivalents is €0 million (2013: 0) of restricted cash. The fair value of cash and cash equivalents approximates the carrying value.

Cash and cash equivalents of €0 million (2013: 0) are included in assets held for disposal.

8 Assets held for disposal: 1 million (2013: 100) and Liabilities related to assets held for disposal: 0 million (2013: 61)

The assets classified as held for disposal amounted to €1 million (2013: 100), of which €0 million (2013: 100) is related to Brazil Domestic.

The liabilities related to assets classified as held for disposal amounted to €0 million (2013: 61), of which €0 million (2013: 61) is related to Brazil Domestic.

Brazil Domestic

In March 2013, as part of *Deliver!*, TNT announced the commencement of preparations for the sale of its domestic operations in Brazil. The company carried out a comprehensive process to secure the best outcome for shareholders, customers and employees.

On 30 January 2014, TNT announced it had terminated discussions with potential bidders. Interest in the business existed, but ultimately offers were determined by management to be unacceptable. As of 2014, Brazil Domestic was no longer reported as a discontinued operation and asset held for disposal. Consequently, amortisation and depreciation has been continued. The unrecognised depreciation and amortisation in 2013 amounted to €5 million and the unrecognised impairment (relating to vehicles held for disposal) in 2013 amounted to €4 million. This was recognised as a loss in Brazil Domestic in the first quarter of 2014.

9 Equity: 2,192 (2013: 2,420)

At 31 December 2014, equity consisted of equity attributable to equity holders of TNT Express N.V. of €2,180 million (2013: 2,413) and non-controlling interests of €12 million (2013: 7). Equity attributable to the equity holders of TNT Express N.V. consists of the following items:

Issued share capital

At 31 December 2014, issued share capital amounted to €44 million (2013: 44). The number of authorised, issued and outstanding shares by class of share is presented in the following table:

Authorised, issued and outstanding shares

Before proposed appropriation of profit	2014	2013
Authorised by class		
Ordinary shares	750,000,000	750,000,000
Preference shares	750,000,000	750,000,000
Total authorised	1,500,000,000	1,500,000,000
Issued and outstanding		
Per 1 January of the reported year	544,957,426	543,272,474
Issued for stock dividend	3,250,800	1,684,952
Per 31 December of the reported year	548,208,226	544,957,426
Issued and outstanding per 31 December by class		
Ordinary shares	548,208,226	544,957,426

Authorised share capital

On 30 May 2011, the Articles of Association were amended by deed. As of that date, the company's authorised share capital amounted to €120 million, 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.

Form of shares

The ordinary shares are in bearer or in registered form. Ordinary shares in bearer form are represented by a global note held by the Dutch clearing system Euroclear Netherlands (formerly known as NECIGEF) and are transferable through Euroclear Netherlands' book entry system. ADRs represent ordinary shares in bearer form, held by the depositary, which are represented by the note held by Euroclear Netherlands. Ordinary shares in registered form are transferred by means of a deed of transfer and TNT's written acknowledgement of the transfer. TNT does not have share certificates for ordinary shares represented by the global note.

Incentive scheme

For administration and compliance purposes, a foundation ('*Stichting Bewaarneming Aandelen TNT*') legally holds shares under (former) incentive schemes which are beneficially owned by the employees. At 31 December 2014, the number of TNT shares held by the foundation amounted to 534,690 with a nominal value of €0.08 per share.

Additional paid-in capital

Additional paid-in capital amounted to €2,500 million on 31 December 2014 as the total dividend for 2013 of €7 million was distributed in May 2014 and a 2014 interim dividend of €15 million was distributed in August 2014. In 2014, a stock dividend of nominal €260,000 was distributed relating to 2013 for an amount of €82,000 and relating to the 2014 interim dividend for an amount of €178,000. The amount of paid-in capital recognised for Dutch dividend withholding tax purposes was €768 million. In 2014, the Executive Board decided, with the approval of the Supervisory Board, to compensate the losses out of the distributable part of the shareholders' equity. Refer to appropriation of profit as per the 2014 annual report. Consequently, retained earnings at 31 December 2013 of €122 million were compensated out of additional paid-in capital.

Legal reserve

Legal reserves include translation, hedge and other legal reserves. At 31 December 2014, the legal reserves amounted to €12 million (2013: -84).

At 31 December 2014, the translation reserve amounted to €-44 million (2013: -128). The translation reserves reflect the movement in exchange rate differences on converting foreign subsidiaries of TNT

Express N.V. into euros. These differences are charged or credited to the translation reserve, net of taxation.

At 31 December 2014, the hedge reserve amounted to €-20 million (2013: -25) and mainly contained the fair value timing difference of US$184 million (2013: US$199) of interest rate swaps and US$412 million (2013: US$412) of forward starting interest rate swaps that were unwound in 2011. The outstanding US dollar interest rate swaps have been entered into to mitigate the cash flow interest rate risk relating to the Boeing 747 freighters financial lease contracts which have variable interest conditions. The unwound forward starting swaps were entered into to hedge the interest rate risk on three Boeing 777 freighter operational lease contracts with a 12-year lease term up to the period until delivery of the aircraft when the interest component in the lease was fixed.

Movements in the cash flow hedge reserve, net of taxation, amounted to €-5 million (2013: -7) of which €-5 million (2013: -7) is related to the outstanding and unwound interest rate swaps and the remainder to foreign exchange cash flow hedges.

The net cash payments relating to the unwinding of these swaps will be recycled from equity to the income statement or to investments based on the duration of the underlying hedged items. In 2014, an amount of €-2 million (2013: -2) was recycled from the hedge reserve to the income statement. Refer to note 30 for more information.

Other legal reserves mainly relate to self-produced software, revaluation reserves and reserves required by local legislation, reclassified from other reserves in 2011.

Legal reserves cannot be distributed to the equity holders of the company.

Other reserves

At 31 December 2014, the other reserves amounted to €-181 million (2013: -69), a decrease of €112 million. This decrease is largely related to actuarial losses on pensions (net of tax) of €109 million; a reclassification of €7 million to the legal reserves, mainly following the amortisation of self-produced software; and share-based payments of €5 million.

Retained earnings

At 31 December 2014, retained earnings amounted to €-190 million, relating to the result for the period. Refer to additional paid-in capital.

10 Pension assets: 4 million (2013: 3) and provisions for pension liabilities: 222 million (2013: 93)

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

Defined benefit plans in the Netherlands

In the Netherlands, TNT employees participate in one of two different defined benefit plans. The first pension plan, a career average plan, covers the employees who are subject to the collective labour agreement and employees with a personal labour agreement arranged as from 2007. The second pension plan covers employees with a personal labour agreement arranged before 2007. For both schemes the expected future adjustment level of the accrued entitlements to inflation have an ambition level of 80%. The plans are externally funded in '*Stichting Pensioenfonds TNT Express'* and '*Stichting Ondernemingspensioenfonds TNT*' respectively. PostNL N.V. is the co-sponsoring employer of '*Stichting Ondernemingspensioenfonds TNT*'. Refer to note 28 for more information. As a result of revised fiscal regulations applying to Dutch pension plans as from 1 January 2014, the retirement age of the plan changed from 62.5 years to 67 years.

Some of the employees covered by the pension plans also participate in defined benefit transitional plans. These defined benefit transitional plans consist of an early retirement scheme and additional arrangements that have been agreed between the company and the employees following the revised fiscal regulations applying to Dutch pension plans in 2006.

Defined benefit plans in the United Kingdom

In the United Kingdom, TNT contributes to a closed defined benefit plan, externally funded in a pension fund governed by a trustee. The pension entitlements are based on years of service within the plan until 1 July 2006 and final (average) salary at that time, with the pensions being revalued from then to retirement in accordance with legislation.

Defined benefit plans in Germany

In Germany, TNT employees participate in one of two pension plans. The first plan is a defined benefit plan closed for new entries as of 1 January 2005. The defined benefit plan provides lump sum benefits based on years of service and final salary. The defined benefit plan is funded via direct insurance with an external insurance company. The second plan, applicable to new hires as from 1 January 2005, is a defined contribution plan with a minimum return guarantee. The contributions of the defined contribution plan are invested in public investment funds administered by an external party. The risk for death and disability benefits within the defined contribution plan is directly insured with an external insurance company.

Defined benefit plans in Australia

In Australia, TNT contributes to several superannuation funds. With the exception of the TNT Group Superannuation Plan (TNT GSP), a fund with both defined benefit and defined contribution sections, all other payments are made to defined contribution plans. The TNT GSP was established under a master trust as a sub-plan of the Mercer Superannuation Trust. The defined benefit section of TNT GSP provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Group companies and the Group's obligation is limited to these contributions.

Defined benefit plans in Italy

In Italy, in accordance with Italian law, employers have to pay to employees, upon the termination of employment, a lump sum indemnity ('*Trattamento di Fine Rapporto', 'TFR'*), equivalent to the total (annually revalued) benefits accrued over the years of service. Until 31 December 2006, this was an unfunded defined benefit plan whereby employers were obliged to accrue for this termination benefit. Starting from 1 January 2007, due to legislation change, TFR is no longer accrued by the employer but by external providers, mainly the National Social Security Institute. Employers contribute to the fund the equivalent of the accrued TFR. Therefore, the TFR liability for TNT consists of the unfunded benefits accrued up to 31 December 2006 and of the obligation reflecting the annual revaluation of these accrued benefits.

Defined benefit plans in Belgium

In Belgium, in accordance with Belgium law, employers have to guarantee a minimal return on persion contributions paid to external insurance companies, which qualifies the plan as a defined benefit plan. The contributions to the plan are held and administered with the external insurance companies.

At 31 December 2014, the defined benefit plans described above covered approximately 97% of the TNT Group obligation for post-employment benefits and approximately 98% of the TNT Group plan assets.

Defined benefit pension costs recognised in the income statement

The valuation of the pension obligation of TNT and the determination of its pension cost are based on key assumptions that include employee turnover, mortality rates and retirement ages, discount rates, pension increases and future wage increases, which are updated on an annual basis at the beginning of each financial year. Actual circumstances may vary from these assumptions giving rise to a different pension liability at year-end. The difference between the projected pension liability based on the assumptions and the actual pension liability at year-end are reflected in the statement of financial position as part of actuarial gains and losses.

In 2014, TNT's expense for post-employment benefit plans was €16 million (2013: 29), and benefited from a past service cost gain of €12 million (2013: 3) due to the sobering of the Dutch pension plans. Total cash contribution for post employment benefit plans in 2014 amounted to €34 million (2013: 41), of which €0 million (2013: 1) is related to recovery payment for the defined benefit plan in the Netherlands. Total cash contribution for 2015 is estimated to be around €34 million.

Specification of changes in net pension asset/(liability)

	Balance at 31 December 2013	Employer pension expense	Contributions / Other	Net actuarial gains/losses	Balance at 31 December 2014
Provision for pension liabilities	(90)	(16)	34	(146)	(218)
of which pension and transitional plans in the Netherlands	(53)	(13)	28	(124)	(162)
of which other pension plans in Europe	(34)	(2)	6	(22)	(52)
of which pension plans outside Europe	(3)	(1)	0	0	(4)
Total post-employment benefit plans	(90)	(16)	34	(146)	(218)

(in €millions)

The total net pension liability of €218 million at 31 December 2014 (net pension liability in 2013: 90) consisted of a pension asset of €4 million (2013: 3) and a pension liability of €222 million (2013: 93).

The funded status of TNT's post-employment benefit plans at 31 December 2014 and 2013 and the employer pension expense for 2014 and 2013 are presented in the following table:

Pension disclosures

	2014	2013
Change in benefit obligation		
Benefit obligation at beginning of year	(641)	(682)
Service costs	(26)	(28)
Interest costs	(24)	(26)
Past service cost	12	3
Other movements	18	0
Foreign currency effects	(2)	4
Actuarial (loss)/gain	(222)	70
Benefits paid	14	18
Curtailment	3	0
Benefit obligation at end of year	(868)	(641)
Change in plan assets		
Fair value of plan assets at beginning of year	551	559
Actual return on plan assets	97	(29)
Contributions	34	41
Other movement/adminstation cost	(1)	(1)
Other movements	(19)	2
Foreign currency effects	2	(3)
Benefits paid	(14)	(18)
Fair value of plan assets at end of year	650	551
Funded status at 31 December		
Funded status	(218)	(90)
Pension assets/liabilities	(218)	(90)
Net pension asset/(liability)	(218)	(90)
Components of employer pension expense		
Service costs	(26)	(28)
Interest costs	(24)	(26)
Expected return on plan assets	21	23
Past service cost	12	3
Curtailment	3	0
Other costs/administration cost	(2)	(1)
Employer pension expense	(16)	(29)
Other post employment benefit plan expenses	0	0
Total post employment benefit expense	(16)	(29)
Weighted average assumptions as at 31 December		
Discount rate	2.3%	3.9%
Expected return on plan assets	2.3%	3.9%
Rate of compensation increase	2.0%	2.1%
Rate of benefit increase	1.3%	1.6%

(in €millions, except percentages)

TNT's pension expense is affected by the discount rate used to measure pension obligations. Management reviews these and other assumptions every year. Measurement date for TNT's post-employment benefits is 31 December. Changes in assumptions may occur as a result of economic and market conditions. If actual results differ from those assumed, this will generate actuarial gains or losses.

IAS 19, '*Employee Benefits'*, requires an entity to determine the rates used to discount employee benefit obligations with reference to market yields on high-quality corporate bonds. The first step of the process is to identify a set of bonds that accurately reflects the relationship between yield and remaining time to maturity for high-quality corporate bonds. For this, TNT uses the iBoxx AA-rated corporate bond universe. Using the bond selection, regression analysis is used to find the best-fitting curve that states yield-to-maturity as a function of remaining time to maturity. The Nelson-Siegel model is applied to fit the curve towards TNT's 30-year duration. The resulting discount rate per 31 December 2014 was 2.3% (2013: 3.9%).

The expected return on plan assets equals the used discount rate.

Assumptions regarding future mortality are based on advice, published statistics and experience per country. The average life expectancy of men after retiring at the average age of 67 is 22 years (2013: 20). The equivalent life expectancy for women is 25 years (2013: 22).

Funded status defined benefit plans

The following table reconciles the opening and closing balances of the present value of the defined benefit obligation and the fair value of plan assets with the provision for post-employment benefit plans. Included in the provision for pension liabilities is the unfunded defined benefit TFR plan in Italy of €29 million (2013: 25).

Statement of financial position calculations

At 31 December	2014	2013
Present value of funded benefit obligations	(796)	(576)
Fair value of plan assets	650	551
(Un)funded status	(146)	(25)
Present value of unfunded benefit obligations	(72)	(65)
Net pension asset/(liability)	(218)	(90)
of which included in pension assets	4	3
of which included in provisions for pension liabilities	(222)	(93)

(in €millions)

The following table shows the sensitivity of the employer pension expense to deviations in assumptions:

Sensitivity of assumptions

	% Change in assumptions	Change in employer pension expense
Employer pension expense 2014		(16)
Discount rate	+ 0.5%	(7)
Rate of compensation increase	+ 0.5%	(3)
Rate of benefit increase	+ 0.5%	1
Employer pension expense 2014		(16)
Discount rate	- 0.5%	2
Rate of compensation increase	- 0.5%	(3)
Rate of benefit increase	- 0.5%	(7)

(in €millions, except percentages)

The following table shows the defined benefit obligation, fair value of plan assets and experience adjustments thereon for the current annual period and previous annual period. The experience adjustment is the difference between the expected and actual position at the end of the year.

Status of funding

At 31 December	2014	2013
Funded and unfunded defined benefit obligation	(868)	(641)
Experience adjustment gain/(loss)	34.4%	9.2%
Fair value of plan assets	650	551
Experience adjustment gain/(loss)	13.4%	(8.4%)
(Un)funded status	(218)	(90)

(in €millions, except percentages)

The following table shows the expected future benefit payments per year related to TNT’s main defined benefit plans for the coming five years. The benefits include all expected payments by these plans to the pensioners.

Expected benefit payments

Year	Amounts
2015	12
2016	11
2017	11
2018	12
2019	13

(in €millions)

11 Other provisions: 312 million (2013: 188)

Specification of other provisions

	Other employee benefit obligations	Restructuring	Claims and indemnities	Other	Total
Balance at 31 December 2013	47	63	36	42	188
of which included in other provisions (non-current)	34	1	20	13	68
of which included in other provisions (current)	13	62	16	29	120
Changes in 2014					
Additions	10	131	60	21	222
Withdrawals	(7)	(69)	(14)	(14)	(104)
Exchange rate differences	2		1	1	4
Other/releases		(8)	(2)	(9)	(19)
Transfer to liabilities held for sale				21	21
Total changes	5	54	45	20	124
Balance at 31 December 2014	52	117	81	62	312
of which included in other provisions (non-current)	38	2	17	37	94
of which included in other provisions (current)	14	115	64	25	218

(in €millions)

At 31 December 2014, other employee benefit obligations consisted of provisions relating to jubilee payments of €16 million (2013: 18), long-service benefits of €8 million (2013: 11) and other employee benefits of €28 million (2013: 18). Short-term employee benefits, such as salaries, profit-sharing and bonuses are discussed in note 18.

At 31 December 2014, the restructuring provision amounted to €117 million (2013: 63), of which €46 million (2013: 46) is related to restructuring in International Europe, €0 million (2013: 0) is related to restructuring in International AMEA, €44 million (2013: 14) is related to restructuring in Domestics, and €27 million (2013: 3) is related to restructuring in Unallocated.

The total additions to restructuring provisions for 2014 amounted to €131 million (2013: 89), of which €46 million (2013: 51) is related to restructuring in International Europe, €0 million (2013: 2) is related to restructuring in International AMEA, €55 million (2013: 27) is related to restructuring in Domestics, and €30 million (2013: 8) is related to restructuring in Unallocated.

The withdrawals from the restructuring provision of €69 million (2013: 30) were related to settlement payments following restructuring programmes of which €46 million (2013: 6) is related to restructuring in International Europe, €0 million (2013: 2) is related to restructuring in International AMEA, €19 million (2013: 14) is related to restructuring in Domestics and €4 million (2013: 8) is related to restructuring in Unallocated.

In 2014, approximately 1,450 FTEs (2013: approximately 1,500) were made redundant as part of *Deliver!*.

On 16 July 2014, TNT announced that it had received a Statement of Objections (SO) from the French Competition Authorities (FCA) with respect to an investigation of alleged anti-competitive behaviour in the French parcels delivery sector. TNT has cooperated with the investigation since it started in 2010, and has subsequently entered into a settlement with the FCA. The settlement will include a reduction percentage to the fine, the absolute amount of which the authorities are not expected to determine before the end of 2015. As such, TNT has made a financial provision of €50 million in the third quarter included in the provision for claims and indemnities.

In addition, included in the provision for claims and indemnities are provisions for claims from third parties, mainly customers, with respect to the ordinary business activities of TNT. At 31 December 2014, provision for claims and indemnities was €4 million (2013: 7) in International Europe, €0 million (2013: 0) in International AMEA, €25 million (2013: 25) in Domestics and €2 million (2013: 5) in Unallocated.

Other provisions consist of provision for legal obligations, dilapidation, onerous contracts and other risks incurred in the course of normal business operations.

The estimated utilisation is €220 million in 2015, €24 million in 2016, €10 million in 2017 and in 2018 and beyond €58 million.

12 Long-term debt: 166 million (2013: 175)

Specification of long-term debt

At 31 December	2014 Carrying amount	2014 Fair value	2013 Carrying amount	2013 Fair value
Finance leases	142	143	139	141
Other loans	12	12	2	2
Derivatives	12	12	34	34
Total long-term debt	166	167	175	177

(in €millions)

In the table above, the fair value of long-term interest-bearing debt, net of its current portion, has been determined by calculating the discounted value of the future cash flows (redemption and interest) using the interbank zero coupon curve. The carrying amounts of the current portion of long-term debt approximate their fair value.

The following table sets forth the carrying amounts of interest-bearing long-term liabilities (including the current portion) during each of the following five years and thereafter:

Total borrowings

	Finance leases	Other loans	Derivatives	Short-term bank debt	Total
2015	20	2		28	50
2016	76	3	5		84
2017	66	3	7		76
2018		3			3
2019		2			2
Thereafter		1			1
Total borrowings	162	14	12	28	216
of which included in long-term debt	142	12	12		166
of which included in other current liabilities	20	2		28	50

(in €millions)

Refer to notes 29 and 30 for underlying details of the financial instruments.

13 Other current liabilities: 290 million (2013: 292)

Specification of other current liabilities

At 31 December	2014	2013
Short-term bank debt	28	28
Other short-term debt	22	17
Total current borrowings	50	45
Taxes and social security contributions	110	112
Expenses to be paid	22	21
Other	108	114
Total	290	292

(in €millions)

Total current borrowings

Other short-term debt includes short-term bank facilities of €2 million (2013: 1) and the current portion of outstanding finance lease liabilities of €20 million (2013: 16). There were no balances as of 31 December 2014 expected to be settled after 12 months (2013: 0).

Other includes outstanding short-term foreign exchange forward contracts amounting to €6 million (2013: 8), liabilities related to salaries and wages of €13 million (2013: 13), agent and supplier refundable deposits of €7 million (2013: 13), liability for import duties of €15 million (2013: 13), cash on delivery collections on behalf of customers of €10 million (2013:10), liabilities for employee redundancies of €1 million (2013: 8) and other miscellaneous items of €56 million (2013: 49).

The fair value of outstanding short-term foreign exchange forward contracts has been calculated at the relevant (forward) market rates at 31 December 2014. Refer to note 30 for the notional principal amount of outstanding foreign exchange forward contracts.

Other current liabilities of €0 million (2013: 9) were included in liabilities related to assets held for disposal.

14 Accrued current liabilities: 558 million (2013: 470)

Specification of accrued liabilities

At 31 December	2014	2013
Amounts received in advance	16	14
Expenses to be paid	363	316
Vacation days/vacation payments	77	71
Other accrued current liabilities	102	69
Total	558	470

(in €millions)

Of the total, an amount of €6 million is expected to be settled after 12 months (2013: 5).

Accrued current liabilities of €0 million (2013: 10) were included in liabilities related to assets held for disposal.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

15 Net sales: 6,472 million (2013: 6,713)

The net sales of TNT relate to the trading activities of the reportable segments, arising from rendering of services. Net sales allocated by geographical area in the country or region in which the entity records sales is detailed in note 34.

16 Other operating revenue: 208 million (2013: 191)

Other operating revenue is related to the tendering of services not related to TNT's core trading activities, and includes the sale of unutilised air cargo space to third parties of €105 million (2013: 109), operation of aircraft for third parties (including charters and wet leases) of €74 million (2013: 58) and other services including customs clearance, maintenance and ground handling of €29 million (2013: 24).

17 Other income/(loss): 17 million (2013: 208)

In 2014, other income related to a profit on the sale of TNT Fashion Group B.V. (TNT Fashion) of €7 million, other assets held for disposal of €2 million, and miscellaneous items of €8 million.

TNT announced on 11 March 2014 its intention to sell TNT Fashion, its specialist fashion supply chain business in the Netherlands, as part of its strategy to focus on core express delivery services, and completed the sale on 16 May 2014, to a consortium of Belspeed and Netlog Group. Until completion date, the year-to-date revenue for TNT Fashion was €40 million and operating income was €1 million as included in the income statement. The net cash proceeds of €39 million were received in full in the second quarter.

In 2013, other income included the receipt of the UPS termination fee of €200 million, an amount of €4 million relating to the settlement of a claim, the reversal of the 2012 fair value adjustment of the two Boeing 747 freighters of €17 million and miscellaneous items of €2 million, partly offset by a fair value adjustment of €-15 million relating to China Domestic.

18 Salaries and social security contributions: 2,126 million (2013: 2,259)

Specification of salaries and social security contributions		
Year ended at 31 December	2014	2013
Salaries	1,771	1,851
Share-based compensation	5	2
Pension charges:		
Defined benefit plans	16	29
Defined contribution plans	34	41
Social security charges	300	336
Total	2,126	2,259
(in €millions)		

Refer to note 10 for additional information on the defined benefit plans expense of €16 million.

Labour force	2014	2013
Employees[1]		
International Europe	15,205	15,296
International AMEA	9,260	9,528
Domestics	27,864	29,377
Unallocated[2]	5,963	5,842
Total at year-end	58,292	60,043
External agency staff at year-end	5,688	12,731
Average full-time equivalents (FTEs)[1]		
International Europe	13,708	14,312
International AMEA	9,514	10,170
Domestics	28,649	30,622
Unallocated[2]	5,614	5,280
Total year average	57,485	60,384

[1]Including temporary employees on TNT payroll.

[2]Including employees and FTEs in Head Office and Global IT Support Centre.

The average number of FTEs working in TNT during 2014 was 57,485, which decreased by 2,899 compared to 2013, year-to-date. This was mainly due to the impact of the *Deliver*! improvement programme in a number of countries and the sale of TNT Fashion B.V.

The 2013 figures have been restated for comparative purposes. The presented figures exclude joint ventures.

The average number of FTEs at joint ventures was 652 (2013: 892), while the number of employees was 757 (2013: 994).

Hereafter relevant incentive schemes and costs recognised for senior management are further disclosed.

Senior management

A selected group of senior managers may participate in variable share-based schemes. Participation and application of the variable share-based schemes for senior management is dependent on the decision of the Executive Board. The related costs recognised in the income statement for 2014 amounted to €4.8 million (2013: 1.9).

The figures disclosed in the following tables exclude the amounts related to the members of the Executive Board which are disclosed in note 19.

Bonus/matching plan

In 2014, appointed members of a selected group of managers could on a voluntary basis participate in the bonus/matching plan by investing a maximum of 50% of the gross payout of the short-term incentive of the previous year. However, the investment in TNT shares cannot be more than the net proceeds of the bonus. After a three-year holding period, these shares will be matched on a one-to-one basis and settled in shares.

The company sees the bonus/matching plan as part of the remuneration package for the members of its senior management, and it is particularly aimed at further aligning the objectives of senior management with the interests of shareholders and long-term value creation.

Grants are made in accordance with the bonus/matching plan, which was approved by the Supervisory Board. For the 2014 grant, the matching rights comprise shares. In 2011, the matching rights comprised phantom shares, so that after three years, in 2014, the rights under this plan were settled in cash.

The significant aspects of the bonus/matching plans are:
- Bonus shares are purchased from the participant’s net proceeds. For the 2014 grant, using 25% or 50% of the gross bonus amount; and for the 2011 grant, using 25% of the gross bonus amount. The matching right is granted upon the purchase of the bonus shares.
- From the net proceeds, the bonus shares are purchased on Euronext Amsterdam (3 June 2014: average purchase price of €6.44/share; 6 June 2011: average purchase price of €9.47/share).
- The rights to (phantom) shares are granted for zero costs and the number of (phantom) shares is equal to the number of bonus shares (matching on a one-to-one basis).
- After a holding period of three years after the grant, the shares are delivered. For the 2011 grant the value at vesting of the phantom shares is delivered in cash.
- For each bonus share that is sold within three years, the associated right to one matching (phantom) share lapses. If more than 50% of the bonus shares is sold within three years, the entire right to matching (phantom) shares lapses with immediate effect.
- When a participant leaves the company for certain reasons (retirement, certain reorganisations, disability or death) the matching right will vest immediately and he/she receives shares/cash on a pro rata basis.
- A participant loses the matching right with immediate effect in case he/she leaves the company for reasons other than those mentioned above.

In 2012, due to the intended merger with UPS, there was no grant of bonus/matching shares. In 2013, the Executive Board decided not to provide for a bonus/matching share grant for senior management.

The following table shows the number of shares comprising the matching rights of the 2014 bonus/matching plan:

2014 Bonus/matching plan	Bonus/matching plan: Number of matching rights to shares			
	Outstanding 31December 2013	Granted during 2014	Vested or forfeited during 2014	Outstanding 31 December 2014
Senior management		183,173	12,865	170,308
Total		183,173	12,865	170,308

The costs incurred for the plan in 2014 amount in total to €222,001, and are based on the fair value per share and the assumption that the holding period criterium will be fully met, taking into account the relevant period lapsed (7 months) from the total three-year vesting period.

The fair value per share of €6.30 is derived from the share price on Euronext Amsterdam at the grant date (3 June 2014: €6.40), corrected for a dividend yield for the three-year vesting period.

The table below shows the number of phantom shares comprising the matching rights of the 2011 bonus/matching plan:

2011 Bonus/matching plan	Bonus/matching plan: Number of matching rights to phantom shares			
	Outstanding 31December 2013	Granted during 2014	Vested or forfeited during 2014	Outstanding 31 December 2014
Senior management	64,215		64,215	0
Total	64,215		64,215	0

The costs incurred in 2014 for the 2011 bonus/matching plan amount to €32,788.

One-off investment/matching plan

In 2011, prior to the demerger of the express activities, in order to align the objectives of members of the Executive Board and (senior) management with long-term value creation and the interests of shareholders, the Supervisory Board of TNT decided to apply a voluntary one-off investment/matching plan in which the cash proceeds from the unwinding of the TNT bonus/matching plan, performance share plan and option plan could - post demerger - be invested in TNT shares. The participants in these plans could elect to invest from their net proceeds an amount equal to 25% or 50% of their total gross unwinding-related sum (but not more than the net proceeds thereof) in TNT shares. On the same date these shares (in the plan called: investment shares) were purchased, the participant received, free of charge, a matching right on phantom shares, representing the value in cash of half of the number of investment shares (matching on a 1: 0.5 basis). This matching right will vest and the cash value of the phantom shares comprising the matching right will be paid after three years, provided that the participant has remained an employee throughout and still owns at least 50% of his/her investment shares. If prior to vesting the participant sold more than half of his/her investment shares, the matching right will forfeit in full, and, if the participant sold 50% or fewer of his/her investment shares, the number of phantom shares comprising the matching right will be reduced proportionally.

From the cash sum invested, the shares are purchased on Euronext Amsterdam (2 August 2011: average purchase price of €7.68/share).

The following table shows the number of phantom shares granted to senior management.

One-off investment/matching plan	Investment/matching plan: Number of matching rights to phantom shares		
	Outstanding 31 December 2013[1]	Vested or forfeited during 2014	Outstanding 31 December 2014
Senior management	55,686	55,686	0
Total	55,686	55,686	0

[1]As of 2014, Mr Seyger is part of senior management. For comparative purposes, his 2,275 matching rights are included in the 2013 figures.

The total costs incurred for the plan in 2014 were €16,673.

Performance share plan

2014 Grant

On 29 April 2014, the annual grant under the TNT performance share plan occurred for a selected group of senior managers. The maximum number of shares comprised in the share award reflects the position that the participant holds and management's assessment of his/her future contribution to the company.

The performance shares vest after a three-year period, upon continued employment. The actual number of shares that vest depends on the performance of the following performance measures:
- 50% financial target: the total shareholder return (TSR) performance of the company measured on a three-year basis against a peer group of AEX companies (50% weighting) and of TNT's three main direct competitors (Deutsche Post DHL, FedEx and UPS) (50% weighting); and
- 50% non-financial target: customer satisfaction measured on an annual basis.

The actual number of 2014 performance shares that will vest at the vesting date will be determined by the TSR performance over the period 2014 to 2017 and the performance on the non-financial target over the three calendar years preceding the vesting date.

The maximum number of shares that can vest under the plan amounts to 100% of the base allocation.

The total costs incurred in 2014 for the 2014 grant, amount in total to €2,855,440 and are based on a fair value of €4.81 per share as the average of the fair value of €3.25 per share for the TSR and €6.37 per share for the non-financial elements. These total costs are based on the assumption of a 97% average probability of meeting the non-financial targets.

The fair value of the 50% TSR portion has been measured using the Monte Carlo fair value measurement method. The fair value of the 50% non-financial portion is derived form the share price on Euronext Amsterdam at the grant date (29 April 2014: €6.51), corrected for the dividend yield for the three-year vesting period. Significant assumptions used in the calculations are as follows:

Assumptions	2014
Share price (in €)	6.51
Volatility (%)	22.33
Vesting period (in years)	3
Risk free rate (%)	0.62
Dividend yield (%)	0.73

2013 Grant

The actual number of 2013 performance shares that vest depends on the performance of the following performance measures:
- 50% financial target: the TSR performance of the company measured on a three-year basis against a peer group of companies (full AEX); and
- 50% non-financial targets: (customer, employees and sustainability) measured on an annual basis.

The total costs incurred in 2014 for the 2013 grant, amount in total to €1,030,581 and are based on a fair value of €4.49 per share as the average of the fair value of €3.23 per share for the TSR and €5.75 per share for the non-financial elements. These total costs are based on the assumption of a 32% average probability of meeting the non-financial targets.

2012 Compensation grant

Due to the intended merger with UPS, the 2012 grant of performance shares did not take place. In 2013, the Supervisory Board decided to provide for a limited 2012 compensation grant by excluding the 50% grant value, related to the TSR performance of the company. As a result, the grant value of this compensation grant is only based on the value (50%) that in the regular grant is related to the performance of the company on the non-financial targets.

For the 2012 compensation grant the following specific rules apply:
- the regular three-year vesting period is shortened to two years;
- the actual number of awarded compensation shares is adjusted for the 2012 achievement of the non-financial targets, being 66.67%; and
- the vesting of the awarded compensation shares is contingent on continued employment at the vesting date.

The total costs incurred in 2014 for the 2012 compensation grant amount in total to €610,640 and are based on a fair value of €5.78 per share. The fair value is based on the share price on Euronext Amsterdam at the grant date (30 April 2013: €5.83), corrected for the dividend yield for the two-year vesting period.

The following table shows the number of rights to performance shares related to the 2014 and 2013 grant and to the 2012 compensation grant for senior management:

Rights to performance shares		Number of rights to performance shares					
	Year	Outstanding 31 December 2013[1]	Granted during 2014	Vested during 2014	Forfeited during 2014	Outstanding 31 December 2014	Remaining years in contractual life[2]
Senior management	2014		2,284,864	533	169,997	2,114,334	2.3
	2013[3]	1,816,336		68,587	312,180	1,435,569	1.3
Total		1,816,336	2,284,864	69,120	482,177	3,549,903	

[1]As of 2014, Mr Seyger is part of senior management. For comparative purposes, his 32,052 performance shares are included in the 2013 figures.
[2]This column shows the remaining years per grant. For the 2013 grant 1.3 years remain, for the 2012 compensation grant 0.3 years remain.
[3]The 2013 grant of performance shares includes both the regular 2013 grant and the 2012 compensation grant.

Settlement of obligations under the equity-settled schemes

TNT manages the obligations the company has under the existing share plans by purchasing shares on the market the moment such obligation arises. At 31 December 2014, the company held no shares for the purpose of covering any obligations under the existing plans (2013: 0 shares).

19 Remuneration of members of the Supervisory Board and Executive Board

Remuneration of members of the Supervisory Board

For the year 2014, the remuneration of the members of the Supervisory Board amounted to €452,000.

The remuneration of individual members of the Supervisory Board is set out in the following table:

Remuneration of the Supervisory Board	Base fee[1]	Additional meetings fee[2]	Other payments[3]	Total remuneration 2014	Total remuneration 2013
Mr Burgmans[4]	60,000	5,000	15,000	80,000	82,500
Mr Gunning[5]					15,780
Ms Harris	45,000	3,000	35,000	83,000	82,000
Mr King	45,000	3,000	26,000	74,000	78,000
Mr Levy	45,000	3,000	31,000	79,000	84,500
Ms Scheltema	45,000	1,500	20,000	66,500	67,500
Mr Vollebregt[6]	45,000	1,500	23,000	69,500	41,610
Total	285,000	17,000	150,000	452,000	451,890

[1]Base fees include payments for membership of the Supervisory Board.
[2]Payments relating to attended Supervisory Board meetings over and above the usual business calendar.
[3]Payments relating to the number of attended committee meetings, including travel allowance for foreign members.
[4]Other payments for Mr Burgmans include the fee for his attendance at a remuneration committee meeting in 2013.
[5]Mr Gunning resigned from the Supervisory Board on 25 February 2013 in view of his potential nomination as CEO.
[6]Mr Vollebregt was appointed member of the Supervisory Board as of 10 April 2013.
(in €)

No equity was granted to members of the Supervisory Board and none of the members of the Supervisory Board accrued any pension rights with the company. Moreover, the members of the Supervisory Board do not receive any severance payments in the event of termination nor will they be entitled to a contractual severance payment in the event of removal by the general meeting of shareholders.
TNT does not grant loans, including mortgage loans, or provide guarantees to any member of the Supervisory Board.

Remuneration of members of the Executive Board

In 2014, the total remuneration of the Executive Board consisted of:
- base compensation;
- other periodic paid compensation;
- pension; and
- variable compensation (accrued short-term and long-term incentive).

In the paragraphs below, the 2014 values of each of these remuneration elements are reported per member of the Executive Board.

Total remuneration

Effective 1 July 2014, Mr De Vries joined the company in the position of CFO, and as of 30 June 2014, Mr Bot resigned from the company.

For the members of the Executive Board in charge per ultimo 2014, the total remuneration, including base compensation, other periodic paid costs, long-term incentive and pension costs amounted to €1,441,533. The total remuneration costs in 2013 for members of the Executive Board in charge per ultimo 2013, being Mr Gunning and Mr Bot, amounted to €1,634,142 (including a one-off employer tax for Mr Gunning and Mr Bot of €65,593 and €89,045 respectively).

The 2014 remuneration of the individual members of the Executive Board is set out in the following table. In this table the costs are specified per remuneration component.

Remuneration of the Executive Board

	Base compensation	Other periodic paid compensation	Pension costs	Accrued for short-term incentive	Accrued for long-term incentive	Termination benefits[1]	Total 2014	Total 2013[2]
Tex Gunning[3]	750,000	45,529	187,500		100,147		1,083,176	632,567
Maarten de Vries[4]	250,000	11,103	62,500		34,754		358,357	
Total current members	1,000,000	56,632	250,000		134,901		1,441,533	632,567
Bernard Bot[5]	250,000	40,986	75,374	6,141	21,293	1,524,000	1,917,794	1,001,575
Jeroen Seyger[6]								308,507
Total former members	250,000	40,986	75,374	6,141	21,293	1,524,000	1,917,794	1,310,082

[1]The termination benefits for Mr Bot include: severance payment of one year's base compensation, compensation for the 6 months notice period and the estimate for additional wagetax of €596,000 subject to article 32bb Dutch Wage Tax Act 1964.

[2]The total 2013 remuneration costs include a one-off employer tax according to Dutch tax law.

[3]As of 1 June 2013, Mr Gunning was assigned as CEO.

[4]As of 1 July 2014, Mr De Vries was assigned as CFO.

[5]As of 30 June 2014, Mr Bot resigned from the company. For Mr Bot, the accrued costs for short-term incentive consist of costs taken in 2014 for awards in the period 2011-2013.

[6]In 2013, Mr Seyger was CFO ad interim from 1 January through 31 May. The reported amounts relate to his income as CFO ad interim.

(in €)

TNT does not grant loans, including mortgage loans, or provide guarantees to any member of the Executive Board.

Base compensation

The total base fee paid to Mr Gunning and Mr De Vries, amounted to €750,000 and €250,000, respectively. The total base salary paid to Mr Bot amounted to €250,000.

Other periodic paid compensation

The other periodic paid compensation includes company costs related to tax and social security, company car and other costs.

Pension

Mr Gunning and Mr De Vries receive a monthly gross pension allowance of 25% of their monthly base compensation as a contribution to their individual pension provision.

The pension costs for Mr Bot consist of the service costs in a career average defined benefit scheme.

Variable compensation

The following table shows the total accrued variable compensation in 2014 for the members of the Executive Board:

Total variable compensation

	Accrued for short-term incentive	Accrued for long-term incentive	Total variable compensation 2014
Tex Gunning		100,147	100,147
Maarten de Vries		34,754	34,754
Total current members		134,901	134,901
Bernard Bot	6,141	21,293	27,434
Total former member	6,141	21,293	27,434

(in €)

Accrued short-term incentive

The accrued short-term incentive consists of: the accrued bonuses for the performance of the year reported, paid in cash in the next year; the 2014 costs relating to the bonus/matching plan; and the costs of the one-off investment/matching plan, launched after the demerger of TNT N.V.

The 2014 accrued short-term incentive amounts for the Executive Board are as set out in the following table:

Total short-term incentive

	Accrued for 2014 bonus	Accrued for bonus matching shares	Accrued for investment matching shares	Accrued for short-term incentive 2014
Bernard Bot		5,408	733	6,141
Total former member		5,408	733	6,141

(in €)

For the current members of the Executive Board, due to the performance on the short-term incentive targets, there is no entitlement to a 2014 short-term incentive payment.

Bonus/matching share plan

Members of the Executive Board could on a voluntary basis participate in the bonus/matching plan by investing a maximum of 50% of the gross payout of the short-term incentive of the previous year. However, the investment in TNT shares cannot be more than the net proceeds of the bonus. Under the 2014 remuneration policy, these shares will be matched on a one-to-one basis and settled in shares, after a three-year holding period,

Additionally, the following applies for the bonus/matching shares granted in 2013. In the event that the company results' target is met every year during the three-year holding period, a maximum additional match will be made on a one-to-two basis, resulting in a total award of three matching shares. If the performance is below the company results' target, there is no delivery of additional matching shares for that specific year.

The matching of bonus shares occurs under the condition of continued employment and if at least 50% of the bonus/matching shares is retained during the holding period.

Mr Gunning and Mr Bot decided to fully waive any of their 2013 short-term incentive entitlements, and as a result there was no grant of bonus/matching shares in 2014.

The following table summarises the number of outstanding bonus/matching shares per member of the Executive Board**:**

Bonus/matching plan

	Bonus/matching plan: Number of matching rights to shares			
	Outstanding 31 December 2013	Granted during 2014	Vested or forfeited during 2014	Outstanding 31 December 2014
Bernard Bot	24,420		24,420	0
Total former member	24,420		24,420	0

The accrued costs for bonus/matching shares consist of the costs for the bonus/matching shares granted in 2013 to Mr Bot only. The costs incurred for the plan in 2014 amount in total to €5,408 (2013: €33,906) and are based on the costs accrued until the termination of Mr Bot's contract and on the fair value per share of €5.78.

One-off investment/matching plan

In 2011, before the demerger of the express activities, the Supervisory Board of TNT N.V. decided to apply a voluntary one-off investment/matching plan in which the cash proceeds from the unwinding of the TNT N.V. bonus/matching plan, performance share plan and option plan could – post-demerger – be invested in TNT shares in order to align the objectives of members of the Executive Board and (senior) management with long-term value creation and the interests of shareholders. Refer to note 18 for details of the one-off investment/matching plan.

The following table shows the number of phantom shares, comprising the matching rights, granted to the members of the Executive Board under the one-off investment/matching plan:

One-off investment/matching plan	Investment/matching plan: Number of matching rights to phantom shares		
	Outstanding 31December 2013	Vested or forfeited during 2014	Outstanding 31December 2014
Bernard Bot	4,656	4,656	0
Total former member	4,656	4,656	0

The total costs incurred for the plan in 2014 are €733 (2013: €10,299). Refer to note 18 for details of the calculation of the costs of the one-off investment/matching plan.

Accrued long-term incentive

Costs of the long-term incentive

2014 grant

On 29 April 2014, the grant under the TNT performance share plan occurred. Refer to note 18 for details of the performance share plan including assumptions used for valuation.

The 2014 grant of performance shares for the members of the Executive Board was based on a value of 50% of their annual base compensation. The actual number of rights to shares granted is determined by dividing the available amount (50% of the annual base compensation) by the fair value of the right to a share according to IFRS.

Mr De Vries joined the company on 1 July 2014, therefore his 2014 award of performance shares has been prorated (94%) for his time in service during the three years vesting period (29 April 2014 - 1 May 2017). This grant took place on 28 October 2014. The fair value per share amounts to €2.53 and is derived from the share price on Euronext Amsterdam at the grant date (28 October 2014: €4.49), corrected for a dividend yield for the vesting period.

2012 Compensation grant

Due to the intended merger with UPS, the 2012 grant of performance shares did not take place. In 2013, the Supervisory Board decided to provide for a limited 2012 compensation grant by excluding the grant value related to the TSR performance of the company (50% weighting). The grant value of this compensation grant was therefore only based on the value that related to the performance of the company on non-financial targets (50% weighting). For the 2012 compensation grant specific rules apply, refer to note 18 for more details. This resulted in a grant of 10% of the annual base compensation for each of the members of the Executive Board (30% annual base compensation x 50% grant value related to non-financial targets x 2012 performance score on non-financial targets of 66.67%). The actual number of rights to shares granted is determined by dividing the available amount (10% of the annual base compensation) by the fair value of the right to a share according to IFRS.

Both Mr Gunning and Mr De Vries were not eligible for this compensation award since they joined the company after 2012.

The following table summarises the status of the rights awarded in 2014 and 2013 under the performance share plan and the 2012 compensation grant to the members of the Executive Board:

Rights to performance shares	Number of rights to performance shares					
	Outstanding 31December 2013	Granted during 2014	Vested during 2014	Forfeited during 2014	Outstanding 31December 2014	Remaining years in contractual life[1]
Tex Gunning		77,946			77,946	2.3
Maarten de Vries		49,024			49,024	2.3
Total current members		126,970			126,970	2.3
Bernard Bot	42,073		9,414	32,659	0	
Total former member	42,073		9,414	32,659	0	

[1]This column shows the remaining years of the 2014 grant.

The following table shows the costs of the rights on performance shares related to the 2014 and 2013 grant and to the 2012 compensation grant for Mr Bot.

Performance share plan costs	Costs in 2014 from performance shares granted in 2014	Costs in 2014 from performance shares granted in 2013	Costs in 2014 from 2012 compensation grant, granted in 2013	Accrued for long-term incentive
Tex Gunning	100,147			100,147
Maarten de Vries	34,754			34,754
Total current members	134,901			134,901
Bernard Bot		12,959	8,334	21,293
Total former member		12,959	8,334	21,293
(in €)				

The costs incurred in 2014 for the 2014 grant amount in total to €134,901.

The costs incurred in 2014 for the 2013 grant amount in total to €12,959 (2013: €51,158).

The costs incurred in 2014 for the 2012 compensation grant amount in total to €8,334 (2013: €19,577). Refer to note 18 for details of the calculation of the costs of the 2014 grant, 2013 grant and the 2012 compensation grant under the performance share plan.

Vesting of the long-term incentive

Based on the interim TSR percentage available and the realised performance on the non-financial target, both applicable for the 2014 performance share grant, the following table shows the pro forma vesting of the unvested performance shares, as if the performance period ended at 31 December 2014.

Performance share plan		Performance shares	
	Year	Vesting % of grant	Vesting as if per 31 December 2014
Tex Gunning	2014	16.67	12,994
Maarten de Vries	2014	16.67	8,173
Total current members			21,167
(in €)			

In compliance with the Dutch Corporate Governance Code, the members of the Executive Board may not sell their bonus/matching shares, performance shares and compensation shares prior to the earlier of five years from the date of grant, or the end of employment, although any sale of shares for the purpose of using the proceeds to pay for the tax relating to the delivery of these shares is exempted.

20 Depreciation, amortisation and impairments: 210 million (2013: 434)

Specification of depreciation, amortisation and impairments		
Year ended at 31 December	2014	2013
Amortisation of intangible assets	35	39
Depreciation of property, plant and equipment	137	137
Impairment of intangible assets	34	296
Impairment of property, plant and equipment	4	1
Reversal of impairment on aircraft		(39)
Total	210	434
(in €millions)		

The amortisation of intangible assets of €35 million (2013: 39) was related to software for €34 million (2013: 38) and other intangibles for €1 million (2013: 1).

The impairment of intangible assets in 2014 was related to goodwill impairment of €32 million and software impairments of €2 million. Refer to note 1.

21 Other operating expenses: 417 million (2013: 242)

The other operating expenses consisted of government legal fees, marketing, consulting and shared services cost and auditors fees.

In 2014, fees for audit services included the audit of TNT's annual financial statements, procedures on interim financial statements, statutory audits, employee benefit plan audits, audits of corporate sustainability reports and internal control reviews.

The fees can be divided into the following categories:

Fees		
Year ended at 31 December	2014	2013
Audit fees	4	4
Tax advisory fees	0	0
Other fees	0	0
Total	4	4
(in €millions)		

In accordance with Dutch legislation, article 382 (a) of Book 2 of the Dutch Civil Code, the total audit and audit-related fees paid to PricewaterhouseCoopers Accountants N.V. seated in the Netherlands, amounted to €2 million.

22 Net financial (expense)/income: -24 million (2013: -22)

Specification of net financial (expense)/income		
Year ended at 31 December	2014	2013
Interest and similar income	12	13
Changes in fair value hedges	0	1
Total interest and similar income	12	14
Interest and similar expenses	(30)	(33)
Fair value change cash flow hedge recycled to profit and loss	(1)	(1)
Changes in fair value hedges	0	0
Net foreign exchange losses	(5)	(2)
Total interest and similar expenses	(36)	(36)
Net financial expenses	(24)	(22)
(in €millions)		

Total interest and similar income: 12 million (2013: 14)

The external interest and similar income of €12 million (2013: 13) is mainly related to interest income on banks, loans and deposits of €6 million (2013: 5) (of which €6 million (2013: 4) is related to interest on notional cash pools), interest on taxes of €0 million (2013: 0) and interest on foreign currency hedges of €3 million (2013: 5).

Total interest and similar expenses: 36 million (2013: 36)

The external interest and similar expense of €30 million (2013: 33) is mainly related to interest expense on bank overdrafts and bank loans of €5 million (2013: 5) (of which €3 million (2013: 3) is related to interest on notional cash pools), interest expense on long-term borrowings of €9 million (2013: 10), interest on foreign currency hedges of €12 million (2013: 14), interest on taxes of €1 million (2013: 1) and interest on provisions of €-1 million (2013: -1). The decrease in interest on foreign currency hedges was caused by lower interest rate differentials between currencies in foreign exchange forward contracts.

In accordance with IFRS, interest income and expense on (notional) cash pools are reported on a gross basis. From an economic and legal perspective, the €3 million (2013: 3) interest expense nets off against the €6 million (2013: 4) of interest income. The amounts are not netted in the income statement because under IFRS such offset needs in practice to be irreversibly exercised from time to time.

The interest and similar income and expense on various foreign exchange derivatives have been aggregated on a gross basis while economically the €3 million of interest income on hedges and €0 million change in fair value hedges (2013: 5 interest income and 1 change in fair value hedges) partly offsets the €12 million interest expense on hedges and €1 million fair value changes of cash flow hedges (2013: 14 interest expense and 1 change in fair value hedges).

23 Income taxes: 87 million (2013: 131)

In 2014, the tax expense amounted to €87 million (2013: 131) on income before taxes of €-103 million (2013: 9), resulting in an effective tax rate of -84.5% (2013: 1,455.6%).

Income tax expense consisted of the following:

Specification of income tax expense		
Year ended at 31 December	2014	2013
Current tax expense/(income)	50	126
Deferred tax expense/(income)	37	5
Total income taxes	87	131
(in €millions)		

In 2014, the current tax expense amounted to €50 million (2013: 126). The difference between the total income taxes in the income statement and the current tax expense is due to movements in deferred tax assets and deferred tax liabilities.

Effective income tax rate		
Year ended at 31 December	2014	2013
Dutch statutory income tax rate	25.0	25.0
Adjustment regarding effective income tax rates other countries	18.0	(1.5)
Permanent differences:		
Non and partly deductible costs	(8.3)	106.9
Non and partly deductible impairments	(7.8)	923.0
Other	(111.4)	402.2
Effective income tax rate	(84.5)	1,455.6
(in percentages)		

The mix of income from countries in which TNT operates resulted in a weighted average statutory tax rate of 43.0%. Several non-deductible costs adversely affected the effective tax rate by -8.3 percentage points. The non-deductible impairment charges affected the effective tax rate by -7.8 percentage points.

The line 'other' shows an impact of -111.4 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: -73.5 percentage points;
- the financial provision anticipating a settlement with the French Competition Authorities currently considered as non-deductible for tax purposes: -12.1 percentage points; and
- the remaining 'other' of -25.8 percentage points consists of several other items and includes local taxes and accounting estimates relating to tax balances.

At 31 December 2014, the income tax receivable amounted to €46 million (2013: 28) and the income tax payable amounted to €52 million (2013: 94). In 2014, TNT paid taxes of €109 million (2013: 79 million).
The following table shows the movements in deferred tax assets in 2014:

Movements in deferred tax assets	Provisions	Property, plant and equipment	Losses carried forward	Other	Total
Deferred tax assets at 31 December 2012	81	6	109	47	243
Changes via other comprehensive income	(6)	0	0	(4)	(10)
Changes via income statement	(12)	1	9	(18)	(20)
(De)consolidation/foreign exchange effects	(4)	(1)	(10)	0	(15)
Deferred tax assets at 31 December 2013	59	6	108	25	198
Changes via other comprehensive income	37	0	0	(2)	35
Changes via income statement	0	2	(46)	3	(41)
(De)consolidation/foreign exchange effects	1	(1)	5	1	6
Deferred tax assets at 31 December 2014	97	7	67	27	198
(in €millions)					

Deferred tax assets and liabilities are presented net in the statement of financial position if TNT has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority. Out of the total 'other' deferred tax assets of €27 million (2013: 25) an amount of €9 million (2013: 10) is related to temporary differences for assets that are both capitalised and depreciable for tax purposes only.

The total accumulated losses available for carry forward at 31 December 2014 amounted to €1,341 million (2013: 1,225). With these losses carried forward, future tax benefits of €401 million could be recognised (2013: 367). Tax deductible losses give rise to deferred tax assets at the substantively enacted statutory tax rate in the relevant country. Deferred tax assets are recognised if it is probable that they will be realised. The probability of the realisation is impacted by uncertainties regarding the realisation of such benefits, for example, as a result of the expiration of tax losses carried forward and projected future taxable income. As a result, TNT has not recognised €325 million (2013: 249) of the potential future tax benefits and has recorded deferred tax assets of €76 million at the end of 2014 (2013: 118). Of the total recognised deferred tax assets for loss carry forward an amount of €9 million (2013: 10) was offset against deferred tax liabilities.

The expiration of total accumulated losses is presented in the following table:

Expiration of total accumulated losses	
2015	17
2016	13
2017	34
2018	41
2019 and thereafter	201
Indefinite	1,035
Total	1,341
(in €millions)	

The following table shows the movements in deferred tax liabilities in 2014:

Movement in deferred tax liabilities	Provisions	Property, plant and equipment	Other	Total
Deferred tax liabilities at 31 December 2012	16	17	(2)	31
Changes via income statement	(16)	(3)	4	(15)
(De)consolidation/foreign exchange effects		(1)		(1)
Deferred tax liabilities at 31 December 2013		13	2	15
Changes via income statement		(3)	(1)	(4)
(De)consolidation/foreign exchange effects		(1)		(1)
Deferred tax liabilities at 31 December 2014	0	9	1	10
(in €millions)				

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The non-cash transactions in the consolidated statement of cash flows relate to depreciation, amortisation and impairment charges, share-based payment expenses, results from investments in associates, foreign exchange gains and losses, investments in property, plant and equipment financed via finance leases, book results on sale of property, plant and equipment and changes in provisions.

24 Net cash from operating activities: 106 million (2013: 360)

In 2014, the net cash from operating activities decreased by €254 million from €360 million in 2013 to €106 million.

Cash generated from operations

The cash generated from operations decreased from €474 million in 2013 to €246 million in 2014. Profit before income taxes contributed €-103 million or €114 million (2013: 9), after adjusting for the non-cash impact of depreciation, amortisation, impairments and share-based payments.

The change in net pension liabilities of €-10 million in 2014 (2013: -7) reflects the total TNT non-cash employer pension expense for the post-employment defined benefit plans of €16 million (2013: 29), compared to the total TNT cash contributions to various post-employment defined benefit plans for a total amount of €34 million (2013: 36).

In 2014, there was a net cash inflow presented of €89 million in other provisions compared to a net cash inflow of €58 million in 2013. This was mainly due to the addition to the other provisions of €222 million (mainly restructuring and claims), offset by utilisation of the restructuring and other provisions and the transfer of the provisions related to Brazil Domestic from liabilities related to assets held for disposal.

In 2014, the net cash inflow related to working capital amounted to €50 million, which is a movement of €72 million compared to 2013 (2013: -22).

Interest paid

The total cash outflow for interest paid in 2014 is €31 million (2013: 35). In 2014, interest paid includes interest on TNT's financial leases of €9 million (2013: 10). In addition, interest payments of €5 million (2013: 4) are included for short-term debt (of which €3 million (2013: 3) is due to cash pools that are offset against the interest received) and for interest on foreign currency hedges of €11 million (2013: 16) and interest paid on taxes of €1 million (2013: 1). The decrease in interest on foreign currency hedges was mainly caused by lower interest rate differentials between currencies in foreign exchange forward contracts.

The interest paid and received on notional cash pools are reported on a gross basis in accordance with IFRS. From an economic and legal perspective the €3 million (2013: 3) interest paid fully nets off against the €6 million (2013: 4) interest received. The amounts are not netted in the income statement and cash flow statement because under IFRS such offset needs in practice to be irreversibly exercised from time to time.

Similarly, the interest paid and received on various foreign currency derivatives have been aggregated on a gross basis, while economically the €3 million of interest received (2013: 5) is offset against the €11 million (2013: 16) of interest paid on hedges.

Income taxes paid

In 2014, TNT paid taxes of €109 million (2013: 79 million).

25 Net cash used in investing activities: -117 million (2013: -26)

Interest received

In 2014, interest received amounted to €12 million (2013: 14) and mainly includes interest relating to short-term bank balances and deposits of €6 million (2013: 5) (of which €6 million (2013: 4) is due to cash pools that are offset against the interest paid), realised interest on foreign currency hedges of €3 million (2013: 5) and interest received on taxes of €1 million (2013: 0).

Capital expenditure on other intangible assets and property, plant and equipment

In 2014, capital expenditure on property, plant and equipment amounted to €147 million (2013: 108), and was mainly related to construction-related activities at a number of depots, and investments in vehicles, IT equipment and depot equipment. The capital expenditure on intangible assets of €43 million (2013: 25), is primarily related to purchased software, and software development projects. In 2014, capital expenditures were funded primarily by cash generated from operations.

Proceeds from disposal of Group companies

Proceeds from disposal of Group companies in 2014 amounted to €39 million, which was related to the sale of the Dutch operations of TNT Fashion Group B.V.

Proceeds from disposal of Group companies in 2013 amounted to €61 million, which was related to the sale of China Domestic previously classified as held for disposal.

Proceeds from disposal of associated companies

Proceeds from disposal of associated companies in 2013 amounted to €27 million, which was related to the sale of Logispring's investments in Apriso and Datatrac.

Proceeds from sale of property, plant and equipment

Proceeds from the sale of property, plant and equipment in 2014 amounted to €14 million (2013: 12), which is mainly related to the sale of vehicles and other depot equipments.

Cash from financial instruments/derivatives

In 2014, cash from financial instruments/derivatives amounted to €19 million (2013: -15), related to the settlement of foreign currency hedges. Financial instruments are further explained in note 30.

26 Net cash used in financing activities: -33 million (2013: -30)

Share-based payments

In 2014 and 2013, no share-based payments occurred.

Proceeds from and Repayments of long-term borrowings

In 2014, the total proceeds from long-term borrowings were related to net proceeds from local bank debt for a total amount of €12 million (2013: net repayment of 2).

Proceeds from and Repayments of short-term borrowings

The total net repayments of short-term borrowings largely pertained to the net of increases and decreases on local bank overdrafts of €4 million (2013: net proceeds of 5).

Repayments to finance leases

The repayments of finance leases are related to redemptions on the two Boeing 747 freighters of €12 million (2013: 11) and to redemptions on other finance lease contracts of €8 million (2013: 4).

Dividends paid

A payment was made in 2014, relating to the dividend for 2013, for an amount of €7 million. In 2014, an interim cash dividend was paid of €14 million.

A payment was made in 2013, relating to the dividend for 2012, for an amount of €11 million. In 2013, an interim dividend was paid of €7 million.

27 Reconciliation to cash and cash equivalents

The following table presents reconciliation between the consolidated cash flow statements and the cash and cash equivalents as presented in the consolidated statement of financial position:

Reconciliation to cash and cash equivalents		
Year ended at 31 December	2014	2013
Cash at the beginning of the year	696	397
Exchange rate differences		(5)
Total change in cash (as in consolidated cash flow statements)	(44)	304
Cash at the end of the year	652	696
(in €millions)		

ADDITIONAL NOTES

28 Commitments and contingencies

(No corresponding financial statement number)

Off-balance sheet commitments		
At 31 December	2014	2013
Rent and operating lease	1,164	1,018
Capital expenditure	49	6
Purchase commitments	682	59
(in €millions)		

Of the total commitments indicated above, €425 million are of a short-term nature (2013: 294).

The increase in purchase commitments is mainly due to the outsourcing of IT activities related to the maintenance of various applications and the provision of global data centre services.

Guarantees

At the end of 2014, TNT, on behalf of TNT subsidiaries, had various parental and bank guarantees outstanding. Except for €1 million relating to the sale of TNT Fashion, none (2013: 0) of these guarantees resulted in an off-balance sheet commitment for the Group as the relating obligations to external parties have already been recognised by these subsidiaries following the ordinary course of business.

Pension arrangements

Execution agreement with the pension funds

In 2011, TNT concluded an execution agreement with two pension funds (*'Stichting Pensioenfonds PostNL'* and *'Stichting Ondernemingspensioenfonds TNT'*), acting also on behalf of the companies affiliated to the company, under which it is liable for the payment of the premiums and lump sums, among other rights and obligations. It includes liabilities allocated to TNT as part of the TNT demerger, related to the pension entitlements of beneficiaries in the pension funds who are no longer employed by either TNT or PostNL (for example, employees of disposed subsidiaries, deferred members and pensioners). In the event TNT should fail to pay the amounts due under the execution agreements, the pension fund can directly address the companies affiliated to TNT (proportionally) for those amounts.

Arrangement between TNT and PostNL regarding pensions

The arrangement between TNT and PostNL regarding pensions entails, amongst others, that:

- TNT will provide a subsidiary guarantee for PostNL and vice versa for situations of violation of contractual terms, irregularity of payments and bankruptcy;
- the subsidiary guarantee will only be related to pension benefits accrued under the existing pension plans (up to the date of the demerger of TNT and PostNL in 2011) and will comprise a liability that will gradually decrease over time;
- the reciprocal liability of TNT and PostNL will only exist for as long as the coverage ratio of the fund(s) is below a certain level; the guarantee lapses if the coverage ratio rises above that level and remains above that level for three consecutive quarters; and
- the contractual agreement replaces any rights under article 334 (t) of Book 2 of the Dutch Civil Code.

TNT pension fund

In 2014, the pension fund ('*Stichting Pensioenfonds PostNL*') was split into a pension fund for the participants from PostNL and a separate pension fund for the participants from TNT, with effect from 1 January 2014. The essence of the mutual guarantees described above was not affected by this split.

Rent and operating lease contracts

In 2014, operational lease expenses (including rental) amounted to €372 million (2013: 396). Rent and operating lease contracts relate mainly to aircraft, depots, hubs, vehicles and other depot equipments. Of the total rent and operating lease commitment, €356 million (2013: 349) is related to three Boeing 777 freighters.

Future payments on non-cancellable existing lease contracts are as follows:

Repayment schedule of rent and operating leases

At 31 December	2014	2013
Less than 1 year	269	248
Between 1 and 2 years	181	162
Between 2 and 3 years	143	118
Between 3 and 4 years	113	91
Between 4 and 5 years	95	78
Thereafter	363	321
Total	1,164	1,018
of which guaranteed by a third party/customers	1	14

(in €millions)

Capital expenditure

Commitments in connection with capital expenditure amounted to €49 million (2013: 6) and are primarily related to the commercial vehicle replacement programme.

Purchase commitments

At 31 December 2014, TNT had unconditional purchase commitments of €682 million (2013: 59), which primarily relate to short-term aircraft charter contracts and various service and maintenance contracts. These contracts for service and maintenance, relate primarily to facilities management, security, cleaning, salary administration and IT support contracts.

Contingent tax liabilities

TNT is exposed to varying degrees of uncertainty related to tax planning and regulatory reviews and audits. TNT accounts for its income taxes on the basis of its own internal analyses, supported by external advice. TNT continually monitors its global tax position, and whenever uncertainties arise, TNT assesses the potential consequences and either accrues the liability or discloses a contingent liability in its financial statements, depending on the strength of the company's position and the resulting risk of loss.

At year-end 2014, total contingent tax liabilities for uncertainties are assessed to amount to between €70 million and €80 million (2013: between €60 million and €70 million) for which TNT, based on its own assessment and supported by external advice, has concluded that the likelihood of an outflow of economic benefits to settle the obligation is not probable.

Contingent legal liabilities

Ordinary course litigation

The company is involved in several legal proceedings relating to the normal conduct of its business, such as claims for loss of goods, delays in delivery, trademark infringements, subcontracting and employment issues, and general liability. The majority of these claims are for amounts below €1 million and are insured and/or provided for. TNT does not expect any liability arising from any of these legal proceedings to have a material effect on its results of operations, liquidity, capital resources or financial position. The company believes it has provided for all probable liabilities deriving from the normal course of business.

Foreign investigations

TNT announced on 16 July 2014 that it received a Statement of Objections from the French Competition Authority (FCA) with respect to alleged anti-competitive behaviour in the French parcels delivery sector, with regards to TNT France. TNT has cooperated with the investigation since it started in 2010. On 24 September 2014, TNT announced that it entered into a settlement with the FCA, which settlement includes a reduction percentage to the fine. The absolute amount of the fine - as to be determined by the FCA - is not expected before the end of 2015. TNT made a financial provision of €50 million in the third quarter.

TNT has voluntarily disclosed to the United States Bureau of Industry and Security its involvement in re-exports to entities sanctioned by the United States. In addition the company has received and responded to information requests from competition authorities and cooperated with investigations in this respect. TNT does not currently expect any liability arising from any of the above investigations to have a material effect on its results of operation, liquidity, capital resources or financial position.

29 Financial risk management

(No corresponding financial statement number)

TNT's activities expose the company to a variety of financial risks, such as market risks (including foreign currency exchange risk and interest rate risk), credit risk and liquidity risk. All of these risks arise in the normal course of business. To manage market risks, TNT uses a variety of financial derivatives.

The tables within this note provide quantitative information regarding TNT's exposure to the financial risks mentioned above. There are certain limitations and simplifications inherent in the analyses presented, primarily due to the assumption that rates change in a parallel fashion and instantaneously, while at the same time, for example, the impact of changes in interest on foreign exchange exposures and vice versa is ignored. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts assumed.

TNT uses derivative financial instruments solely for the purpose of hedging exposures. The company enters into contracts related to derivative financial instruments for periods commensurate with its underlying exposures and does not take positions independent of these exposures. None of these financial instruments are leveraged or used for trading purposes or to take speculative positions.

Financial risk management is carried out by the TNT Treasury department under policies approved by the Executive Board. The TNT Treasury department identifies, evaluates and hedges financial risk in close co-operation with operating units. The Executive Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, foreign exchange risk, credit risk and liquidity risk. Periodic reporting on financial risks has been embedded in the overall risk framework and has been provided to the Executive Board in a structural way.

Interest rate risk

Part of TNT's borrowings and leases are against floating interest rates. These floating interest rates may fluctuate substantially and could have a material adverse effect on TNT's financial results in any given reporting period. Borrowings that are issued at variable rates expose the company to cash flow volatility from movements in interest rates. Borrowings that are issued at fixed rates expose the company to fair value interest rate risk. TNT's financial assets are on average of such short-term nature that they bear no significant fair value interest rate risk, but do cause cash flow interest rate risks. Group policy is to significantly limit the impact of interest fluctuations over a term of seven years as a percentage of earnings before interest, taxes, depreciation and amortisation. At 31 December 2014, TNT's gross interest bearing borrowings, including finance lease obligations, totalled €216 million (2013: 220), of which €164 million (2013: 161) was at a fixed interest rate.

Although TNT generally enters into interest rate swaps and other interest rate derivatives in order to attempt to reduce its exposure to interest rate fluctuations, these measures may be inadequate or may subject the company to increased operating or financing costs.

At 31 December 2014, if interest rates on borrowings and financial assets had been 1% higher with other variables held constant, the profit before income tax would have been €6 million higher (2013: 7), and equity would be impacted by €8 million (2013: 10), due to the outstanding interest rate swap(s) with a nominal value of US$184 million. Refer to note 30.

Foreign currency exchange risk

TNT operates on an international basis generating foreign currency exchange risks arising from future commercial transactions, recognised assets and liabilities, investments and divestments in foreign currencies other than the euro, TNT's functional and reporting currency. These significant operational foreign currency cash flow risks are mostly not hedged. TNT Treasury department matches and manages the intragroup and external financial exposures. Although the company generally enters into hedging arrangements and other contracts in order to reduce its exposure to currency fluctuations, these measures may be inadequate or may subject the company to increased operating or financing costs.

The two main (non-euro) currencies of TNT are the British pound and US dollar, of which the 2014 exchange rates to the euro are shown in the following table:

Principal exchange rates

	Year-end closing[1]	Annual average[2]
US dollar	1.21410	1.32200
British pound	0.77890	0.80329

[1]Source: European Central Bank, reference rate on the last day of the year.
[2]The annual average is calculated as the 12-months' average of the TNT month-end-closing rates based on the rate of the European Central Bank.

Management has set up a policy that requires Group companies to manage their foreign exchange risk against their local functional currency. Group companies are required to hedge material balance sheet exposures via the use of foreign exchange derivatives with the TNT Treasury department, whereby a financing company operated by the department trades these foreign exchange derivatives with external banks. TNT currently has no net investment hedges outstanding. Significant acquisitions and local debt is usually funded in the currency of the underlying assets.

At 31 December 2014, if the euro had weakened 10% against the US dollar with all other variables held constant, the profit before income tax on the foreign exchange exposure on financial instruments would have been impacted by 0 (2013: 0). The net income sensitivity to movements in EUR/USD exchange rates compared to 2013 has not changed. Impact on equity would have been 0 (2013: 0).

At 31 December 2014, if the euro had weakened 10% against the British pound with all other variables held constant, the profit before income tax on the foreign exchange exposure on financial instruments would been impacted by 0 (2013: 0). The net income sensitivity to movements in EUR/GBP exchange rates compared to 2013 has not changed. Impact on equity would have been 0 (2013: 0).

Credit risk

Credit risk represents the loss that the company would incur if counterparties with whom TNT enters into financial transactions are unable to fulfil the terms of the agreements. Credit risk arises from cash and cash equivalents, derivatives and deposits with banks and financial institutions as well as credit exposures relating to customers. The company attempts to minimise its credit risk exposure by only transacting with financial institutions that meet established credit guidelines and by managing its customers' portfolio. TNT continually monitors the credit standing of financial counterparties and its customers. Individual risk limits are set on internal and external ratings in accordance with limits set by the Executive Board. The utilisation of credit limits is regularly monitored. At balance sheet date there were no significant concentrations of credit risk related to customers. The top ten customers of TNT account for 5% of the outstanding trade receivables at 31 December 2014.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of undrawn committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, TNT attempts to maintain flexibility in funding by keeping committed credit lines available.

TNT has central availability to the following undrawn committed facilities:

Undrawn committed facilities

At 31 December	2014	2013
Multi-currency revolving credit facilities	600	570

(in €millions)

In November 2014, TNT successfully entered into a €600 million multi-currency revolving credit facility. This facility has replaced the former €570 million multi-currency revolving credit facility, which was originally due for re-financing in 2016. The new facility secures access to committed future financing capacity for a period of five years plus two one-year extension options at reduced financing costs and updated terms and conditions. The facility can be used for general funding purposes and includes a €300 million liquidity backup for TNT's euro commercial paper programme.
The following table shows TNT's financial liabilities per relevant maturity group based on the remaining period on the balance sheet to the contractual maturity date. The outgoing flows disclosed in the table are the contractual undiscounted cash flows which contains the redemptions and interest payments.

Liquidity risk schedule

At 31 December	Less than 1 year	Between 1and 3 years	Between 3 and 5 years	Thereafter	Book value
Outgoing flow s based on the financial liabilities 2014					
Other loans	3	11	1		14
Finance leases	21	144			162
Interest rate and cross-currency sw aps (outgoing)	281	146			12
Foreign exchange contracts (outgoing)	918				6
Short-term bank debt	28				28
Trade accounts payable	471				471
Other current liabilities	102				102
Mitigation incoming flow s based on the financial liabilities 2014					
Interest rate and cross-currency sw aps (incoming)	290	141			
Foreign exchange contracts (incoming)	918				
Total liquidity risk	616	160	1	0	795
Outgoing flow s based on the financial liabilities 2013					
Other loans	1	1	1		3
Finance leases	16	85	59		155
Interest rate and cross-currency sw aps (outgoing)	29	350	58		34
Foreign exchange contracts (outgoing)	1,058				8
Short-term bank debt	28				28
Trade accounts payable	430				430
Other current liabilities	106				106
Mitigation incoming flow s based on the financial liabilities 2013					
Interest rate and cross-currency sw aps (incoming)	22	323	57		
Foreign exchange contracts (incoming)	1,058				
Total liquidity risk	588	113	61	0	764

(in €millions)

Capital structure management

It is the objective of TNT when managing the capital structure to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure. TNT's capital structure is managed along the following components:

- an investment grade credit rating of BBB+ by S&P and Baa1 by Moody's;
- an availability of at least €400 million to €500 million of undrawn committed facilities;
- cash pooling systems facilitating optimised cash requirements for the Group; and
- a tax optimal internal and external funding focused at optimising the cost of capital for the Group, within long-term sustainable boundaries.

TNT's credit ratings per 31 December 2014 are BBB+ (Stable) by S&P and Baa2 (Negative) by Moody's. A downgrade in the credit rating of TNT may negatively affect its ability to obtain funds from financial institutions, retain investors and banks and increase its financing costs by increasing the interest rates of its outstanding debt or the interest rates at which the company is able to refinance existing debt or incur new debt. This could affect its return for shareholders and benefits to other stakeholders.

The terms and conditions of TNT's material short-term and long-term debts, as well as its material (drawn or undrawn) committed credit facilities, do not include any financial covenants. There are also no possibilities to accelerate these material debts and committed facilities in case of a credit rating downgrade. The debt and credit facility instruments vary on a case by case basis and mostly contain customary clauses as are generally observed in the market such as negative pledge conditions, restrictions on (the use of the proceeds of) the sale of assets or businesses and in most cases change of control clauses.

Offsetting financial assets and financial liabilities

The following financial assets and financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements.

Offsetting financial assets and financial liabilities				Related amounts not offset in the balance sheet		
At 31 December	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial assets/liabilities offset in the balance sheet	Net amounts of financial assets/liabilities presented in the balance sheet	Financial instruments	Cash and bank balances	Net amount
Derivative financial assets	4		4	3		1
Cash and cash equivalents	652		652		7	645
Total financial assets	656		656	3	7	646
Derivative financial liabilities	6		6	3		3
Bank overdrafts	28		28		7	21
Total financial liabilities	34		34	3	7	24

(in €millions)

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between TNT and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis or in the event of default of either party.

30 Financial instruments

(No corresponding financial statement number)

Summary of financial instruments

In accordance with IAS 39, the following categories of financial assets and financial liabilities can be identified:

Assets At 31 December	Notes	Loan and receivables	Financial assets at fair value through profit and loss	Total
Assets as per balance sheet 2014				
Other loans receivable	(3)	2		2
Other financial fixed assets	(3)	12	2	14
Accounts receivable	(5)	1,095		1,095
Prepayments and accrued income	(6)	163	19	182
Cash and cash equivalents	(7)	652		652
Total		1,924	21	1,945
Assets as per balance sheet 2013				
Other loans receivable	(3)	3		3
Other financial fixed assets	(3)	11	1	12
Accounts receivable	(5)	1,031		1,031
Prepayments and accrued income	(6)	115	5	120
Cash and cash equivalents	(7)	696		696
Total		1,856	6	1,862

(in €millions)

Liabilities At 31 December	Notes	Financial liabilties measured at amortised costs	Derivatives used for hedging	Total
Liabilities as per balance sheet 2014				
Long-term debt	(12)	154	12	166
Trade accounts payable		471		471
Other current liabilities	(13)	152	6	158
Total		777	18	795
Liabilities as per balance sheet 2013				
Long-term debt	(12)	141	34	175
Trade accounts payable		430		430
Other current liabilities	(13)	151	8	159
Total		722	42	764

(in €millions)

The fair value of financial instruments is based on foreign exchange and interest rate market prices. TNT uses commonly practised fair value valuation methods for its derivatives. The valuations represent a best approximation of the trading value of these derivatives at their valuation moment. The derivatives are thereby grouped within level 2 of the fair value measurement hierarchy.

Finance leases

Total debt on finance leases consist of financial lease contracts on buildings (depots), vehicles and aircraft.

The following table provides an overview of the outstanding finance leases:

Overview of finance leases At 31 December	Nominal value	Fixed/floating interest	Hedge accounting	Carrying value	Fair value
Boeing 747 freighters	151	floating	Yes	151	152
Other leases	11	floating/fixed	No	11	11
Total outstanding finance leases 2014	162			162	163
Boeing 747 freighters	144	floating	Yes	144	146
Other leases	11	floating/fixed	No	11	11
Total outstanding finance leases 2013	155			155	157
(in €millions)					

Debit Value Adjustments and Credit Value Adjustments were evaluated for all applicable financial assets and liabilities. The impact of these adjustments was not considered to be material.

Interest rate swaps

TNT has US$184 million (2013: US$199) of interest rate swaps outstanding for which it pays fixed and receives floating interest. These interest rate swaps act as a hedge on the cash flow interest rate risk on outstanding long-term debt.

As all previously outstanding forward starting swaps have been designated as cash flow hedges, the market value movements of the effective portion of the hedges are included in equity. The market value movements will remain in equity (the hedge reserve) and will be straight-line amortised to the income statement. In 2014, net financial expense included an amortisation of €1 million from the hedge reserve.

The total ineffective portion recognised in the income statement that arises from the usage of fair value hedges amounted to €0 million (2013: 0). The total ineffective portion recognised in the income statement that arises from the usage of cash flow hedges amounted to €0 million (2013: 0).

Cross-currency swaps

TNT entered into a €250 million (2013: 250) cross-currency swap for which at maturity it pays €250 million and will receive US$321.5 million. These cross-currency swaps act as a hedge on foreign exchange risk for TNT USA on an intercompany loan receivable.

The fair value of outstanding short-term cross-currency swaps is recorded as a current asset in prepayments and accrued income. In 2013 it was recorded as a liability in long-term debt. An overview of interest rate and cross-currency swaps is presented in the following table:

Overview of interest rate and cross-currency swaps — At 31 December

Nominal	Forward starting	Currency	Outstanding	Pay	Receive	Hedge	Fair value	Settlement amount
Interest rate swaps 2014								
89	No	USD	Yes	fixed	floating	cash flow	(5)	
95	No	USD	Yes	fixed	floating	cash flow	(7)	
Cross-currency swaps 2014								
250	No	EUR/USD	Yes	floating	floating	fair value	15	
Interest rate swaps 2013								
97	No	USD	Yes	fixed	floating	cash flow	(8)	
102	No	USD	Yes	fixed	floating	cash flow	(9)	
Cross-currency swaps 2013								
250	No	EUR/USD	Yes	floating	floating	fair value	(17)	
(in €millions)								

Foreign exchange contracts

TNT entered into short-term foreign exchange derivatives to hedge foreign exchange fair value and cash flow risks. The fair value of these outstanding foreign exchange hedges is recorded as a current asset in prepayments and accrued income or as a current liability in total current borrowings. The foreign exchange result on the outstanding fair value hedges is recorded in the income statement and mitigates the foreign exchange exposure and results on the underlying items of the statement of financial position.

The details relating to outstanding foreign exchange contracts are presented in the following table:

Outstanding foreign exchange contracts	Notes	Carrying value	Fair value	Nominal value	Hedge	At 31 December Amount in equity
Foreign exchange contracts 2014						
Asset	(6)	4	4	476	fair value/ cash flow	0
Liability	(12)/(13)	6	6	442	fair value	N/A
Foreign exchange contracts 2013						
Asset	(6)	5	5	445	fair value	N/A
Liability	(12)/(13)	8	8	613	fair value/ cash flow	0
(in €millions)						

The cash flow hedges on highly probable forecasted transactions denominated in foreign currency are expected to occur at various dates during the next 12 months. Gains and losses recognised in the hedging reserve in equity on the effective portion of the forward exchange contracts as of 31 December 2014 amount to €0 million (2013: 0). These reserves are recognised in the income statement in the period or periods during which the hedged forecasted transaction affects the income statement. The total ineffective portion recognised in the income statement arose from the usage of fair value hedges amounted to a result of €0 million (2013: 0). The total ineffective portion recognised in the income statement that arose from the usage of cash flow hedges amounted to a result of €0 million (2013: 0).

31 Earnings per share

(No corresponding financial statement number)

The diluted number of ordinary shares is zero.

The calculation of basic earnings per share is based on an average of 546,396,949 ordinary shares.

The following table summarises the outstanding shares for TNT's computation related to earnings per share:

Outstanding shares information Year averages and numbers at 31 December	2014	2013
Number of issued and outstanding ordinary shares	548,208,226	544,957,426
Average number of ordinary shares per year	546,396,949	544,171,809
Average number of ordinary shares per year on fully diluted basis in the year	546,396,949	544,171,809

32 Disclosure on interest in other entities

The amounts recognised in the statement of financial position are as follows:

Amounts recognised in the financial statement

Year ended at 31 December	2014	2013
Associates		1
Joint ventures	17	15
Total	17	16

(in €millions)

The amounts recognised in the income statement are as follows:

Amounts recognised in the income statement

Year ended at 31 December	2014	2013
Associates	1	17
Joint ventures	6	5
Total	7	22

(in €millions)

Investment in joint ventures

Investment in joint ventures

	2014	2013
Balance at 1 January	15	19
Share of profit	6	5
Dividend received	(5)	(8)
Other comprehensive income/other	1	(1)
Balance at 31 December	17	15

(in €millions)

The joint ventures listed below have share capital consisting solely of ordinary shares, which are held directly by the Group.

Name of entity

	Place of business/country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
TNT Swiss Post AG	Switzerland	50	Note 1	Equity
TNT Express Luxembourg SA	Luxembourg	50	Note 1	Equity
PNG Air Charter Services Limited	Papua New Guinea	50	Note 2	Equity
X-Air Services NV/SA	Belgium	50	Note 3	Equity

Note 1: Express delivery services for domestic and international markets
Note 2: Air freight charter services in Asia Pacific
Note 3: Aircraft maintenance services and technical support

All joint ventures are private companies and there is no quoted market price available for their shares.

Commitments and contingent liabilities in respect of joint ventures

The Group has no commitments or contingent liabilities relating to its interest in joint ventures.

Summarised financial information for joint ventures

Set out below are the summarised financial information for TNT Swiss Post AG, which in the opinion of management is material to the Group and is accounted for using the equity method.

Summarised statement of financial position		
At 31 December	2014	2013
Non-current		
Total non-current assets	3	2
Financial liabilities	0	0
Other liabilities	2	2
Total non-current liabilities	2	2
Current		
Cash and cash equivalents	0	0
Other current assets (excluding cash)	56	52
Total current assets	56	52
Trade accounts payable	19	16
Other current liabilities (excluding trade accounts payables)	19	19
Total current liabilities	38	35
Net amount	19	17
(in €millions)		

Summarised statement of comprehensive income		
At 31 December	2014	2013
Revenue	128	123
Depreciation and amortisation	1	1
Interest income	0	0
Interest expense	0	0
Pre-tax profit from continuing operations	12	10
Income tax expense	(2)	(2)
Post-tax profit from continuing operations	10	8
Other comprehensive income	0	0
Total comprehensive income	10	8
Dividends received from joint ventures	4	7
(in €millions)		

The information above reflects the amounts presented in the financial statements of TNT Swiss Post AG, adjusted for differences between the accounting policies of TNT Swiss Post AG and that of the Group.

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented to the carrying amount of its interest in joint ventures.

Summarised financial information		
	2014	2013
Opening net assets at 1 January	31	38
Profit/(loss) for the period	13	10
Dividend received	(10)	(16)
Other comprehensive income	0	(1)
Closing net assets at 31 December	34	31
Interest in joint ventures @50%	17	15
Carrying value	17	15
(in €millions)		

33 Related party transactions and balances

(No corresponding financial statement number)

Joint ventures

TNT has trading relationships at arm's length with a number of joint ventures and unconsolidated companies in which it holds minority shares. In some cases there are contractual arrangements in place under which the TNT entities source supplies from such undertakings, or such undertakings source supplies from TNT.

During 2014, purchases of TNT from joint ventures amounted to €25 million (2013: 25). Sales made by TNT companies to its joint ventures were €30 million (2013: 29). The net amounts due to joint venture entities amounted to €27 million (2013: 25). At 31 December 2014, net amounts due to associated companies amounted to €0 million (2013: 1).

Key management

In 2014, key management consisted of the Executive Board and the Management Board. The remuneration costs for key management are disclosed in the following table:

Remuneration costs key management

	Salaries & short-term employee benefits	Post-employment benefits	Share-based benefits	Termination benefits	Total remuneration 2014	Total[1] remuneration 2013
Key management	4,972,408	591,769	552,129	2,368,785	8,485,090	5,838,020
Total	4,972,408	591,769	552,129	2,368,785	8,485,090	5,838,020

[1]The total 2013 remuneration costs include a one-off employer tax of € 274,043 according to Dutch tax law.

(in €)

PostNL companies

At 31 December 2014, TNT is owned by PostNL N.V. ("PostNL") for approximately 14.8%, as per the AFM register, of TNT's outstanding share capital. TNT also has trading relationships with a number of PostNL subsidiary companies.

Relationship Agreement

As a result of the demerger, TNT and PostNL entered into a relationship agreement which contains certain arrangements in respect of the stake that PostNL retained in TNT after the demerger ('the Relationship Agreement'). The Relationship Agreement was updated in February 2013, amongst others to provide for relaxation of certain conditions and restrictions in respect of possible divestment by PostNL of its shareholding, or part thereof, in TNT. The Relationship Agreement will terminate if PostNL holds less than 5% of the ordinary shares.

The following is a summary of certain important elements of the Relationship Agreement.

- Future ordinary share sale

  PostNL may sell the ordinary shares it owns in whole or in part in an orderly market manner. PostNL must inform TNT of its intention to perform such sale. In the event of a private placement or accelerated bookbuild offering of 10% or more of the ordinary shares, PostNL is subject to another lock-up period of 90 days for the remainder of the stake as from completion of such placement or offering, it being understood that PostNL may sell by way of a private placement part, or the whole, of the remainder of its stake during such 90-days lock-up period to a party who commits that it will not sell the shares for the remainder of such period of 90 days after that party's acquisition of the shares. This lock-up period may be shortened or waived with the prior written consent of TNT. Subject to this provision and except if a public offer is made for TNT (refer to section 'Public offer for TNT below), there will be no restrictions for PostNL as to the method of sale and transfer of (part of) its stake in TNT.

  Subject to PostNL's obligations in case a public offer is made for TNT (refer to section 'Public offer for TNT below), PostNL may not sell in one transaction or a series of transactions other than by way of an accelerated bookbuild offering 15% or more of the shares to one party or a group of related parties, unless such party or parties commits that it will not exercise the voting rights beyond the 15%.
  If PostNL proposes an offering that entails TNT's involvement in the form of a management road show and/or the preparation of a Prospectus (a "Fully Marketed Offering") of (part of) TNT's ordinary shares, PostNL and TNT will work together in preparing the Fully Marketed Offering to the highest possible standard. There may be one Fully Marketed Offering in any nine month period. In connection with a Fully Marketed Offering TNT may propose a bookrunner who will subsequently be appointed by PostNL.

If PostNL sells (part of) the ordinary shares it owns other than by way of a Fully Marketed Offering, TNT will facilitate such sale by providing an opportunity to perform a limited due diligence investigation by a bona fide, creditworthy potential buyer of more than 5% of the ordinary shares (if and to the extent requested by PostNL).

PostNL may not acquire any additional ordinary shares, provided that PostNL may acquire shares indirectly upon the acquisition of another business for other business reasons than the acquisition of shares in TNT as long as its stake in TNT as a result of such acquisition will be 29.9% or less.

- Public offer for TNT
  If a public offer is made for TNT, PostNL will be obliged to tender its ordinary shares if the Executive Board and the Supervisory Board support that offer and/or recommend the offer to the shareholders. If the Executive Board and the Supervisory Board (i) support the offer and take a neutral position as to recommending it to the shareholders or (ii) do not support the offer and do not recommend the offer to the shareholders, then PostNL will be obliged to tender its stake (a) if 66.67% of the other ordinary shares are tendered under the offer (in the situation that PostNL's stake is between 29.8% and 25% of the ordinary shares) or (b) if a percentage of the other ordinary shares is tendered under the offer equal to 50% of all ordinary shares (in the situation that PostNL's stake is lower than 25% of the ordinary shares).

  The position of the Executive Board and of the Supervisory Board towards the offer will be as set out in the position statement of the Executive Board (and the Supervisory Board) as is customary in the context of an offer.

  If multiple public offers are simultaneously made for TNT by making an offer memorandum publicly available, PostNL must tender its stake under the offer for which most shares have been tendered, irrespective of the recommendation made by the Executive Board and the Supervisory Board, provided that more than 50% of the other shares have been tendered under all offers made.

  In the event of a proposed legal merger of TNT, which merger entails a change of control of TNT, PostNL must attend the general meeting and must vote in favour of such legal merger if the majority of the other shareholders support and vote in favour of such legal merger. This obligation terminates if PostNL holds 10% or less of the ordinary shares in TNT.

- Mandatory offer
  If TNT intends to resolve or propose that the general meeting resolve any matter that might trigger PostNL having to make a mandatory offer for TNT, TNT must inform PostNL in writing at least 20 business days before taking such resolution and/or proposing to take such resolution. This is to enable PostNL to take such measures as are required for it not having to make a mandatory offer. If TNT notifies PostNL of such proposed resolution, PostNL must sell or otherwise transfer such number of its ordinary shares to prevent that a mandatory offer has to be made within 30 days after a triggering event has taken place.

- Information and reporting
  TNT will provide PostNL with certain financial and other information reasonably requested by PostNL as detailed in the Relationship Agreement, to enable PostNL to satisfy its ongoing financial reporting, audit and other legal and regulatory requirements. It is taken into account that TNT has to comply with legal obligations concerning the content and timing of disclosure and rules on disclosure.

- Governing law
  The Relationship Agreement is governed by Dutch law.

In some cases there are contractual arrangements in place under which the TNT entities source supplies from PostNL, or PostNL sources supplies from TNT.

The following transactions were carried out with PostNL companies:

Transactions with PostNL companies

Year ended at 31 December	2014	2013
Direct operational services to PostNL companies	10	9
Direct operational services from PostNL companies[1]	(3)	(1)

[1]Amounts between brackets represent costs.
(in €millions)

34 Segment information

(No corresponding financial statement number)

The Executive Board discloses the following reportable segments:

- International Europe
- International AMEA
- Domestics
- Unallocated

Segmentation – results

Segment information relating to the income statement

Year ended at 31 December 2014	International Europe	International AMEA	Domestics	Unallocated	Total
Net sales	2,728	900	2,543	301	6,472
Intercompany sales	5		2	(7)	0
Other operating revenues	10	6	2	190	208
Total operating revenues	2,743	906	2,547	484	6,680
Other income/(loss)	1	2	4	10	17
Depreciation/impairment of property, plant and equipment	24	10	56	51	141
Amortisation/impairment of intangibles	34	3	8	24	69
Total operating income	30	50	(8)	(158)	(86)
Net financial income/(expense)					(24)
Results from investments in associates					7
Income tax					(87)
Profit/(loss) for the period					(190)
Attributable to:					
Non-controlling interests					5
Equity holders of the parent					(195)
Number of employees (headcount)	15,205	9,260	27,864	5,963	58,292

(in €millions)

Taxes and net financial income are dealt with at TNT Group level and not within the reportable segments. As a result, this information is not presented as part of the reportable segments. The key financial performance indicator of the reportable segments for management is operating income, which is reported on a monthly basis to the chief operating decision-makers.

In 2014, other income related to a €7 million profit on the sale of TNT Fashion Group B.V. (TNT Fashion), other assets held for disposal of €2 million, and miscellaneous items of €8 million.

Operating income included significant non-cash items related to depreciation, amortisation and impairment of €210 million, of which €32 million is related to goodwill impairment in International Europe.

Segment information relating to the income statement

Year ended at 31 December 2013	International Europe	International AMEA	Domestics	Unallocated	Total
Net sales	2,709	1,054	2,560	390	6,713
Intercompany sales	5		5	(10)	0
Other operating revenues	8	7	1	175	191
Total operating revenues	2,722	1,061	2,566	555	6,904
Other income/(loss)	5	2	1	200	208
Depreciation/impairment of property, plant and equipment	25	13	46	15	99
Amortisation/impairment of intangibles	5	2	244	84	335
Total operating income	60	54	(212)	107	9
Net financial income/(expense)					(22)
Results from investments in associates					22
Income tax					(131)
Profit/(loss) for the period					(122)
Attributable to:					
Non-controlling interests					0
Equity holders of the parent					(122)
Number of employees (headcount)	15,296	9,528	29,377	5,842	60,043

(in €millions)

In 2013, other income included the receipt of the UPS termination fee of €200 million in Unallocated, an amount of €4 million in International Europe relating to the settlement of a claim, the reversal in International AMEA of the 2012 fair value adjustment of the two Boeing 747 freighters of €17 million, partly offset by a fair value adjustment in International AMEA of €15 million.

In 2013, operating income included significant non-cash items related to depreciation, amortisation and impairment of €434 million, of which €58 million is related to goodwill impairment in Unallocated, €236 million in Domestics and €-39 million was related to reversal of the Boeing 747 freighters impairment charges in International AMEA.

Unallocated operating income

Year ended at 31 December	2014	2013
Goodwill impairments		(58)
Software impairments	(2)	
Restructuring-related	(37)	(9)
Implementation cost	(50)	
UPS termination fee		200
UPS offer-related cost		(5)
Profit on the sale of TNT Fashion Group B.V.	7	
Provision related to the French competition case	(50)	
Other	(26)	(21)
Total Unallocated operating income	(158)	107

(in €millions, except percentages)

Unallocated covers mainly:
- the results of activities related to TNT Innight activities;
- the results of Central Networks; and
- the expenses of activities related to the TNT Head Office. These costs are included net of the recovery charges allocated to individual geographic and business segments.

In accordance with IAS 19.34a, TNT Express N.V., as the sponsoring employer for the two Dutch pension funds, recognised in its corporate financial statements the contributions received from the relevant TNT Group companies as a benefit that offsets the defined benefit employer pension expense. The relevant TNT Group companies recognised in their financial statements the cost equal to the contributions payable for the period. For segment reporting TNT Express N.V. and TNT Nederland B.V. (Head Office) are part of Unallocated, whereas the relevant Dutch operating companies are part of International Europe.

Information on statement of financial position

A reconciliation of the segment information relating to the statement of financial position of the reportable segments is presented in the following table:

Segment information relating to the statement of financial position

At 31 December 2014	International Europe	International AMEA	Domestics	Unallocated	Total
Intangible assets	596	256	185	80	1,117
Property, plant and equipment	198	32	402	306	938
Trade accounts receivable	411	162	354	41	968
Other current assets	80	102	128	709	1,019
Total assets	1,377	566	1,135	1,199	4,277
Trade accounts payable	142	47	209	73	471
Other current liabilities	281	119	374	344	1,118
Total liabilities	471	185	792	637	2,085
Cash out for capital expenditures	23	18	73	76	190

(in €millions)

The statement of financial position information at 31 December 2013 is as follows:

Segment information relating to the statement of financial position

At 31 December 2013	International Europe	International AMEA	Domestics	Unallocated	Total
Intangible assets	628	257	184	68	1,137
Property, plant and equipment	204	28	328	328	888
Trade accounts receivable	396	138	335	61	930
Other current assets	66	101	81	806	1,054
Total assets	1,386	538	1,021	1,296	4,241
Trade accounts payable	131	36	179	84	430
Other current liabilities	262	109	315	351	1,037
Total liabilities	435	161	559	666	1,821
Cash out for capital expenditures	27	17	52	37	133

(in €millions)

Geographical segment information

The segment information from a geographical perspective is derived as follows:

- The basis of allocation of net sales by geographical areas is the country or region in which the entity recording the sales is located.
- Segment assets and investments are allocated to the location of the assets.

Net sales

Year ended at 31 December	2014	2013
Europe		
The Netherlands	375	458
United Kingdom	902	873
Italy	543	577
Germany	744	748
France	736	734
Belgium	193	190
Rest of Europe	1,006	996
Other Americas		
United States and Canada	77	71
South & Middle America	393	369
Africa & the Middle East	176	166
Australia & Pacific	609	637
Asia		
China and Taiwan	328	505
India	47	42
Rest of Asia	343	347
Total net sales	6,472	6,713

(in €millions)

Employees						
Year ended at 31 December	International Europe	International AMEA	Domestics	Unallocated	2014	2013
Europe						
The Netherlands	1,220		7	871	2,098	2,919
United Kingdom	784		7,988	768	9,540	10,036
Italy	192		2,444		2,636	2,774
Germany	3,697		0	1,025	4,722	4,972
France	455	11	3,942	35	4,443	4,642
Belgium	626			1,874	2,500	2,574
Rest of Europe	7,200			568	7,768	7,574
Other Americas						
United States and Canada	850				850	827
South & Middle America	14		9,170		9,184	9,118
Africa & the Middle East	167	1,834		652	2,653	2,635
Australia & Pacific			4,313		4,313	4,338
Asia						
China and Taiwan		3,051			3,051	3,015
India		749			749	729
Rest of Asia		3,615		170	3,785	3,890
Total	15,205	9,260	27,864	5,963	58,292	60,043

Certain comparative figures have been reclassified to conform to the current year's segment presentation.

35 Subsequent events

(No corresponding financial statement number)

36 Fiscal unity in the Netherlands

(No corresponding financial statement number)

TNT Express N.V. forms a fiscal unity with several Dutch entities for Corporate Income Tax and VAT purposes. The Dutch entities that are part of these fiscal unities are included in the list containing the information referred to in article 379 and article 414 of Book 2 of the Dutch Civil Code, which is filed at the office of the Chamber of Commerce in Amsterdam. The company and its subsidiaries that form part of the respective fiscal unities are jointly and severally liable for taxation payable by these fiscal unities.

TNT EXPRESS N.V. CORPORATE BALANCE SHEET/CORPORATE INCOME STATEMENT

TNT Express N.V. Corporate balance sheet

Before proposed appropriation of profit	Notes	31 December 2014	variance %	31 December 2013
Assets				
Non-current assets				
Investments in Group companies		2,661		2,733
Deferred tax assets		33		5
Total financial fixed assets	(37)	2,694	(16)	2,738
Pension asset	(39)	0		0
Total non-current assets		2,694	(16)	2,738
Current assets				
Accounts receivable from Group companies		3		1
Other accounts receivable		71		7
Total current assets		74		8
Total assets		2,768	0.8	2,746
Liabilities and equity				
Equity	(9)(38)			
Issued share capital		44		44
Additional paid-in capital		2,500		2,647
Legal reserves		12		(84)
Other reserves		(181)		(69)
Retained earnings		(195)		(125)
Total shareholders' equity		2,180	(9.7)	2,413
Non-current liabilities				
Deferred tax liabilities	(23)	0		0
Provisions for pension liabilities	(39)	132		22
Total non-current liabilities		132	500.0	22
Current liabilities				
Accounts payable to Group companies		401		308
Short term provision		50		0
Other current liabilities		4		0
Accrued current liabilities		1		3
Total current liabilities		456		311
Total liabilities and equity		2,768	0.8	2,746

[1]For comparative purposes 2013 numbers have been restated to reflect the impact of changes in accounting policies.

(in €millions, except percentages)

TNT Express N.V. Corporate income statement

Year ended at 31 December	2014	2013
Results from investments in Group companies/associates after taxes	(149)	(245)
Other income and expenses after taxes	(46)	123
Profit/(loss) attributable to the shareholders	(195)	(122)

[1]For comparative purposes 2013 numbers have been restated to reflect the impact of changes in accounting policies.

(in €millions)

The accompanying notes form an integral part of the financial statements.

NOTES TO THE CORPORATE BALANCE SHEET AND INCOME STATEMENT ACCOUNTING POLICIES FOR VALUATION AND DETERMINATION OF RESULT TNT EXPRESS N.V.

The corporate financial statements for the year ended 31 December 2014 have been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. TNT has applied the option in article 362 (8) to use the same principles of valuation and determination of result for the corporate financial statements as the consolidated financial statements. As a result, TNT's investments in Group companies are stated using the 'net asset value method' ('*nettovermogenswaardemethode*'). For the principles of valuation of assets and liabilities and for the determination of results reference is made to the notes to the consolidated statement of financial position and income statement.

37 Total financial fixed assets: 2,661 million (2013: 2,733)

Statement of changes

	Investments in Group companies
Balance at 31 December 2012	2,901
Changes in 2013	
Results	(245)
Additions to capital	150
Other changes	(73)
Total changes	(168)
Balance at 31 December 2013	2,733
Changes in 2014	
Results	(149)
Exchange rate differences/other	77
Total changes	(72)
Balance at 31 December 2014	2,661

(in €millions)

At 31 December 2014, total investment in Group companies amounted to €2,661 million (2013: 2,731). No dividend was received in 2014 (2013: 0). Exchange rate differences/other changes of €79 million (2013: -75) consisted of cumulative translation adjustments and movement caused by actuarial gain and loss, cash flow hedges and share-based payments.

38 Equity: 2,180 million (2013: 2,413)

Consolidated statement of changes in equity

	Issued share capital	Additional paid-in capital	Legal reserves	Other reserves	Retained earnings	Attributable to equity holders of the parent
Balance at 31 December 2012	43	2,749	(4)	(92)	(86)	2,610
Profit/(loss) for the period					(122)	(122)
Other comprehensive income/(loss)			(72)	13		(59)
Total comprehensive income/(loss)			(72)	13	(122)	(181)
Final dividend previous year		(11)				(11)
Interim dividend		(7)				(7)
Compensation retained earnings		(83)			83	
Legal reserves reclassifications			(8)	8		
Share-based payments				2		2
Stock dividend	1	(1)				
Total direct changes in equity	1	(102)	(8)	10	83	(16)
Balance at 31 December 2013[1]	44	2,647	(84)	(69)	(125)	2,413
Profit/(loss) for the period					(195)	(195)
Other comprehensive income/(loss)			89	(109)		(20)
Total comprehensive income/(loss)			89	(109)	(195)	(215)
Final dividend previous year		(7)				(7)
Interim dividend		(15)				(15)
Compensation retained earnings		(125)			125	
Legal reserves reclassifications			7	(7)		
Share-based payments				5		5
Stock dividend	0	(0)				0
Other				(1)		(1)
Total direct changes in equity	0	(147)	7	(3)	125	(18)
Balance at 31 December 2014	44	2,500	12	(181)	(195)	2,180

[1]For comparative purposes 2013 numbers have been restated to reflect the impact of changes in accounting policies.

(in €millions)

Refer to note 9 for additional details on equity.

39 Provision for pension liabilities: 132 million (2013: 22)

TNT Express N.V. is the co-sponsoring employer for two Dutch pension plans along with PostNL, which are externally funded in two separate pension funds and cover the majority of TNT's employees in the Netherlands. In accordance with IAS 19.34a, the net defined benefit cost is recognised in the corporate financial statements of TNT Express N.V. The relevant Group companies recognise the costs equal to the contribution payable for the period in their financial statements. For TNT, the contributions received from the other Group companies offset the pension expense.

The following table reconciles the opening and closing balances of the present value of the defined benefit obligation and the fair value of plan assets for the TNT Express N.V. sponsored Group pension plans.

Pension disclosures	2014	2013
Change in benefit obligation		
Benefit obligation at beginning of year	473	508
Service costs	20	23
Interest costs	19	21
Past service cost	(12)	(2)
Actuarial (loss)/gain	200	(72)
Benefits paid	(7)	(5)
Benefit obligation at end of year	693	473
Change in plan assets		
Fair value of plan assets at beginning of year	451	463
Actual return on plan assets	93	(33)
Other movement/adminstation cost	(1)	(1)
Contributions	25	27
Benefits paid	(7)	(5)
Fair value of plan assets at end of year	561	451
Funded status at 31 December		
Funded status	(132)	(22)
Net pension asset/(liability)	(132)	(22)
Components of employer pension expense		
Service costs	(20)	(23)
Interest costs	(19)	(21)
Expected return on plan assets	16	19
Past service cost	12	2
Other cost/administration cost	(1)	(1)
Total post employment benefit income/(expenses)	(12)	(24)
Weighted average assumptions as at 31 December		
Discount rate	2.3%	3.9%
Expected return on plan assets	2.3%	3.9%
Rate of compensation increase	2.0%	2.0%
Rate of benefit increase	1.3%	1.5%

(in €millions, except percentages)

40 Wages and salaries

(No corresponding financial statement number)

The employees of TNT Express N.V. consist solely of the members of the Executive Board. Hence no salary and social security costs were incurred besides those disclosed in note 19. In accordance with IAS 19.34, the net defined benefit cost shall be recognised in the corporate financial statements of TNT Express N.V. Refer to note 39 for more information on defined benefit pension costs, and to note 19 for the remuneration of the Executive Board and Supervisory Board.

41 Commitments not included in the balance sheet

(No corresponding financial statement number)

Declaration of joint and several liability

At 31 December 2014, TNT Express N.V. issued a declaration of joint and several liability for some of its Group companies in compliance with article 403 Book 2 of the Dutch Civil Code. Those Group companies are:
TNT Express Holdings B.V.
TNT Express Nederland B.V.
TNT Express Road Network B.V.
TNT Express Worldwide N.V.
TNT Finance B.V.
TNT Nederland B.V.
TNT Holdings B.V.
TNT Innight B.V.
TNT Skypak Finance B.V.
TNT Skypak International (Netherlands) B.V.
TNT Transport International B.V.

Fiscal unity in the Netherlands

TNT Express N.V. forms a fiscal unity with several Dutch entities for Corporate Income Tax and VAT purposes. The Dutch entities that are part of these fiscal unities are included in the list containing the information referred to in article 379 and article 414 of Book 2 of the Dutch Civil Code, which is filed at the office of the Chamber of Commerce in Amsterdam. The company and its subsidiaries that form part of the respective fiscal unities are jointly and severally liable for taxation payable by these fiscal unities.

Guarantees

TNT Express N.V. provided parental support in the form of specific guarantees to various subsidiaries, in addition to the declaration of joint and several liability in compliance with article 403 of Book 2 of the Dutch Civil Code: €600 million relating to the multi-currency committed revolving credit facility, a €500 million commercial paper programme, a €280 million (2013: 280) credit facility on its cross-currency cash pool as well as various guarantees included in International Swaps and Derivatives Association (ISDA) agreements with banks for the trading of financial derivatives which are materially issued for the TNT business; in addition to smaller uncommitted credit and guarantee facilities.

TNT Express N.V. also guarantees the liabilities under the financial and operating lease agreements of aircraft including the Boeing 747 freighters and Boeing 777 freighters. Furthermore, guarantees of €120 million (2013: 112) were issued amongst others for credit and foreign exchange facilities for its subsidiary TNT Express Worldwide (China) Ltd. in addition to smaller uncommitted credit and guarantee facilities to various subsidiaries. TNT Express N.V. has no guarantees outstanding for the benefit of unconsolidated subsidiaries and third parties, other than those provided in the ordinary course of divestments and other transactions.

The cross-guarantee arrangement between TNT and PostNL regarding pensions is described in note 28.

42 Subsidiaries and associated companies at 31 December 2014

(No corresponding financial statement number)

The full list containing the information referred to in article 379 and article 414 of Book 2 of the Dutch Civil Code is filed at the office of the Chamber of Commerce in Amsterdam.

Hoofddorp, 17 February 2015

EXECUTIVE BOARD

L.W. Gunning (Chairman)
M.J. de Vries

SUPERVISORY BOARD

A. Burgmans (Chairman)
M.E. Harris
R. King
S. Levy
M. Scheltema
Sj.S. Vollebregt

TNT Express N.V.
Taurusavenue 111
2132 LS Hoofddorp
P.O. Box 13000
1100 KG Amsterdam
The Netherlands

OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

To: the Annual General Meeting of Shareholders and the Supervisory Board of TNT Express N.V.

Report on the 2014 financial statements

Our opinion

In our opinion:

- the consolidated financial statements as set out on pages 68 to 133 give a true and fair view of the financial position of TNT Express N.V. as at 31 December 2014 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the corporate financial statements as set out on pages 134 to 138 give a true and fair view of the financial position of TNT Express N.V. as at 31 December 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2014 as set out on pages 68 to 138 of TNT Express N.V., Hoofddorp ('the Company' or collectively with its subsidiaries 'the Group'). The financial statements include the consolidated financial statements and the corporate financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2014;
- the following statements for 2014: the consolidated income statement and the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The corporate financial statements comprise:

- the corporate balance sheet as at 31 December 2014;
- the corporate income statement for the year then ended; and
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the corporate financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of TNT Express N.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA).

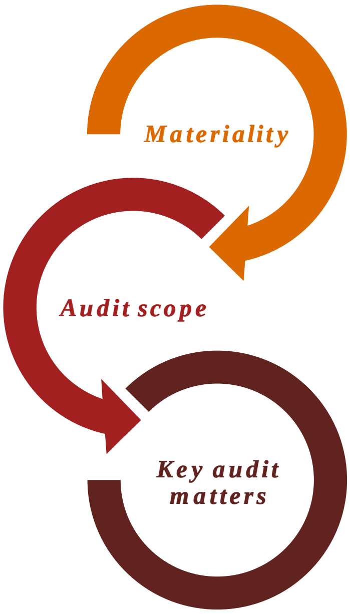
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Executive Board made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that may represent a risk of material misstatement due to fraud.

Our engagement consists of certain specified procedures on the second quarter interim financial statements, pre year-end closing procedures in the fourth quarter 2014 and the year-end audit. Given the size of the Company and its operations we are involved on a continuous basis and have ongoing discussions with the finance functions, corporate and local management, the Executive Board and Audit Committee. We have attended all Audit Committee meetings during the year and presented our findings in the Supervisory Board meeting in February 2015.



Materiality

– Overall materiality: €10 million which represents 5% of adjusted profit before tax.

Audit scope

– We conducted audit work on 32 locations. We paid particular attention to the European Road Network, IT Central Services ('ICS') and TNT Airways network entities and (foreign) holding entities with treasury or tax significance or represented higher risk. As part of our unpredictability procedures we selected 4 smaller reporting entities on a rotational basis, which are subject to audit procedures by the Company's internal audit department.

– During the calendar year site visits were conducted by senior members of the group audit team to 8 countries where the Company has operations – Australia, Brazil, France, Italy, Poland, Spain, the United Kingdom and the United States of America.

Key audit matters

– Restructuring provision and organisational changes
– Disclosure of new segmentation in international and domestic activities
– Reallocation of goodwill and related sensitivity to the valuation of goodwill
– Uncertain tax positions and valuation of deferred tax assets in various jurisdictions
– Claims and litigations
– Management override of controls

Materiality

The scope of our audit is influenced by the application of materiality. Our audit opinion aims on providing reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We set certain quantitative thresholds for materiality. These, together with qualitative considerations as part of our risk analysis, helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on our opinion.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

Overall group materiality	€10 million (2013: 10).
How we determined it	5% of adjusted profit before tax. This adjustment consists of specific non-recurring items and finance lease expenses, which are audited in more detail. Non-recurring items include for example restructuring charges and impairment charges.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements. On this basis we believe that profit before tax is an important metric for the financial performance of the Company.

We also take misstatements and/or possible misstatements into account that, in our judgment, are material for qualitative reasons.

We agreed with the Audit Committee that we would report to them misstatements in the income statement identified during our audit exceeding €0.5 million (2013: 0.5) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

TNT Express N.V. is the holding company of a group of entities. The financial information of this group is included in the consolidated financial statements of TNT Express N.V.
When setting the scope of our audit of the Group we consider the following key factors in the control environment:

- We rely on the Group's Internal Control on Financial Reporting ('ICFR') framework and the monitoring of this framework. Where relevant we test this framework at the Company's head office and in some selected countries in order to be able to rely on it;
- The majority of the IT environment of the Group is centralised in the IT service centre. We test these systems and procedures centrally and provide assurance on the central IT General Controls to the component audit teams;
- The system for international deliveries is centrally maintained. We use the system data as a basis for centralised revenue assurance procedures. These revenue reports are followed up at the component level by component audit teams;
- We undertake work and provide an independent assurance report concerning the Group's Financial Transfer Pricing process which is centrally organised. Our component audit teams apply the findings and gain comfort from this report;
- We liaise with the Group's Internal Audit department. They perform financial and operational audits on a rotational and risk assessment basis. In addition to our group audit scope, we also selected 4 smaller entities on a rotational basis as part of our unpredictability procedures. These audits are performed by Internal Audit. We perform procedures to ensure that we can place sufficient reliance on Internal Audit, such as assessing their objectivity and competence, their system of quality review, by providing them specific instructions and reviewing their audit files.

Taking into account the key factors above we tailor the scope of our audit of the Group.

How we tailored the scope of our group audit

Considering our ultimate responsibility for the opinion on the Company's consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group reporting entities for which an audit of financial information or specific balances was considered necessary and included tax, valuation, pension and share based payments specialists in our group audit team.
The group audit is aligned with the divisional structure and strategy of TNT Express N.V. In the 'Domestics' division, all countries with the exception of Chile have been identified as significant components, being - Australia, Brazil, France, Italy, and the United Kingdom. In addition, significant components have been identified in the 'International Europe' division (for example Germany) and the 'International AMEA' division (for example China). In our view, due to their significance and/or risk characteristics, each of these components required a full scope audit of their financial information. We also included all significant network entities in our group audit scope by performing full scope or specified audit procedures on European Road Network, IT Central Services, Eurohub and TNT Airways.
We issued specific instructions to the audit teams of the components in our audit scope. These instructions included our risk analysis, materiality and global audit approach to centralised processes and systems. We determined the level of involvement in the audit work at those entities in order to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the group financial statements as a whole. We formally update our component teams three times during the year via conference calls in which we present recent developments, the scope of our audit, audit risks, materiality and our global audit approach. We also had individual calls with every component team on three occasions during the year. During these calls we discuss the reports of the component team, the findings of their procedures and other matters which could be of relevance for the group financial statements. In addition, separate calls were held on an ongoing basis between senior members of the group audit team and the component auditors. During these calls we share local findings and consider their follow up or the need for support or information from a central level. The group audit team visits a number of the component teams annually. In the current year senior members of the group team visited: Australia, Brazil, France, Italy, Poland, Spain, the UK and the USA. Our selection is based on the relative significance of the entities within the group or specific risks identified

- for example, in relation to the organisational changes (refer to key audit matter 'Organisational changes and Restructuring provision').

The Company operates three segments with centralised control. In addition, holding, central network and certain other activities are included in the unallocated segment. This implies that significant and/or complex transactions are executed or monitored by the TNT Head Office. Therefore the group audit team performs audit work on the following group entities: TNT Nederland B.V., TNT Finance B.V., TNT Transport International B.V., TNT Express N.V., TNT Express Nederland B.V., and TNT European Road Network B.V.

The group consolidation, financial statement disclosures and a number of items are audited by the group audit team at the TNT Head Office. These include, goodwill impairment testing, derivative financial instruments, hedge accounting, segmentation, aircraft valuations, group tax risks, certain deferred tax assets, share based payments, restructuring costs, claims and litigations, pension accounting, disposal of group companies, follow up on whistleblower allegations, ethics and compliance with laws and regulations. We have also issued specified procedure instructions to obtain comfort over taxation issues in the German, French and Belgian holding entities.

By performing the procedures above at components, combined with additional procedures at group level, we have obtained sufficient and appropriate audit evidence regarding the financial information of the group as a whole to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the Supervisory Board, but they are not a comprehensive reflection of all matters that were identified by our audit and that we discussed. We described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
Restructuring provision and organisational changes	
Since 2013, the Company has been engaged in a number of strategic organisational changes, most notably the *Deliver!* and *Outlook* programmes. – During 2013 and 2014 several restructuring plans have been implemented as part of the *Deliver!* and *Outlook* programmes. As at 31 December 2014 €117 million is provided on the balance sheet. We refer to Note 11 of the financial statements. The restructuring provisions are material to the financial statements and the recognition criteria and measurement are detailed and depends upon local circumstances. We refer to Chapter 4 to the Risk Management paragraph of the Annual Report.	In our audit we addressed the appropriateness and timely recognition of costs and provisions in accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets.* These recognition criteria are detailed and depend upon local communication and country specific labour circumstances. Recognition criteria can be an agreement with the unions, a personal notification or a settlement agreement. The component audit teams have performed detailed audit procedures on the recognition and measurement of these restructuring provisions. The group audit team has identified the completeness and accuracy of the restructuring provisions as a significant risk in the audit. Subsequently we have reviewed the reports of the component audit teams and discussed the recognition criteria. Where required we followed up centrally for supporting documentation. The restructuring provisions at head office were audited by the group audit team. We concur with management's position as set out in the financial statements.
– We have identified an increased risk in the Company's control environment in areas where these organisational changes took place. The Company has a framework in place which monitors the status of the internal control environment and management undertook mitigating actions based on internal and external audit findings, amongst others, where it was deemed necessary. We refer to the Risk Management paragraph in Chapter 4 to of the Annual Report.	During our engagement we monitored the control environment risk on a corporate and local level - specifically with respect to the quality of local and central closing procedures. This was done during our half-year procedures, hardclose and year-end audit. In particular the deficiencies as reported in the ICFR framework and the mitigating procedures by management were assessed by the Company and us. In our role as group auditor we specifically discussed these risks and the local observations with the component audit teams. Where required, additional procedures were performed by management, the component audit team and/or the group audit team. We determined that sufficient additional procedures were performed to mitigate these risks.

Key audit matter	How our audit addressed the matter
Disclosure of new segmentation in international and domestic activities	
As part of the *Outlook* programme the Company changed its reporting structure in order to separate the main domestic activities from the integrated international express activities in Europe and Asia, Middle East & Africa. As per 1 October 2014 the reporting structure of the group changed to the new structure as disclosed in note 34. IFRS 8 - *Operating Segments* requires identification of operating segments on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker ('CODM') which is the TNT Management Board. This assessment process has been disclosed in TNT's accounting policies. The segment information is an important disclosure in the financial statements and we have therefore performed additional procedures on this key audit matter.	Management assessed the requirements of IFRS 8 and how these have been addressed in the new segmentation. We have audited management's analysis and have compared these to our observations of the organisation and internal reporting process. We involved our financial reporting specialists during the review of the technical analysis. We performed detailed testing on the aggregation of legal entities and on the separation and re-allocation of the International and domestic activities within France, the United Kingdom and Italy. Some of these procedures were performed at a local level where we issued specified procedure instructions to component auditors on this carve out. We concur with the steps taken by management and the disclosure note in the financial statements.
Reallocation of goodwill and related sensitivity to the valuation of goodwill	
The implementation of the organisational structure as part of the *Outlook* programme resulted in a change of the composition of the goodwill allocated to the (groups of) Cash Generating Units ('CGUs'). Consequently, the goodwill amounting to €1,039 million has been re-allocated to the new TNT Express' (groups of) CGUs based on the relative fair value which were part of these former (groups of) CGUs. In addition, goodwill originating from previous acquisitions related to specific CGUs was allocated to the relevant CGU. The Company simultaneously performed the annual goodwill impairment test during the fourth quarter 2014. This led to an impairment charge of €32 million for the CGU TNT Spain. The assumptions and sensitivities in the four quarter 2014 impairment test are disclosed in note 1 to the financial statements. These sensitivity analysis are significant to our audit because the assessment process is complex and requires management judgement, and is based on assumptions that are affected by expected future market conditions.	Our audit procedures included detailed assessment and challenging of the calculations performed by management. We tested the allocation of goodwill to the new CGU and for specific goodwill we ensured that this related appropriately to these new CGUs. Our valuation specialists assisted us in evaluating and challenging the assumptions and methodologies applied by TNT Express N.V. in its impairment test, in particular those relating to the forecasted revenue growth and the (country) discount rate for various CGU's. We also focused on the adequacy of the Company's disclosures regarding those assumptions including the sensitivity analyses.
Uncertain tax positions and valuation of deferred tax assets in various jurisdictions	
The Group operates in various countries with local tax regulations. The country specific tax risks are a significant risk in our audit as these could result in potential material amounts payable. Management monitors these risks on a local and corporate level. The significant tax risks and mitigating actions are summarised in tax position papers. The Company has disclosed the tax risks in note 28 to the financial statements.	The main entities in the Group are subject to local audits and thus these risks are audited and reported at a component level. The group audit team reviewed those reports and discussed the associated risks with the component auditors. The TNT tax position papers and tax risks are audited by the group audit team with the involvement of our tax specialists. We liaised with our component audit teams in response to country specific tax risks.
The Company has recorded deferred tax assets in the financial statements resulting from deductible temporary differences and losses carried forward of €198 million as disclosed in note 23 to the financial statements. The Company recognises these deferred tax assets to the extent that it is probable that future taxable profits will allow the deferred tax assets to be recovered and recorded valuation allowances in the fourth quarter 2014, which impacted income tax expense. The realisation probability is impacted by a 3 to 5 year period for realisation of the full benefits of the *Outlook* investment and restructuring programmes, timing of these benefits, uncertainties regarding the realisation of such benefits, including the expiration date of losses and future taxable income.	We audited the available tax losses carried forward and deductible temporary tax differences. We considered the local expiry periods together with any applicable restrictions in recovery for each individual jurisdiction. In addition, our audit procedures included evaluating and challenging management's forecasts including the assumptions such as revenue growth and cost developments. We checked the consistency of underlying assumptions with those of the impairment analysis and particularly address allocation to the respective tax territories. We also assessed the past performance against business plans used by the Company to determine the future taxable income per country. We determined that the underlying plans provide sufficient ('convincing') evidence for recognition under IFRS.

Key audit matter	How our audit addressed the matter
Claims and litigations	
As outlined in the risk management section of Chapter 4 of the Annual Report, the Company is exposed to potential claims and litigation in a wide variety of areas. These areas include trade, anti-trust and export controls. In chapter 4 of the Annual Report, the risks and mitigating actions in response to potential claims and litigations have been reported. Most notably, in 2014 the Company received a Statement of Objections of the French Competition Authority ('FCA') with respect to the investigation of alleged anti-competitive behaviour in the French parcels delivery sector. The Company announced its settlement with the FCA in September 2014. As disclosed in note 11 a financial provision of €50 million is recorded and the exposure is also disclosed as a contingent liability in note 28 of the financial statements. Claims and litigation including any provisions are significant to our audit because management judgement is required, the assessment process is complex and is based on (potential) future developments.	We had update meetings with relevant compliance departments in TNT who are responsible for managing the compliance risks. We also had interviews, took note of their internal reports and where necessary involved subject matter experts. In respect of the French anti-competition case we reconciled and reviewed documentation of the legal proceedings and the settlement letter. Management performed a legal and financial assessment which we assessed. We challenged the ranges and assumptions included in management's calculation of the potential fine. We discussed these management judgements with the various central and local functions in the Group including Corporate Legal, the Executive Board and the Audit Committee. We reviewed the legal letters received from the Dutch and French external lawyers. We assessed the objectivity and competence of these experts. During these procedures we liaised with the French component audit team to combine and assess the local and central observations in this case. We conclude that management's accounting for claims and litigations is in accordance with the requirements of IFRS.
Management override of controls	
The Company operates in multiple jurisdictions and is subject to the risk of management override of controls and fraud. In order to address this risk, the Company has established a comprehensive governance structure as detailed in Chapter 4 of the Annual Report.	In our audit, we performed audit procedures which allow us to rely, to the extent possible, on management's governance structure. We also perform additional audit procedures designed to identify the risk of management override of controls. These procedures included, amongst others, an assessment of the corporate 'tone-at-the-top', compliance with Company policies, review of internal audit reports, budget to actual analysis, consideration of bonus schemes, assessment of internal control deficiencies, follow-up on whistle-blower allegations, business ethics, compliance with laws and regulations specific for the industry such as export controls, the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act 2010, revenue recognition and cost cut off procedures, as well as examination of manual journal entries. Where necessary we extended our audit procedures to additional geographical units and/or requested follow up from group management. We also maintained unpredictability in our audits by, amongst others, selecting smaller entities in scope, review of expense declarations of the Executive Board and made specific enquiries at different levels in the organisation to establish consistency.

Responsibilities of the Executive Board and the Supervisory Board

The Executive Board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Executive Board report as set out on pages 4 to 21, pages 41 to 53 and pages 60 to 66 in accordance with Part 9 of Book 2 of the Dutch Civil Code, and for
- such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Executive Board should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit has been performed with a high but not absolute level of assurance which makes it possible that we did not detect all errors and frauds.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the report of the Executive Board and other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the Executive Board report and other information):

- We have no deficiencies to report as a result of our examination whether the Executive Board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the Executive Board report, to the extent we can assess, is consistent with the financial statements.

Our appointment

We were appointed as auditors of TNT Express N.V. following the demerger of PostNL N.V. in 2011 by the Audit Committee and Supervisory Board following the passing of a resolution by the shareholders at the annual meeting held in 2011 representing a total period of uninterrupted engagement appointment of 4 years. As per the TNT Policy on Auditor Independence and Pre-approval, the Audit Committee must review the auditor at least once every three years and communicate the outcome of this review to the shareholders at the annual meeting. The last time this took place was in the shareholders meeting of 9 April 2014.

Amsterdam, 17 February 2015
PricewaterhouseCoopers Accountants N.V.

Original has been signed by
drs. R. Dekkers RA

The above independent auditor's report is the original auditor's report that was issued on 17 February 2015 with respect to the consolidated financial statements and the company financial statements for the year ended 31 December 2014 as included in the annual report of TNT Express N.V. for the financial year 2014 (the "TNT Express 2014 Annual Report"). The TNT Express 2014 Annual Report also contains the Report of the Executive Board. For purposes of this Offer Document, the Report of the Executive Board has been omitted.

APPENDIX TO OUR AUDITOR'S REPORT ON THE 2014 FINANCIAL STATEMENTS OF TNT EXPRESS N.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgment and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted of, amongst others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company ceasing to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

EXTRACT FROM THE ARTICLES OF ASSOCIATION ON APPROPRIATION OF PROFIT

Article 30. Dividends. Reservations.

30.1 Out of the profit the credit balance of the profit and loss account earned in the past financial year shall first be paid, if possible, a dividend on the preference shares of a percentage equal to the average twelve monthly EURIBOR (EURO Interbank Offered Rate) – weighted to reflect the number of days for which the payment is made – plus a premium, to be determined by the Executive Board, subject to the approval of the Supervisory Board, of at least one percentage point and at most three percentage points, depending on the prevailing market conditions. In the event the relevant preference shares are issued in the course of a financial year the dividend shall be calculated as a proportion of the time lapsed. If at any time the twelve monthly EURIBOR is no longer fixed, the dividend percentage shall be equal to the arithmetic mean of the average effective yields of the five longest-dated state loans, as calculated by the Central Bureau of Statistics *(Centraal Bureau voor de Statistiek)* and published in the Official Price List, over the last twenty stock-exchange business days before the date of issue, plus a premium, to be determined by the Executive Board and subject to the approval of the Supervisory Board, of at least one quarter of a percentage point and at most one percentage point, depending on the prevailing market conditions.

If the distribution on the preference shares for any financial year as referred to in the preceding paragraph cannot be made or cannot be made in full because the profit does not permit it, the deficit shall be distributed as a charge to the distributable part of the shareholders' equity. The dividend on preference shares shall be calculated on the paid up part of the nominal value.

30.2 The Executive Board shall then subject to the approval of the Supervisory Board determine what part of the profit remaining after the application of article 30.1 is to be appropriated to reserves.

30.3 The part of the profit remaining after the appropriation to reserves shall be at the disposal of the general meeting, except that no further distributions can be made on the preference shares.

30.4 If a loss is sustained in any year, no dividend shall be distributed for that year. No dividend may be paid in subsequent years until the loss has been compensated by profits. The general meeting may, however, resolve on a proposal of the Executive Board which has received the approval of the Supervisory Board to compensate the loss out of the distributable part of the shareholders' equity or also to distribute a dividend out of the distributable part of the shareholders' equity.

30.5 The Executive Board may resolve to distribute an interim dividend. Such a resolution shall be subject to the approval of the Supervisory Board. 30.6 No dividend shall be paid on the shares held by the company in its own capital. For the computation of the profit distribution, the shares on which according to this article 30.6 no dividend shall be paid, shall not be included. The provisions laid down before in this article 30.6 shall not be applicable in the event that the Executive Board resolves otherwise, which resolution shall be subject to the approval of the Supervisory Board.

30.7 Sections 104 and 105 of Book 2 of the Dutch Civil Code shall also be applicable to distributions to shareholders.

Article 31. Distributions in shares and distributions charged to the reserves.

31.1 The Executive Board may resolve that all or part of the dividend on ordinary shares shall be paid in shares in the company instead of cash. In case of an interim distribution the Executive Board may also resolve that the payments shall take place to the debit of the distributable part of the shareholders' equity. These resolutions of the Executive Board shall be subject to the approval of the Supervisory Board.

31.2 The general meeting may resolve, on a proposal of the Executive Board which has received the approval of the Supervisory Board, to charge distributions to holders of ordinary shares to the distributable part of the shareholders' equity. All or part of these distributions may also be paid in shares in the company instead of cash.

DIVIDEND PROPOSAL

The Executive Board of TNT Express has decided, with the approval of the Supervisory Board, to propose to compensate the loss out of the distributable part of the shareholders' equity and to pay a pro forma dividend out of the distributable part of the shareholders' equity. The proposed final dividend is €0.031 per share. The €0.049 per share interim dividend together with the proposed final dividend, (€0.08 per share in total), represents a payout of 40% of normalised net income ('profit attributable to equity holders of the parent' adjusted for significant one-off and exceptional items) over the full year 2014, in line with the dividend guidelines. The final dividend is payable, at the shareholder's election, either wholly in ordinary shares or wholly in cash. The election period is from 10 April 2015 to 6 May 2015, inclusive.

To the extent that the final dividend is paid in shares, it will be paid free of withholding tax and it will be sourced from the additional paid-in capital that is recognised for Dutch dividend withholding tax purposes. The cash dividend will be paid out of the remaining additional paid-in capital. The ratio of the value of the stock dividend to that of the cash dividend will be determined on 6 May 2015, after the close of trading on Euronext Amsterdam, based on the volume-weighted average price ('VWAP') of all TNT Express shares traded on Euronext Amsterdam over a three trading day period from 30 April 2015 to 6 May 2015, inclusive. The value of the stock dividend, based on this VWAP, will, subject to rounding, be targeted at but not lower than 3% above the cash dividend. There will be no trading in the stock dividend rights.

The ex-dividend date will be 10 April 2015, the record date is 14 April 2015 and the dividend will be payable as of 13 May 2015.

APPROPRIATION OF PROFIT

The Executive Board of TNT Express has decided, with the approval of the Supervisory Board, to appropriate the loss of the period of €195 million to the loss reserves and to propose to compensate the loss out of the distributable part of the shareholders' equity. The profit remaining at the disposal of the general meeting is zero.

Appropriation of profit

	2014
Profit/(loss) attributable to the shareholders	(195)
Appropriation in accordance with the Articles of Association:	
Reserves adopted by the Executive Board and approved by the Supervisory Board (article 30, par.2)	195
Profit at disposal of the Annual General Meeting of Shareholders	0

(in €millions)

GROUP COMPANIES OF TNT EXPRESS N.V.

The list containing the information referred to in article 379 and article 414 of Book 2 of the Dutch Civil Code is filed at the office of the Chamber of Commerce in Amsterdam.

SUBSEQUENT EVENTS

Information relating to subsequent events is disclosed in note 35.

PART II - ARTICLES OF ASSOCIATION

Part 1 - Amended Articles of Association after Settlement

The text below reflects the Articles of Associations of TNT Express N.V. as they are proposed to read as per the Settlement Date.

ARTICLES OF ASSOCIATION.

CHAPTER 1. DEFINITIONS.

Article 1. Definitions.

In these articles of association the following terms shall have the meanings as assigned below:

(a) **general meeting**: the body formed by shareholders with voting rights and others holding voting rights;

(b) **general meeting of shareholders**: the meeting of shareholders and other persons entitled to attend meetings;

(c) **depositary receipts**: depositary receipts for shares in the company;

(d) **distributable part of the shareholders' equity**: that part of the shareholders' equity which exceeds the paid and called-up capital plus the reserves which are required to be held by law;

(e) **auditor**: a "registeraccountant" or other auditor referred to in section 393 of Book 2 of the Dutch Civil Code or an organisation in which such auditors work together;

(f) **annual meeting**: the general meeting of shareholders convened to consider the financial statements and annual report;

(g) **subsidiary**:

– a legal entity in which the company or one or more of its subsidiaries, pursuant to an agreement with other persons entitled to vote or otherwise, can exercise, solely or jointly, more than one-half of the voting rights at the general meeting of members or shareholders of that legal entity;

– a legal entity of which the company or one or more of its subsidiaries is a member or shareholder and, pursuant to an agreement with other persons entitled to vote or otherwise, can appoint or dismiss, solely or jointly, more than one-half of the members of the management board or the supervisory board, if all persons entitled to vote were to cast their vote,

all this subject to the provisions of subsections 3 and 4 of section 24a of Book 2 of the Dutch Civil Code.

A company operating under its own name, for the debts of which the company or one or more subsidiaries is fully liable as a partner towards its creditors, shall be treated as a subsidiary;

(h) **group company**: a legal entity or company within the meaning of section 24b of Book 2 of the Dutch Civil Code which is united with the company in one group;

(i) **Euroclear Nederland**: Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., trading under the name Euroclear Nederland, being the central depositary as referred to in the Securities Giro Transactions Act (*Wet giraal effectenverkeer*);

(j) **deposit shareholder**: a person holding book-entry rights representing a number of deposit shares through a deposit account with an intermediary, in accordance with the Securities Giro Transactions Act;

(k) **deposit shares** (*girale aandelen*): shares which are included in the deposit system of the Securities Giro Transactions Act;

(l) **intermediary**: an intermediary as referred to in the Securities Giro Transactions Act;

(m) **in writing**: unless the law or these articles provide otherwise, a message that is conveyed by letter, telefax, e-mail or any other electronic means of communication, provided the message is legible and reproducible.

CHAPTER 2. NAME, REGISTERED OFFICE AND OBJECT.

Article 2. Name and seat.

2.1 The name of the company is: TNT Express N.V.

2.2 The company has its registered office in Amsterdam.

Article 3. Object.

The objects of the company are:

(a) to participate in and to manage other enterprises and companies, including companies that operate in the field of the transportation, distribution and delivery of parcels and goods, as well as the storing, converting and transmitting of information, the management and disposal of information, the providing of logistic services and the providing of money transactions;

(b) to manage and finance subsidiaries, group companies and participations, among which to guarantee the debts of those companies and participations,

and further to engage in any activity which may be related or conducive to the objects set out hereinabove.

CHAPTER 3. CAPITAL AND SHARES. REGISTER.

Article 4. Authorised capital.

4.1 The authorised capital amounts to sixty million euros (EUR 60,000,000).

4.2 The authorised capital is divided into seven hundred fifty million (750,000,000) shares of eight eurocents (EUR 0.08) each.

4.3 All shares are registered shares. No share certificates shall be issued.

Article 5. Deposit Shares.

5.1 A share becomes a deposit share by transfer or issuance to Euroclear Nederland or to an intermediary, recording in writing that the share is a deposit share. The deposit share shall be recorded in the shareholders register of the company in the name of Euroclear Nederland or the relevant intermediary, stating in writing that it is a deposit share.

5.2 Deposit shareholders are not recorded in the shareholders register of the company.

5.3 Deposit shares can only be delivered from a collective depot or giro depot with due observance of the related provisions of the Securities Giro Transactions Act.

5.4 The transfer by a deposit shareholder of its book-entry rights representing deposit shares shall be effected in accordance with the provisions of the Securities Giro Transactions

Act. The same applies to the establishment of a right of pledge and the establishment or transfer of a usufruct on these book-entry rights.

Article 6. Depositary receipts for shares.

6.1 The company may cooperate towards the issue of depositary receipts for its shares.

6.2 If such an issue has been effected, the holders of the depositary receipts shall have the rights conferred by law upon the holders of depositary receipts, among which:

(a) the right to attend and to address the general meeting of shareholders, to which Article 39 is also applicable;

(b) the right to take note of documents that are available for inspection by shareholders as referred to in the sections 102 and 394 of Book 2 of the Dutch Civil Code.

Article 7. Register for shareholders.

7.1 The Executive Board shall keep a register of holders of shares. The register may consist of various parts which may be kept in different places and each may be kept in more than one copy and in more than one place as determined by the Executive Board. The register will be kept up to date. In the register will be entered the names and the addresses referred to in Article 7.2 of all the holders of shares, usufructuaries and pledgees, the amount paid on each share and such other particulars as the Executive Board may determine. The entries in the register, as well as the amendments thereof, will be certified in a manner to be prescribed by the Executive Board.

7.2 Each shareholder (not including deposit shareholders) as well as each usufructuary and each pledgee of a share (not including deposit shares) is obliged to furnish its name and address to the company in writing.

7.3 Deposit shares may be recorded in the shareholders register of the company in the name of the relevant intermediary or Euroclear Nederland respectively, together with the date as per which they belong to the collective deposit or the book-entry deposit, the date of acknowledgement or service, as well the amount paid on each share.

7.4 The Executive Board will provide any holder of a share as well as any usufructuary and pledgee of a share with an extract from the register of shareholders showing its right to such share, on request and free of charge.

7.5 Section 85 of Book 2 of the Dutch Civil Code shall also be applicable to the register.

7.6 Extracts from a register shall be non-negotiable.

CHAPTER 4. ISSUE OF SHARES.

Article 8. Competent body.

8.1 Shares shall be issued pursuant to a resolution of the Executive Board. The resolution shall be subject to the approval of the Supervisory Board. The scope of authority of the Executive Board shall be determined by a resolution of the general meeting of shareholders and relate at most to all unissued shares of the authorised capital, as applicable now or at any time in the future. The duration of this authority shall be determined by a resolution of the general meeting and shall be for a period of five years at most.

8.2 Designation of the Executive Board as the body competent to issue shares may be extended by the articles of association or by a resolution of the general meeting for a period not exceeding five years in each case. The number of shares which may be issued shall be determined at the time of designation. Designation pursuant to the articles of association may be withdrawn by an amendment to the articles of association. Designation by resolution of the general meeting cannot be withdrawn unless determined otherwise at the time of designation.

8.3 Upon termination of the authority of the Executive Board, the issue of shares shall thenceforth require a resolution of the general meeting, save where another corporate body has been designated by the general meeting.

8.4 A resolution by the general meeting to issue shares or to designate another body as the body competent to issue such shares, may only be taken upon a proposal of the Executive Board subject to the approval of the Supervisory Board. A resolution of the general meeting to designate another corporate body can only be effected if it is determined thereto that every resolution to issue shares of that body shall be subject to the approval of the Supervisory Board.

8.5 The provisions of Articles 8.1 up to and including 8.4 shall be applicable mutatis mutandis to the granting of rights to subscribe to shares, but shall not be applicable to the issue of shares to persons exercising a previously granted right to subscribe to shares.

8.6 Section 96 of Book 2 of the Dutch Civil Code shall also be applicable to the issue of shares and the granting of rights to subscribe to shares.

Article 9. Share issue terms. Pre-emptive right.

9.1 The price and other terms of issue shall be determined at the time of the resolution to issue shares. Save as provided in section 80, subsection 2 of Book 2 of the Dutch Civil Code, the issue price shall not be less than par.

9.2 Each shareholder shall have a pre-emptive right to any issue of shares pursuant to the provisions of section 96a of Book 2 of the Dutch Civil Code. The same shall apply to the granting of rights to subscribe to shares.

9.3 The pre-emptive right may be restricted or excluded by a resolution of the Executive Board. The resolution shall be subject to the approval of the Supervisory Board. The authority vested in the Executive Board shall terminate on the date of termination of the authority of the Executive Board to issue shares.
The Articles 8.1 up to and including 8.4 shall be applicable mutatis mutandis.

9.4 Sections 96a and 97 of Book 2 of the Dutch Civil Code shall also be applicable to the issue terms and the pre-emptive right, respectively.

Article 10. Paying up on shares.

10.1 On subscription to each share, payment must be made of its nominal value and, if an share is subscribed to at a higher amount, the difference between such amounts, without prejudice to the provisions of section 80, subsection 2 of Book 2 of the Dutch Civil Code.

10.2 Paying up on shares must be made in cash, insofar as another form of contribution has not been agreed to.

10.3 The Executive Board shall be authorised, without the prior approval of the general meeting, to perform legal acts relating to non-cash contributions for shares and the other legal acts referred to in section 94 of Book 2 of the Dutch Civil Code.

10.4 Sections 80, 80a, 80b and 94b of Book 2 of the Dutch Civil Code shall also be applicable to payment on shares and non-cash contributions, respectively.

CHAPTER 5. SHARES IN THE COMPANY'S OWN CAPITAL AND DEPOSITARY RECEIPTS THEREOF.

Article 11. Acquisition.

11.1 The company may acquire fully paid up shares in its own capital or depositary receipts thereof, but may only do so for no consideration or if:

(a) the distributable part of the shareholders' equity is at least equal to the purchase price, and

(b) the nominal value of the shares in its capital or depositary receipts thereof which the company acquires, holds or holds as pledgee or which are held by a subsidiary company does not exceed half of the issued capital.

11.2 The company may acquire shares in its own capital or depositary receipts thereof for the purpose of transferring the same to employees of the company or of a group company under a scheme applicable to such employees.

11.3 Shares in the company's own capital shall be acquired or disposed of pursuant to a resolution of the Executive Board, all without prejudice to the provisions of Article 20.2 under (a) of these articles of association and section 98, subsection 4 of the Dutch Civil Code.

11.4 Sections 24d, 89a, 95, 98, 98a, 98b, 98c, 98d and section 118, subsection 7 of Book 2 of the Dutch Civil Code shall also be applicable to shares in the company's own capital or depositary receipts thereof.

CHAPTER 6. REDUCTION OF CAPITAL.

Article 12. Reduction of capital.

12.1 The general meeting may, but only on a proposal of the Executive Board with the approval of the Supervisory Board, resolve to reduce the issued capital:

(a) by a cancellation of shares; or

(b) by a reduction of the nominal amount of the shares by amendment of the articles of association.

12.2 A resolution to cancel may only relate to shares held by the company itself or for which it holds the depositary receipts.

12.3 Any partial repayment on shares shall only be permitted in order to implement a resolution to reduce the nominal amount of the shares. Such a repayment must be made in respect of all shares.

12.4 The provisions of sections 99 and 100 of Book 2 of the Dutch Civil Code shall also be applicable to the reduction of capital.

CHAPTER 7. TRANSFER OF THE SHARES. RESTRICTED RIGHTS.

Article 13. Transfer of shares.

13.1 The transfer of a share (not including book entry rights with respect to deposit shares) requires an instrument intended for such purpose and, save when the company itself is a party to such legal act, the written acknowledgement by the company of the transfer. The acknowledgement must be made in the instrument or by a dated statement of acknowledgement on the instrument or on a copy or extract thereof and signed as a true copy by a civil law notary or the transferor. Official service of such instrument or such copy or extract on the company is considered to have the same effect as an acknowledgement.

13.2 The acknowledgement shall be signed with due observance of the provisions on representation of Article 19.

13.3 The transfer of deposit shares, as well as the transfer of shares to be delivered to or from a collective depot or giro depot will be effected in accordance with the provisions of the Securities Giro Transactions Act.

Article 14. Usufruct. Pledge.

14.1 The provisions of Article 13.1 apply by analogy to the creation or transfer of a usufruct in and to the pledging of shares (not including book-entry rights with respect to deposit shares).

14.2 A pledge may be also established on a share without acknowledgement by the company or service of an instrument on the company. In such cases, section 239 of Book 3 of the Dutch Civil Code shall be applicable mutatis mutandis whereby acknowledgement by the company or service of an instrument on the company shall replace the notification referred to in subsection 3 of that section.

14.3 The creation of a right of pledge and the creation or transfer of a usufruct in book-entry rights will be effected in accordance with the provisions of the Securities Giro Transactions Act.

14.4 The shareholder shall have the right to vote on shares subject to a usufruct or pledge. The usufructuary or the pledgee shall, however, have the right to vote if so provided upon the establishment of the usufruct or pledge. A shareholder without the right to vote and a usufructuary or a pledgee with the right to vote shall have the rights conferred by law upon the holders of depositary receipts issued for shares with the cooperation of a company. A usufructuary or pledgee without the right to vote shall not have the rights referred to in the preceding sentence.

14.5 The shareholder shall have the rights attaching to the share on which a usufruct has been established with respect to the acquisition of shares, provided that he shall compensate the usufructuary for the value of these rights to the extent that the latter is entitled thereto under his right of usufruct.

CHAPTER 8. MANAGEMENT.

Article 15. Executive Board.

15.1 The management of the company shall be formed by an Executive Board consisting of two or more members.

15.2 The Supervisory Board shall appoint a chairman from among the members of the Executive Board.

Article 16. Appointment, suspension and dismissal.

16.1 Members of the Executive Board will be appointed by the general meeting.

16.2 The Supervisory Board will nominate one or more candidates for each vacant seat and, if no members of the Executive Board are in office, it will do so as soon as reasonably possible.

16.3 A nomination or recommendation to appoint a member of the Executive Board will state the candidate's age and the positions he holds or has held, insofar as these are relevant for the performance of the duties of a member of the Executive Board. The nomination or recommendation must state the reasons on which they are based.

16.4 A resolution of the general meeting to appoint a member of the Executive Board in accordance with a nomination by the Supervisory Board can be adopted with an absolute majority of the votes cast.

16.5 Each member of the Executive Board may be suspended or removed by the general meeting at any time.

16.6 Any suspension may be extended one or more times, but may not last longer than three months in aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension will end.

Article 17. Remuneration.

17.1 The company has a policy on the remuneration of the Executive Board. The policy shall be proposed by the Supervisory Board and adopted by the general meeting. The policy on remuneration shall in any case include the subjects referred to in sections 383c, 383d and 383e of Book 2 of the Dutch Civil Code insofar as they regard issues related to the Executive Board.

17.2 The remuneration and further terms of employment of the Executive Board shall be determined by the Supervisory Board, with due observance of the policy referred to in Article 17.1.

17.3 If the remuneration of the Executive Board also consists of schemes under which shares or rights to subscribe for shares are granted, the Supervisory Board shall submit a proposal in respect of these schemes to the general meeting for approval. The proposal must as a minimum state the number of shares or rights to subscribe for shares that can be granted to the Executive Board and the conditions for the granting and amending thereof.

Article 18. Management duties. Decision-making. Allocation of tasks.

18.1 Subject to the restrictions imposed by the articles of association, the Executive Board shall be charged with the management of the company.

18.2 The Executive Board shall resolve with an absolute voting majority.

18.3 The Executive Board shall draw up by-laws containing further regulations on the procedure of holding meetings and decision-making by the Executive Board, and its operating procedures. Such by-laws shall require the approval of the Supervisory Board.

18.4 In allocating its duties, the Executive Board may determine the tasks for which each member of the Executive Board bears special responsibility. The allocation of tasks shall require the approval of the Supervisory Board.

Article 19. Representation.

19.1 The Executive Board represents the company. Representative authority shall also vest in:

(a) the chairman of the Executive Board, or

(b) two other members of the Executive Board, acting jointly.

19.2 The Executive Board may appoint officers with general or restricted power to represent the company. Any such appointment may be withdrawn at any time. All such officers shall represent the company with due observance of the restrictions imposed on their powers. Their titles shall be determined by the Executive Board.

Article 20. Approval of resolutions of the Executive Board.

20.1 Resolutions of the Executive Board entailing a significant change in the identity or character of the company or its business are subject to the approval of the general meeting, including in any case:

- (a) the transfer of (nearly) the entire business of the company to a third party;
- (b) entering into or breaking off long-term co-operation of the company or a subsidiary with another legal entity or company or as fully liable partner in a limited partnership or general partnership, if this co-operation or termination is of major significance for the company;
- (c) acquiring or disposing of participating interests in the capital of a company at a value of at least one third of the sum of the assets of the company as shown on its balance sheet plus explanatory notes or, if the company prepares a consolidated balance sheet, as shown on its consolidated balance sheet plus explanatory notes, according to the last adopted financial statements of the company, by the company or a subsidiary.

20.2 Without prejudice to the other provisions of these articles of association as to that subject, the approval of the Supervisory Board shall be required for resolutions of the Executive Board relating to:

- (a) the issue and acquisition of shares of the company and debt instruments issued by the company or of debt instruments issued by a limited partnership (*commanditaire vennootschap*) or a general partnership (*vennootschap onder firma*) in respect of which the company is a general partner with full liability;
- (b) cooperation in the issue of depositary receipts for shares in the company;
- (c) an application for admission of the instruments as referred to under (a) and (b) for trade on a regulated market or a multilateral trading facility as referred to in section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*) or a system comparable to a regulated market or multilateral trading facility from a state which is not a member state, or an application for the withdrawal of such admission;
- (d) the entering into or termination of long-term cooperation of the company or a subsidiary with another company or legal entity or as fully liable partner in a limited partnership or general partnership if such cooperation or termination is of fundamental importance to the company;
- (e) the acquisition of a participation worth at least a quarter of the value of the issued capital plus reserves according to the company's balance sheet plus explanatory notes, by the company or a subsidiary in the capital of another company, and any substantial increase or decrease of such a participation;
- (f) investments requiring an amount equal to at least a quarter of the company's issued capital plus reserves according to its balance sheet plus explanatory notes;
- (g) a proposal to amend the articles of association;

(h) a proposal to dissolve the company;

(i) a petition for bankruptcy (*faillissement*) or a request for suspension of payments (*surseance van betaling*);

(j) the termination of the employment of a considerable number of the company's employees or of a subsidiary's employees simultaneously or within a short period of time;

(k) a significant change in the employment conditions of a considerable number of the company's employees or of a subsidiary's employees; and

(l) a proposal to reduce the issued capital of the company.

20.3 The Supervisory Board may require other resolutions of the Executive Board than those specified in Article 20.2, to be subject to its approval. The Executive Board shall be notified in writing of such resolutions, which shall be clearly specified.

20.4 The lack of approval of the general meeting for a resolution as referred to in Article 20.1 or of the Supervisory Board, for a resolution as referred to in Articles 20.2 and 20.3 shall not affect the authority of the Executive Board and its members to represent the company.

Article 21. Conflicts of Interest.

21.1 An Executive Board member may not participate in deliberating or decision-making within the Executive Board, if with respect to the matter concerned he has a direct or indirect personal interests that conflicts with the interests of the company and the business connected with it. If, as a result hereof, the Executive Board cannot make a decision, the Supervisory Board will resolve the matter.

21.2 The Executive Board member who in connection with a (potential) conflict of interests does not exercise certain duties and powers will insofar be regarded as an Executive Board member who is unable to perform his duties (*belet*).

21.3 In the event of a conflict of interests as referred to in Article 21.1, the provisions of Article 19.1 will continue to apply unimpaired. In addition, the Supervisory Board may, ad hoc or otherwise, appoint one or more persons to represent the company in matters in which a (potential) conflict of interests exists between the company and one or more Executive Board members.

Article 22. Absence or inability to act.

22.1 For each vacant seat on the Executive Board, the Supervisory Board can determine that it will be temporarily occupied by a person (a stand-in) designated by the Supervisory Board. Persons that can be designated as such include (without limitation) Supervisory Board members and former Executive Board members (irrespective of the reason why they are no longer Executive Board members).

22.2 If and as long as one or more seats on the Executive Board are vacant, the management of the company will be temporarily entrusted to the person or persons who (whether as a stand-in or not) do occupy a seat in the Executive Board. If and as long as all seats are vacant and no seat is temporarily occupied, the Supervisory Board will be temporarily entrusted with the management of the company.

22.3 When determining to which extent Executive Board members are present or represented, consent to a manner of adopting resolutions, or vote, stand-ins will be counted-in and no account will be taken of vacant seats for which no stand-in has been designated.

22.4 For the purpose of this Article 22, the seat of an Executive Board member who is unable to perform his duties (*belet*) will be treated as a vacant seat.

CHAPTER 9. SUPERVISORY BOARD.

Article 23. Number of Members. Profile. Eligibility.

23.1 The company shall have a Supervisory Board consisting of natural persons only. The Supervisory Board shall have at least five and no more than seven members. At least two members are appointed as independent Supervisory Board member (an **Independent Supervisory Board Member**). If there are fewer than two Independent Supervisory Board Members, the Supervisory Board shall proceed without delay to fill up its number of Independent Supervisory Board Members.

23.2 The number of members of the Supervisory Board shall be determined by the Supervisory Board, with due observance of the provisions of Article 23.1.

23.3 An Independent Supervisory Board Member must qualify as independent supervisory director within the meaning of the Dutch Corporate Governance Code.

23.4 The Supervisory Board adopts a profile on its size and composition, taking into account the character of the business, its activities and the desired expertise and background of the members of the Supervisory Board.

Article 24. Appointment.

24.1 Members of the Supervisory Board are appointed by the general meeting.

24.2 The Supervisory Board will nominate one or more candidates for each vacant seat.

24.3 A nomination or recommendation to appoint a member of the Supervisory Board will state the candidate's age, his profession, the number of shares he holds in the capital of the company and the positions he holds or has held, insofar as these are relevant for the performance of the duties of a member of the Supervisory Board. Furthermore, the names of the legal entities of which he is also a member of their supervisory boards must be indicated; if those include legal entities which belong to the same group, a reference to that group will be sufficient. The nomination or recommendation must state the reasons on which it is based.

24.4 A resolution of the general meeting to appoint a member of the Supervisory Board in accordance with a nomination by the Supervisory Board can be adopted with an absolute majority of the votes cast.

24.5 At a general meeting of shareholders, votes in respect of the appointment of a member of the Supervisory Board can only be cast for candidates named in the agenda of the meeting or the explanatory notes thereto. If none of the candidates nominated by the Supervisory Board is appointed, the Supervisory Board retains the right to make a new nomination to be voted upon at a next meeting.

Article 25. Retirement. Suspension. Dismissal.

25.1 A member of the Supervisory Board shall resign no later than at the time of closure of the general meeting following the day four years after his last appointment.

25.2 The members of the Supervisory Board shall resign periodically in accordance with a rotation plan to be drawn up by the Supervisory Board. An alteration to the rotation plan cannot imply that an incumbent member of the Supervisory Board shall resign against his will before the period for which he was appointed has expired.

25.3 A resigning member of the Supervisory Board may be reappointed. In a proposal for reappointment, the Supervisory Board shall take into account the performance of the nominated member of the Supervisory Board in the past period.

25.4 Each member of the Supervisory Board may be suspended or removed by the general meeting at any time.

25.5 Any suspension may be extended one or more times, but may not last longer than three months in all. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end.

Article 26. Remuneration.

The remuneration for each member of the Supervisory Board shall be determined by the general meeting.

Article 27. Duties and powers.

27.1 The duties of the Supervisory Board shall be the supervision of the policy of the Executive Board and the general course of affairs of the company and the enterprise connected therewith. It shall assist the Executive Board with advice. In the performance of their duties the members of the Supervisory Board shall be guided by the interest of the company and the enterprise connected therewith.

27.2 The Executive Board shall provide the Supervisory Board in good time with the information necessary for the performance of its duties.

27.3 At least once a year, the Executive Board shall inform the Supervisory Board of the main aspects of the strategic policy, the general and financial risks and the company's management and auditing systems in writing.

27.4 The Supervisory Board shall have access to the company's buildings and premises and shall be entitled to inspect the company's books and documents. The Supervisory Board may appoint one or more persons from among its number or an expert to exercise these powers. The Supervisory Board may also otherwise call upon the assistance of experts. The costs of such experts shall be borne by the company.

Article 28. Working procedures and decision-making.

28.1 The Supervisory Board shall appoint from among its midst a chairman and a vice-chairman who shall substitute for the former in his absence. The Supervisory Board shall appoint a secretary from among its midst or from outside and shall make a provision for the substitution of the secretary.

28.2 In the absence of the chairman and the vice-chairman at a meeting, the meeting itself shall designate a chairman.

28.3 The Supervisory Board shall meet whenever the chairman, or two other members of the Supervisory Board, or the Executive Board so requests.

28.4 Minutes shall be kept by the secretary of the proceedings of meetings of the Supervisory Board. The minutes shall be adopted by the Supervisory Board at the same meeting or at a subsequent meeting.

28.5 All resolutions of the Supervisory Board shall be passed by absolute majority of the votes cast.

28.6 The Supervisory Board may only pass valid resolutions at a meeting if the majority of the members of the Supervisory Board are present or represented at the meeting.

28.7 A member of the Supervisory Board may have himself represented by a fellow member holding a proxy in writing. A member of the Supervisory Board may not act as proxy on behalf of more than one fellow member of the Supervisory Board.

28.8 A Supervisory Board member may not participate in deliberating or decision-making within the Supervisory Board, if with respect to the matter concerned he has a direct or indirect personal interests that conflicts with the interests of the company and the business connected with it.

28.9 The provisions of Article 21.2 and Article 22 apply by analogy to the Supervisory Board, provided that if and as long as all seats on the Supervisory Board are vacant, the duties of the Supervisory Board shall be provisionally conducted by the person designated for that purpose by the general meeting.

28.10 The Supervisory Board may also adopt resolutions without holding a meeting, provided the proposal in question has been submitted to all members of the Supervisory Board and none has objected to this form of decision-making.

A report shall be drawn up by the secretary of a resolution adopted in this way, enclosing the replies received, and shall be signed by the chairman and the secretary. In the minutes of the subsequent meeting of the Supervisory Board, this form of decision-making shall be stated.

28.11 The Supervisory Board shall meet together with the Executive Board whenever the Supervisory Board or the Executive Board so requests.

28.12 The Supervisory Board shall draw up by-laws containing further regulations on the procedure for holding meetings and decision-making by the Supervisory Board, and its operating procedures.

28.13 The Supervisory Board may, without prejudice to its responsibilities, designate one or more committees from among its members, who shall have the responsibilities specified by the Supervisory Board.

28.14 The composition of any such committee shall be determined by the Supervisory Board.

28.15 The general meeting may additionally remunerate the members of the committee(s) for their services.

Article 29. Indemnity.

29.1 The company shall indemnify and hold harmless each member of the Executive Board and each member of the Supervisory Board (each of them, for the purpose of this Article 29 only, the **Director**) against any and all liabilities, claims, judgements, fines and penalties (the **Claims**), incurred by the Director as a result of any threatened, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative (the **Action**), brought by any party other than the company itself or its group companies, in relation to acts or omissions in or related to his capacity as a Director. Claims will include derivative actions brought on behalf of the company or its group companies against the Director and claims by the company (or one of its group companies) itself for reimbursement for claims by third parties on the ground that the Director was jointly liable towards that third party in addition to the company.

29.2 The Director will not be indemnified with respect to Claims in so far as they relate to the gaining in fact of personal profits, advantages or remuneration to which he was not legally entitled, or if the Director shall have been adjudged to be liable for wilful misconduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*).

29.3 Any expenses (including reasonable attorneys' fees and litigation costs) (together the **Expenses**) incurred by the Director in connection with any Action, shall be reimbursed by the company, but only upon receipt of a written undertaking by that Director that he shall repay such Expenses if a competent court should determine that he is not entitled to be indemnified. Expenses shall be deemed to include any tax liability which the Director may be subject to as a result of his indemnification.

29.4 Also in case of an Action against the Director by the company itself or its group companies, the company will advance to the Director his reasonable attorneys' fees and litigation costs but only upon receipt of a written undertaking by that Director that he shall repay such fees and costs if a competent court should resolve the Action in favour of the company rather than the Director.

29.5 The Director shall not admit any personal financial liability vis-à-vis third parties, nor enter into any settlement agreement, without the company's prior written authorisation. The company and the Director shall use all reasonable endeavours to cooperate with a view to agreeing on the defence of any Claims but in the event that the company and the Director would fail to reach such agreement, the Director shall comply with all directions given by the company in its sole discretion.

29.6 The indemnity contemplated by this Article 29 shall not apply to the extent Claims and Expenses are reimbursed by insurers.

29.7 In case of amendment of this Article 29, the indemnity provided thereby shall nevertheless continue to apply to Claims and/or Expenses incurred in relation to the acts or omissions by the Director during the periods in which this clause was in effect.

CHAPTER 10. FINANCIAL STATEMENTS AND ANNUAL REPORT. PROFIT.

Article 30. Financial year. Financial statements and annual report. Adoption.

30.1 The financial year runs from the first day of June of any year until the thirty-first day of May of the following year.

30.2 Each year, within four months after the end of the financial year, the Executive Board shall prepare the financial statements and shall lay them open for inspection by the shareholders at the office of the company. Within that period the Executive Board shall also present the annual report.

30.3 Within the period referred to in Article 30.2, the Executive Board shall send the financial statements to the central works council as well.

30.4 The financial statements shall be signed by the members of the Executive Board and of the Supervisory Board. If the signature of one or more of them is missing, this shall be stated and reasons shall be given.

30.5 Annually, the Supervisory Board shall prepare a report, that shall be added to the financial statements and the annual report. The provisions of Articles 30.2 and 30.3 shall apply by analogy.

30.6 The general meeting shall adopt the financial statements.

30.7 In the general meeting of shareholders where the resolution to adopt the financial statements is passed, a proposal to release the members of the Executive Board from liability for the exercise of the management and a proposal to release the members of the

Supervisory Board from liability for the exercise of the supervision of the management, insofar as the exercise of such duties is reflected in the financial statements or otherwise disclosed to the general meeting prior to the adoption of the financial statements, shall be brought up for discussion as two separate items. The scope of a release from liability shall be subject to limitations by virtue of the law.

30.8 Sections 101 and 102 and Part 9 of Book 2 of the Dutch Civil Code shall also be applicable to the financial statements and the annual report.

Article 31. Dividends. Reservations.

31.1 The Executive Board shall, subject to the approval of the Supervisory Board determine what part of the profit is to be appropriated to reserves.

31.2 The part of the profit remaining after the appropriation to reserves shall be at the disposal of the general meeting.

31.3 If a loss is sustained in any year, no dividend shall be distributed for that year. No dividend may be paid in subsequent years until the loss has been compensated by profits. The general meeting may, however, resolve on a proposal of the Executive Board which has received the approval of the Supervisory Board to compensate the loss out of the distributable part of the shareholders' equity or also to distribute a dividend out of the distributable part of the shareholders' equity.

31.4 The Executive Board may resolve to distribute an interim dividend. Such a resolution shall be subject to the approval of the Supervisory Board.

31.5 No dividend shall be paid on the shares held by the company in its own capital. For the computation of the profit distribution, the shares on which according to this Article 31.5 no dividend shall be paid, shall not be included. The provisions laid down before in this Article 31.5 shall not be applicable in the event that the Executive Board resolves otherwise, which resolution shall be subject to the approval of the Supervisory Board.

31.6 Sections 104 and 105 of Book 2 of the Dutch Civil Code shall also be applicable to distributions to shareholders.

Article 32. Distributions in shares and distributions charged to the reserves.

32.1 The Executive Board may resolve that all or part of the dividend on shares shall be paid in shares in the company instead of cash. In case of an interim distribution the Executive Board may also resolve that the payments shall take place to the debit of the distributable part of the shareholders' equity. These resolutions of the Executive Board shall be subject to the approval of the Supervisory Board.

32.2 The general meeting may resolve, on a proposal of the Executive Board which has received the approval of the Supervisory Board, to charge distributions to holders of shares to the distributable part of the shareholders' equity. All or part of these distributions may also be paid in shares in the company instead of cash.

Article 33. Payments.

An announcement of dividends and other distributions becoming payable shall be made in accordance with Article 41.

CHAPTER 11. GENERAL MEETINGS OF SHAREHOLDERS.

Article 34. Annual meeting. Other meetings.

34.1 The annual meeting shall be held each year within six months after the end of the financial year.

34.2 The agenda for that meeting shall include the following items:

(a) the annual report;

(b) adoptions of the financial statements;

(c) determination of dividend;

(d) release from liability of members of the Executive Board;

(e) release from liability of members of the Supervisory Board;

(f) if applicable, appointments of members of the Executive Board and members of the Supervisory Board and notification of expected vacancies in the Supervisory Board;

(g) any other proposals put forward by the Supervisory Board or the Executive Board and announced pursuant to Article 35, such as a proposal to designate a body competent to issue shares or to authorise the Executive Board to cause the company to acquire its own shares or depositary receipts thereof.

34.3 Other general meetings of shareholders shall be held as often as the Executive Board or the Supervisory Board deems necessary, without prejudice to the provisions of sections 110, 111 and 112 of Book 2 of the Civil Code.

Article 35. Notice convening a meeting. Agenda.

35.1 General meetings of the shareholders shall be convened by the Supervisory Board or the Executive Board.

35.2 The meeting shall be announced no later than the forty-second day before the day of the meeting, or if allowed by law on a shorter period at discretion of the Executive Board.

35.3 The notice of the meeting will state:

(a) the subjects to be dealt with;

(b) venue and time of the general meeting;

(c) the procedure to take part in the general meeting by a representative authorized in writing;

(d) the procedure to participate in the general meeting and to exercise the right to vote by electronic means of communication, if this right can be exercised in accordance with Article 39.4; and

(e) the address of the company's website,

without prejudice to the provisions of Article 42.2 of these articles of association and of Section 99, subsection 7 of Book 2 of the Dutch Civil Code.

35.4 The notice convening a meeting shall be given in the manner stated in Article 41.

35.5 Matters not stated in the notice convening the meeting may be further announced, subject to the time limit pertaining to the convocation of meetings, in the manner stated in Article 41.

35.6 Shareholders who, alone or jointly, represent at least one percent (1%) of the issued capital and otherwise meet the requirements set forth in section 114a subsection 2 of Book 2 of the Dutch Civil Code will have the right to request the Executive Board or the Supervisory Board to place items on the agenda of the general meeting of shareholders, provided the reasons for the request are stated therein and the request or a proposed resolution is received by the chairman of the Executive Board or the chairman of the Supervisory Board in writing at least sixty (60) days before the date of the general meeting of shareholders.

35.7 No later than on the day the meeting is convened, the company will notify the shareholders via its website of:

(a) the information as referred to in Article 35.3;

(b) to the extent applicable, the documents to be submitted to the general meeting of shareholders;

(c) the draft resolutions to be presented to the general meeting of shareholders, or, if no draft resolutions shall be presented, an explanation by the Executive Board of each subject to be discussed;

(d) to the extent applicable, draft resolutions submitted by shareholders regarding the subjects to be discussed by them as contained on the agenda for the annual meeting;

(e) to the extent applicable, a power of attorney form and a form to exercise a voting right by letter.

35.8 No later than on the day the meeting is convened, the company will notify the shareholders via its website of the total number of shares and voting rights on the day the meeting is convened. If the total number of shares and voting rights on the record date, as referred to in Article 39.2, has changed, the company shall notify the shareholders via its website on the first working day after the record date of the total number of shares and voting rights on the record date.

35.9 The term "shareholders" in this Article 35 shall include usufructuaries and pledgees in whom the voting rights on shares are vested.

Article 36. Venue of meetings.

The general meetings of shareholders shall be held in Amsterdam, The Hague, Hoofddorp or in the municipality of Haarlemmermeer.

Article 37. Chairmanship.

37.1 The general meetings of shareholders shall be presided over by the chairman of the Supervisory Board or, in his absence, by a vice-chairman of that board; in the event that the latter is also absent, the members of the Supervisory Board present shall appoint a chairman from their midst.

The Supervisory Board may appoint another chairman for a general meeting of shareholders.

37.2 If the chairman of a meeting has not been appointed in accordance with Article 37.1, the meeting itself shall appoint a chairman. Until that moment, a member of the Executive Board designated thereto by the Executive Board shall substitute as chairman.

Article 38. Minutes.

38.1 Minutes shall be kept of the proceedings of each general meeting of shareholders by a secretary appointed by the chairman. The minutes shall be adopted by the chairman and the secretary and shall be signed by them in witness thereof.

38.2 The Supervisory Board or the chairman may determine that a notarial record shall be made of the proceedings of the meeting. Such a record shall be co-signed by the chairman.

Article 39. Rights to attend meetings. Admission.

39.1 Each shareholder is authorised, either in person or represented by a representative authorised in writing, to take part in, to speak at, and to the extent applicable, to exercise his voting rights in the general meeting of shareholders. The provisions of this Article 39 concerning shareholders apply by analogy to each usufructuary and pledgee of shares to the extent they are entitled to voting rights and/or the right to attend general meetings of shareholders.

39.2 For each general meeting of shareholders a record date will be applied, which will be the twenty-eighth day prior to the day of the meeting (or, as the case may be, the day that at any time is set by law as record date), in order to determine which persons are deemed to be the shareholders for the purpose of Article 39.1. The record date and the manner in which shareholders can register and exercise their rights themselves or by a written representative will be set out in the notice of the meeting.

39.3 A shareholder or his proxy will only be admitted to the meeting if he has notified the company of his intention to attend the meeting in writing at the address and by the date specified in the notice of meeting. A shareholder or his proxy will only be admitted to the meeting, if the shares in question are registered in the shareholder's name on the record date referred to in Article 39.2. The proxy is also required to produce written evidence of his mandate. The company offers those entitled to attend meetings the opportunity to notify the company by electronic means of a power of attorney granted.

39.4 The Executive Board is authorized to determine that the rights in respect of a general meeting of shareholders as referred to in Article 39.1 can be exercised by using an electronic means of communication. If so decided, it will be required that the shareholder or his proxy holder can be identified through the electronic means of communication, follow the discussions in the meeting and exercise the voting right. The Executive Board may also determine that the electronic means of communication used must allow the shareholder or his proxy holder to participate in the discussions.

39.5 The Executive Board may determine further conditions to the use of electronic means of communication as referred to in Article 39.4, provided such conditions are reasonable and necessary for the identification of the shareholder and the reliability and safety of the communication. Such further conditions will be set out in the notice of the meeting. The foregoing does, however, not restrict the authority of the chairman of the meeting to take such action as he deems fit in the interest of the meeting being conducted in an orderly fashion. Any non or malfunctioning of the means of electronic communication used is at the risk of the shareholder using the same.

39.6 Each person eligible to vote or his representative shall sign the attendance list. The names of persons who participate in the meeting in accordance with Article 39.4 or who have cast their votes as referred to in Article 40.7, shall be added to the attendance list.

39.7 The members of the Supervisory Board and the members of the Executive Board shall have an advisory vote at the general meeting of shareholders.

39.8 The chairman shall decide whether persons other than those who shall be admitted in accordance with the above provisions of this Article shall be admitted to the meeting.

Article 40. Voting.

40.1 All resolutions for which no greater majority is required by law or the articles of association shall be passed by an absolute majority of the votes cast.

40.2 Each share shall entitle to one vote.

40.3 If in an election of persons an absolute majority is not obtained, there shall be a second free ballot.
If again an absolute majority is not obtained, further ballots shall be held until either one person obtains an absolute majority or there is a tie in a ballot between two persons.
Such further voting (not including the second free ballot) shall be between the persons voted upon in the preceding ballot with the exclusion of the person obtaining the lowest number of votes in that preceding ballot. If more than one person obtained the lowest number of votes in the preceding ballot, lots shall be drawn to decide which of those persons is to withdraw from the next ballot. In the event of a tie in a ballot between two persons, lots shall be drawn to decide which of the two is elected.

40.4 In the event of a tie in a vote on matters other than the election of persons, the proposal shall be rejected.

40.5 The chairman of the meeting will decide whether and to what extent votes are taken orally, in writing, electronically or by acclamation.

40.6 Abstentions and invalid votes shall be counted as not cast.

40.7 The Executive Board may determine that votes cast by electronic means of communication or by letter before the general meeting of shareholders shall be treated the same as votes cast during the meeting. These votes cannot be cast before the date of registration, as referred to in Article 39.2. Without prejudice to the other provisions of Article 39, the notice shall state the manner in which persons entitled to take part in and vote at meetings may exercise their rights prior to the meeting.

40.8 The provisions of sections 13, 117, 117a, 117b and 120 subsection 5 of Book 2 of the Dutch Civil Code shall also apply to the general meeting of shareholders.

CHAPTER 12. CONVOCATIONS AND NOTIFICATIONS.

Article 41. Convocations and notifications.

41.1 All announcements for the general meeting of shareholders, all notifications concerning dividend and other payments and all other communications to shareholders and other persons who are entitled to attend will be given in accordance with the requirements of law and the requirements of regulation applicable to the company pursuant to the listing of its shares on the stock exchange of Euronext Amsterdam N.V.

41.2 The company is authorized to give notice of meetings to shareholders and other persons who are entitled to attend, exclusively by announcement on the website of the company and/or through other means of electronic public announcement, as the company may deem fit.

41.3 The expression "shareholders" in Article 41.1 shall include usufructuaries and pledgees in whom the voting rights on shares are vested as well as the holders of the depositary receipts for shares as referred to in Article 6.

CHAPTER 13. AMENDMENT OF THE ARTICLES OF ASSOCIATION. STATUTORY MERGER. STATUTORY DEMERGER. DISSOLUTION.

Article 42. Amendment of the articles of association. Dissolution.

42.1 A resolution of the general meeting to amend the articles of association, to merge or demerge within the meaning of Part 7 of Book 2 of the Dutch Civil Code or to dissolve the company may only be adopted on a proposal of the Executive Board which is approved by the Supervisory Board.

42.2 If a proposal to amend the articles of association or to dissolve the company is to be put to the general meeting, this must in all cases be stated in the notice convening the general meeting of shareholders or announced subsequently as referred to in Article 35.5, and, in the case of an amendment to the articles of association, simultaneously a copy of the proposal including the verbatim text of the proposed amendment must be deposited for inspection at the office of the company and must be made available free of charge to shareholders and to the persons referred to in Article 41.3, until the end of the meeting.

Article 43.
Liquidation.

43.1 In the event of dissolution of the company pursuant to a resolution of the general meeting, the general meeting shall appoint one or more persons as liquidator.

43.2 During liquidation the provisions of the articles of association shall remain in force as far as possible.

43.3 The surplus remaining after settlement of the debts shall be distributed to the shareholders in proportion to the aggregate nominal value of their shares.

43.4 The liquidation shall otherwise be subject to the provisions of Part 1 of Book 2 of the Dutch Civil Code.

Part 2 - Amended Articles of Association after delisting and pursuant to Conversion

The text below reflects the Articles of Association of TNT Express B.V., as they are proposed to read after delisting and upon conversion.

ARTICLES OF ASSOCIATION.

CHAPTER 1. DEFINITIONS.

Article 1. Definitions.

In these articles of association the following terms shall have the meanings as assigned below:

(n) **general meeting**: the body formed by shareholders with voting rights and others holding voting rights;

(o) **general meeting of shareholders**: the meeting of shareholders and other persons entitled to attend meetings;

(p) **depositary receipts**: depositary receipts for shares in the company;

(q) **auditor**: a "registeraccountant" or other auditor referred to in section 393 of Book 2 of the Dutch Civil Code or an organisation in which such auditors work together;

(r) **annual meeting**: the general meeting of shareholders convened to consider the financial statements and annual report;

(s) **subsidiary**:

- a legal entity in which the company or one or more of its subsidiaries, pursuant to an agreement with other persons entitled to vote or otherwise, can exercise, solely or jointly, more than one-half of the voting rights at the general meeting of members or shareholders of that legal entity;
- a legal entity of which the company or one or more of its subsidiaries is a member or shareholder and, pursuant to an agreement with other persons entitled to vote or otherwise, can appoint or dismiss, solely or jointly, more than one-half of the members of the management board or the supervisory board, if all persons entitled to vote were to cast their vote,

all this subject to the provisions of subsections 3 and 4 of section 24a of Book 2 of the Dutch Civil Code.

A company operating under its own name, for the debts of which the company or one or more subsidiaries is fully liable as a partner towards its creditors, shall be treated as a subsidiary;

(t) **group company**: a legal entity or company within the meaning of section 24b of Book 2 of the Dutch Civil Code which is united with the company in one group;

(u) **Euroclear Nederland**: Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., trading under the name Euroclear Nederland, being the central depositary as referred to in the Securities Giro Transactions Act (*Wet giraal effectenverkeer*);

(v) **deposit shareholder**: a person holding book-entry rights representing a number of deposit shares through a deposit account with an intermediary, in accordance with the Securities Giro Transactions Act;

(w) **deposit shares** (*girale aandelen*): shares which are included in the deposit system of the Securities Giro Transactions Act;

(x) **intermediary**: an intermediary as referred to in the Securities Giro Transactions Act;

(y) **in writing**: unless the law or these articles provide otherwise, a message that is conveyed by letter, telefax, e-mail or any other electronic means of communication, provided the message is legible and reproducible.

CHAPTER 2. NAME, REGISTERED OFFICE AND OBJECT.

Article 2. Name and seat.

2.1 The name of the company is: TNT Express B.V.

2.2 The company has its registered office in Amsterdam.

Article 3. Object.

The objects of the company are:

(c) to participate in and to manage other enterprises and companies, including companies that operate in the field of the transportation, distribution and delivery of parcels and goods, as well as the storing, converting and transmitting of information, the management and disposal of information, the providing of logistic services and the providing of money transactions;

(d) to manage and finance subsidiaries, group companies and participations, among which to guarantee the debts of those companies and participations,

and further to engage in any activity which may be related or conducive to the objects set out hereinabove.

CHAPTER 3. CAPITAL AND SHARES. REGISTER.

Article 4. Capital.

4.1 The capital of the company consists of one or more shares. Each share has a nominal value of eight eurocents (EUR 0.08) each.

4.2 All shares are registered. No share certificates shall be issued.

Article 5. Deposit shares.

5.1 A share becomes a deposit share by transfer or issuance to Euroclear Nederland or to an intermediary, recording in writing that the share is a deposit share. The deposit share shall be recorded in the shareholders register of the company in the name of Euroclear Nederland or the relevant intermediary, stating in writing that it is a deposit share.

5.2 Deposit shareholders are not recorded in the shareholders register of the company.

5.3 Deposit shares can only be delivered from a collective depot or giro depot with due observance of the related provisions of the Securities Giro Transactions Act.

5.4 The transfer by a deposit shareholder of its book-entry rights representing deposit shares shall be effected in accordance with the provisions of the Securities Giro Transactions Act. The same applies to the establishment of a right of pledge and the establishment or transfer of a usufruct on these book-entry rights.

Article 6. Depositary receipts for shares.

The Company will not grant meeting rights to holders of depositary receipts issued for shares as referred to in section 227 of Book 2 of the Dutch Civil Code.

Article 7. Register for shareholders.

7.1 The Executive Board shall keep a register of holders of shares. The register may consist of various parts which may be kept in different places and each may be kept in more than one copy and in more than one place as determined by the Executive Board. The register will be kept up to date. In the register will be entered the names and the addresses referred to in Article 7.2 of all the holders of shares, usufructuaries and pledgees, the amount paid on each share and such other particulars as the Executive Board may determine. The entries in the register, as well as the amendments thereof, will be certified in a manner to be prescribed by the Executive Board.

7.2 Each shareholder (not including deposit shareholders) as well as each usufructuary and each pledgee of a share (not including deposit shares) is obliged to furnish its name and address to the company in writing.

7.3 Deposit shares may be recorded in the shareholders register of the company in the name of the relevant intermediary or Euroclear Nederland respectively, together with the date as per which they belong to the collective deposit or the book-entry deposit, the date of acknowledgement or service, as well the amount paid on each share.

7.4 The Executive Board will provide any holder of a share as well as any usufructuary and pledgee of a share with an extract from the register of shareholders showing its right to such share, on request and free of charge.

7.5 Section 194 of Book 2 of the Dutch Civil Code shall be applicable to the register.

7.6 Extracts from the register of shareholders shall be non-negotiable.

CHAPTER 4. ISSUE OF SHARES.

Article 8. Competent body.

8.1 Shares shall be issued pursuant to a resolution of the Executive Board. The resolution shall be subject to the approval of the Supervisory Board. The scope of authority of the Executive Board shall be determined by a resolution of the general meeting of shareholders and relate at most to all unissued shares of the authorised capital, as applicable now or at any time in the future. The duration of this authority shall be determined by a resolution of the general meeting and shall be for a period of five years at most.

8.2 Designation of the Executive Board as the body competent to issue shares may be extended by the articles of association or by a resolution of the general meeting for a period not exceeding five years in each case. The number of shares which may be issued shall be determined at the time of designation. Designation pursuant to the articles of association may be withdrawn by an amendment to the articles of association. Designation by resolution of the general meeting cannot be withdrawn unless determined otherwise at the time of designation.

8.3 Upon termination of the authority of the Executive Board, the issue of shares shall thenceforth require a resolution of the general meeting, save where another corporate body has been designated by the general meeting.

8.4 A resolution by the general meeting to issue shares or to designate another body as the body competent to issue such shares, may only be taken upon a proposal of the Executive Board subject to the approval of the Supervisory Board. A resolution of the general meeting to designate another corporate body can only be effected if it is determined thereto that every resolution to issue shares of that body shall be subject to the approval of the Supervisory Board.

8.5 The provisions of Articles 8.1 up to and including 8.4 shall be applicable mutatis mutandis to the granting of rights to subscribe to shares, but shall not be applicable to the issue of shares to persons exercising a previously granted right to subscribe to shares.

8.6 Section 206 of Book 2 of the Dutch Civil Code shall also be applicable to the issue of shares and the granting of rights to subscribe to shares.

Article 9. Share issue terms. Pre-emptive right.

9.1 The price and other terms of issue shall be determined at the time of the resolution to issue shares. Save as provided in section 191, subsection 1 of Book 2 of the Dutch Civil Code, the issue price shall not be less than par.

9.2 Each shareholder shall have a pre-emptive right to any issue of shares pursuant to the provisions of section 206a of Book 2 of the Dutch Civil Code. The same shall apply to the granting of rights to subscribe to shares.

9.3 The pre-emptive right may be restricted or excluded by a resolution of the Executive Board. The resolution shall be subject to the approval of the Supervisory Board. The authority vested in the Executive Board shall terminate on the date of termination of the authority of the Executive Board to issue shares.
The Articles 8.1 up to and including 8.4 shall be applicable mutatis mutandis.

9.4 Section 206a of Book 2 of the Dutch Civil Code shall also be applicable to the issue terms and the pre-emptive right.

Article 10. Paying up on shares.

10.1 On subscription to each share, payment must be made of its nominal value, without prejudice to the provisions of section 191 of Book 2 of the Dutch Civil Code.

10.2 Paying up on shares must be made in cash, insofar as another form of contribution has not been agreed to.

10.3 The Executive Board shall be authorised, without the prior approval of the general meeting, to perform legal acts relating to non-cash contributions for shares and the other legal acts referred to in section 204 of Book 2 of the Dutch Civil Code.

10.4 Sections 191, 191a and 191b of Book 2 of the Dutch Civil Code shall also be applicable to payment on shares and non-cash contributions, respectively.

CHAPTER 5. SHARES IN THE COMPANY'S OWN CAPITAL AND DEPOSITARY RECEIPTS THEREOF.

Article 11. Acquisition.

11.1 The Company and its subsidiaries may acquire fully paid-up shares or depositary receipts thereof, with due observance of the relevant statutory provisions, without prejudice to the provisions of Article 20.2 under (a) of these articles of association

11.2 Sections 24d, 205, 207, 207a, 207b, 207d and section 208, subsection 6 of Book 2 of the Dutch Civil Code shall also be applicable to shares in the company's own capital or depositary receipts thereof.

CHAPTER 6. REDUCTION OF CAPITAL.

Article 12. Reduction of capital.

12.1 The general meeting may, but only on a proposal of the Executive Board with the approval of the Supervisory Board, resolve to reduce the issued capital:
- (a) by a cancellation of shares; or
- (b) by a reduction of the nominal amount of the shares by amendment of the articles of association.

12.2 The provisions of section 208 of Book 2 of the Dutch Civil Code shall also be applicable to the reduction of capital.

CHAPTER 7. TRANSFER OF THE SHARES. RESTRICTED RIGHTS.

Article 13. Transfer of shares.

13.1 Notwithstanding the provisions of Article 13.4 of these articles of association, the transfer of a share requires a notarial deed, to be executed for that purpose before a civil law notary registered in the Netherlands, to which deed those involved in the transfer must be parties.

13.2 Unless the company itself is party to the transfer, the rights attributable to the share can only be exercised after the company has acknowledged said transfer or said deed has been served upon it, in accordance with the relevant provisions of the law.

13.3 A transfer of one or more shares may occur freely and is not subject to the share transfer restrictions referred to in section 195 of Book 2 of the Dutch Civil Code.

13.4 The transfer of deposit shares, as well as the transfer of shares to be delivered to or from a collective depot or giro depot will be effected in accordance with the provisions of the Securities Giro Transactions Act.

Article 14. Usufruct. Pledge.

14.1 The provisions of Article 13.1 and 13.2 apply by analogy to the creation or transfer of a usufruct in and to the pledging of shares (not including book-entry rights with respect to deposit shares).

14.2 A pledge may be also established on a share without acknowledgement by the company or service of an instrument on the company. In such cases, section 239 of Book 3 of the Dutch Civil Code shall be applicable mutatis mutandis whereby acknowledgement by the company or service of an instrument on the company shall replace the notification referred to in subsection 3 of that section.

14.3 The creation of a right of pledge and the creation or transfer of a usufruct in book-entry rights will be effected in accordance with the provisions of the Securities Giro Transactions Act.

14.4 The shareholder shall have the right to vote on shares subject to a usufruct or pledge. The usufructuary or the pledgee shall, however, have the right to vote if so provided upon the establishment of the usufruct or pledge. A shareholder without the right to vote and a usufructuary or a pledgee with the right to vote shall have the rights conferred by law upon the holders of depositary receipts issued for shares with the cooperation of a company. A usufructuary or pledgee without the right to vote shall not have the rights referred to in the preceding sentence.

14.5 The shareholder shall have the rights attaching to the share on which a usufruct has been established with respect to the acquisition of shares, provided that he shall compensate the usufructuary for the value of these rights to the extent that the latter is entitled thereto under his right of usufruct.

CHAPTER 8. MANAGEMENT.

Article 15. Executive Board.

15.1 The management of the company shall be formed by an Executive Board consisting of two or more members.

15.2 The Supervisory Board shall appoint a chairman from among the members of the Executive Board.

Article 16. Appointment, suspension and dismissal.

16.1 Members of the Executive Board will be appointed by the general meeting.

16.2 The Supervisory Board will nominate one or more candidates for each vacant seat and, if no members of the Executive Board are in office, it will do so as soon as reasonably possible.

16.3 A nomination or recommendation to appoint a member of the Executive Board will state the candidate's age and the positions he holds or has held, insofar as these are relevant for the performance of the duties of a member of the Executive Board. The nomination or recommendation must state the reasons on which they are based.

16.4 A resolution of the general meeting to appoint a member of the Executive Board in accordance with a nomination by the Supervisory Board can be adopted with an absolute majority of the votes cast.

16.5 Each member of the Executive Board may be suspended or removed by the general meeting at any time.

16.6 Any suspension may be extended one or more times, but may not last longer than three months in aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension will end.

Article 17. Remuneration.

17.1 The company has a policy on the remuneration of the Executive Board. The policy shall be proposed by the Supervisory Board and adopted by the general meeting. The policy on remuneration shall in any case include the subjects referred to in sections 383c, 383d and 383e of Book 2 of the Dutch Civil Code insofar as they regard issues related to the Executive Board.

17.2 The remuneration and further terms of employment of the Executive Board shall be determined by the Supervisory Board, with due observance of the policy referred to in Article 17.1.

17.3 If the remuneration of the Executive Board also consists of schemes under which shares or rights to subscribe for shares are granted, the Supervisory Board shall submit a proposal in respect of these schemes to the general meeting for approval. The proposal must as a minimum state the number of shares or rights to subscribe for shares that can be granted to the Executive Board and the conditions for the granting and amending thereof.

Article 18. Management duties. Decision-making. Allocation of tasks.

18.1 Subject to the restrictions imposed by the articles of association, the Executive Board shall be charged with the management of the company.

18.2 The Executive Board shall resolve with an absolute voting majority.

18.3 The Executive Board shall draw up by-laws containing further regulations on the procedure of holding meetings and decision-making by the Executive Board, and its operating procedures. Such by-laws shall require the approval of the Supervisory Board.

18.4 In allocating its duties, the Executive Board may determine the tasks for which each member of the Executive Board bears special responsibility. The allocation of tasks shall require the approval of the Supervisory Board.

Article 19. Representation.

19.1 The Executive Board represents the company. Representative authority shall also vest in:

(a) the chairman of the Executive Board, or

(b) two other members of the Executive Board, acting jointly.

19.2 The Executive Board may appoint officers with general or restricted power to represent the company. Any such appointment may be withdrawn at any time. All such officers shall represent the company with due observance of the restrictions imposed on their powers. Their titles shall be determined by the Executive Board.

Article 20. Approval of resolutions of the Executive Board.

20.1 Resolutions of the Executive Board entailing a significant change in the identity or character of the company or its business are subject to the approval of the general meeting, including in any case:

(a) the transfer of (nearly) the entire business of the company to a third party;

(b) entering into or breaking off long-term co-operation of the company or a subsidiary with another legal entity or company or as fully liable partner in a limited partnership or general partnership, if this co-operation or termination is of major significance for the company;

(c) acquiring or disposing of participating interests in the capital of a company at a value of at least one third of the sum of the assets of the company as shown on its balance sheet plus explanatory notes or, if the company prepares a consolidated balance sheet, as shown on its consolidated balance sheet plus explanatory notes, according to the last adopted financial statements of the company, by the company or a subsidiary.

20.2 Without prejudice to the other provisions of these articles of association as to that subject, the approval of the Supervisory Board shall be required for resolutions of the Executive Board relating to:

(a) the issue and acquisition of shares of the company and debt instruments issued by the company or of debt instruments issued by a limited partnership (*commanditaire vennootschap*) or a general partnership (*vennootschap onder firma*) in respect of which the company is a general partner with full liability;

(b) cooperation in the issue of depositary receipts for shares in the company;

(c) an application for admission of the instruments as referred to under (a) and (b) for trade on a regulated market or a multilateral trading facility as referred to in section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*) or a system comparable to a regulated market or multilateral trading facility from a state which is not a member state, or an application for the withdrawal of such admission;

(d) the entering into or termination of long-term cooperation of the company or a subsidiary with another company or legal entity or as fully liable partner in a limited partnership or general partnership if such cooperation or termination is of fundamental importance to the company;

(e) the acquisition of a participation worth at least a quarter of the value of the issued capital plus reserves according to the company's balance sheet plus explanatory notes, by the company or a subsidiary in the capital of another company, and any substantial increase or decrease of such a participation;

(f) investments requiring an amount equal to at least a quarter of the company's issued capital plus reserves according to its balance sheet plus explanatory notes;

(g) a proposal to amend the articles of association;

(h) a proposal to dissolve the company;

(i) a petition for bankruptcy (*faillissement*) or a request for suspension of payments (*surseance van betaling*);

(j) the termination of the employment of a considerable number of the company's employees or of a subsidiary's employees simultaneously or within a short period of time;

(k) a significant change in the employment conditions of a considerable number of the company's employees or of a subsidiary's employees; and

(l) a proposal to reduce the issued capital of the company.

20.3 The Supervisory Board may require other resolutions of the Executive Board than those specified in Article 20.2, to be subject to its approval. The Executive Board shall be notified in writing of such resolutions, which shall be clearly specified.

20.4 The lack of approval of the general meeting for a resolution as referred to in Article 20.1 or of the Supervisory Board, for a resolution as referred to in Articles 20.2 and 20.3 shall not affect the authority of the Executive Board and its members to represent the company.

Article 21. Conflicts of Interest.

21.1 An Executive Board member may not participate in deliberating or decision-making within the Executive Board, if with respect to the matter concerned he has a direct or indirect personal interests that conflicts with the interests of the company and the business connected with it. If, as a result hereof, the Executive Board cannot make a decision, the Supervisory Board will resolve the matter.

21.2 The Executive Board member who in connection with a (potential) conflict of interests does not exercise certain duties and powers will insofar be regarded as an Executive Board member who is unable to perform his duties (*belet*).

21.3 In the event of a conflict of interests as referred to in Article 21.1, the provisions of Article 19.1 will continue to apply unimpaired. In addition, the Supervisory Board may, ad hoc or otherwise, appoint one or more persons to represent the company in matters in which a (potential) conflict of interests exists between the company and one or more Executive Board members.

Article 22. Absence or inability to act.

22.1 For each vacant seat on the Executive Board, the Supervisory Board can determine that it will be temporarily occupied by a person (a stand-in) designated by the Supervisory Board. Persons that can be designated as such include (without limitation) Supervisory Board members and former Executive Board members (irrespective of the reason why they are no longer Executive Board members).

22.2 If and as long as one or more seats on the Executive Board are vacant, the management of the company will be temporarily entrusted to the person or persons who (whether as a stand-in or not) do occupy a seat in the Executive Board. If and as long as all seats are vacant and no seat is temporarily occupied, the Supervisory Board will be temporarily entrusted with the management of the company.

22.3 When determining to which extent Executive Board members are present or represented, consent to a manner of adopting resolutions, or vote, stand-ins will be counted-in and no account will be taken of vacant seats for which no stand-in has been designated.

22.4 For the purpose of this Article 22, the seat of an Executive Board member who is unable to perform his duties (*belet*) will be treated as a vacant seat.

CHAPTER 9. SUPERVISORY BOARD.

Article 23. Number of Members. Eligibility.

23.1 The company shall have a Supervisory Board consisting of natural persons only. The Supervisory Board shall have at least five and no more than seven members. At least two members are appointed as independent Supervisory Board member (an **Independent Supervisory Board Member**). If there are fewer than two Independent Supervisory Board Members, the Supervisory Board shall proceed without delay to fill up its number of Independent Supervisory Board Members.

23.2 The number of members of the Supervisory Board shall be determined by the Supervisory Board, with due observance of the provisions of Article 23.1.

23.3 Although the Dutch Corporate Governance Code does not apply to the company, an Independent Supervisory Board Member must qualify as independent supervisory director within the meaning of the Dutch Corporate Governance Code.

Article 24. Appointment.

24.1 Members of the Supervisory Board are appointed by the general meeting.

24.2 The Supervisory Board will nominate one or more candidates for each vacant seat.

24.3 A nomination or recommendation to appoint a member of the Supervisory Board will state the candidate's age, his profession, the number of shares he holds in the capital of the company and the positions he holds or has held, insofar as these are relevant for the performance of the duties of a member of the Supervisory Board. Furthermore, the names of the legal entities of which he is also a member of their supervisory boards must be indicated; if those include legal entities which belong to the same group, a reference to that group will be sufficient. The nomination or recommendation must state the reasons on which it is based.

24.4 A resolution of the general meeting to appoint a member of the Supervisory Board in accordance with a nomination by the Supervisory Board can be adopted with an absolute majority of the votes cast.

24.5 At a general meeting of shareholders, votes in respect of the appointment of a member of the Supervisory Board can only be cast for candidates named in the agenda of the meeting or the explanatory notes thereto. If none of the candidates nominated by the Supervisory Board is appointed, the Supervisory Board retains the right to make a new nomination to be voted upon at a next meeting.

Article 25. Suspension. Dismissal.

Each member of the Supervisory Board may be suspended or removed by the general meeting at any time.

Any suspension may be extended one or more times, but may not last longer than three months in all. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end.

Article 26. Remuneration.

The remuneration for each member of the Supervisory Board shall be determined by the general meeting.

Article 27. Duties and powers.

27.1 The duties of the Supervisory Board shall be the supervision of the policy of the Executive Board and the general course of affairs of the company and the enterprise connected therewith. It shall assist the Executive Board with advice. In the performance of their duties the members of the Supervisory Board shall be guided by the interest of the company and the enterprise connected therewith.

27.2 The Executive Board shall provide the Supervisory Board in good time with the information necessary for the performance of its duties.

27.3 At least once a year, the Executive Board shall inform the Supervisory Board of the main aspects of the strategic policy, the general and financial risks and the company's management and auditing systems in writing.

27.4 The Supervisory Board shall have access to the company's buildings and premises and shall be entitled to inspect the company's books and documents. The Supervisory Board may appoint one or more persons from among its number or an expert to exercise these powers. The Supervisory Board may also otherwise call upon the assistance of experts. The costs of such experts shall be borne by the company.

Article 28. Working procedures and decision-making.

28.1 The Supervisory Board shall appoint from among its midst a chairman and a vice-chairman who shall substitute for the former in his absence. The Supervisory Board shall appoint a secretary from among its midst or from outside and shall make a provision for the substitution of the secretary.

28.2 In the absence of the chairman and the vice-chairman at a meeting, the meeting itself shall designate a chairman.

28.3 The Supervisory Board shall meet whenever the chairman, or two other members of the Supervisory Board, or the Executive Board so requests.

28.4 Minutes shall be kept by the secretary of the proceedings of meetings of the Supervisory Board. The minutes shall be adopted by the Supervisory Board at the same meeting or at a subsequent meeting.

28.5 All resolutions of the Supervisory Board shall be passed by absolute majority of the votes cast.

28.6 The Supervisory Board may only pass valid resolutions at a meeting if the majority of the members of the Supervisory Board are present or represented at the meeting.

28.7 A member of the Supervisory Board may have himself represented by a fellow member holding a proxy in writing. A member of the Supervisory Board may not act as proxy on behalf of more than one fellow member of the Supervisory Board.

28.8 A Supervisory Board member may not participate in deliberating or decision-making within the Supervisory Board, if with respect to the matter concerned he has a direct or indirect personal interests that conflicts with the interests of the company and the business connected with it.

28.9 The provisions of Article 21.2 and Article 22 apply by analogy to the Supervisory Board, provided that if and as long as all seats on the Supervisory Board are vacant, the duties of the Supervisory Board shall be provisionally conducted by the person designated for that purpose by the general meeting.

28.10 The Supervisory Board may also adopt resolutions without holding a meeting, provided the proposal in question has been submitted to all members of the Supervisory Board and none has objected to this form of decision-making.

A report shall be drawn up by the secretary of a resolution adopted in this way, enclosing the replies received, and shall be signed by the chairman and the secretary. In the minutes of the subsequent meeting of the Supervisory Board, this form of decision-making shall be stated.

28.11 The Supervisory Board shall meet together with the Executive Board whenever the Supervisory Board or the Executive Board so requests.

28.12 The Supervisory Board shall draw up by-laws containing further regulations on the procedure for holding meetings and decision-making by the Supervisory Board, and its operating procedures.

28.13 The Supervisory Board may, without prejudice to its responsibilities, designate one or more committees from among its members, who shall have the responsibilities specified by the Supervisory Board.

28.14 The composition of any such committee shall be determined by the Supervisory Board.

28.15 The general meeting may additionally remunerate the members of the committee(s) for their services.

Article 29. Indemnity.

29.1 The company shall indemnify and hold harmless each member of the Executive Board and each member of the Supervisory Board (each of them, for the purpose of this Article 29 only, the **Director**) against any and all liabilities, claims, judgements, fines and penalties (the **Claims**), incurred by the Director as a result of any threatened, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative (the **Action**), brought by any party other than the company itself or its group companies, in relation to acts or omissions in or related to his capacity as a Director. Claims will include derivative actions brought on behalf of the company or its group companies against the Director and claims by the company (or one of its group companies) itself for reimbursement for claims by third parties on the ground that the Director was jointly liable towards that third party in addition to the company.

29.2 The Director will not be indemnified with respect to Claims in so far as they relate to the gaining in fact of personal profits, advantages or remuneration to which he was not legally entitled, or if the Director shall have been adjudged to be liable for wilful misconduct (*opzet*) or intentional recklessness (*bewuste roekeloosheid*).

29.3 Any expenses (including reasonable attorneys' fees and litigation costs) (together the **Expenses**) incurred by the Director in connection with any Action, shall be reimbursed by the company, but only upon receipt of a written undertaking by that Director that he shall repay such Expenses if a competent court should determine that he is not entitled to be indemnified. Expenses shall be deemed to include any tax liability which the Director may be subject to as a result of his indemnification.

29.4 Also in case of an Action against the Director by the company itself or its group companies, the company will advance to the Director his reasonable attorneys' fees and litigation costs but only upon receipt of a written undertaking by that Director that he shall repay such fees and costs if a competent court should resolve the Action in favour of the company rather than the Director.

29.5 The Director shall not admit any personal financial liability vis-à-vis third parties, nor enter into any settlement agreement, without the company's prior written authorisation. The company and the Director shall use all reasonable endeavours to cooperate with a view to agreeing on the defence of any Claims but in the event that the company and the Director would fail to reach such agreement, the Director shall comply with all directions given by the company in its sole discretion.

29.6 The indemnity contemplated by this Article 29 shall not apply to the extent Claims and Expenses are reimbursed by insurers.

29.7 In case of amendment of this Article 29, the indemnity provided thereby shall nevertheless continue to apply to Claims and/or Expenses incurred in relation to the acts or omissions by the Director during the periods in which this clause was in effect.

CHAPTER 10. FINANCIAL STATEMENTS AND ANNUAL REPORT. PROFIT.

Article 30. Financial year. Financial statements and annual report. Adoption.

30.1 The financial year runs from the first day of June of any year until the thirty-first day of May of the following year.

30.2 Annually, not later than five months after the end of the financial year, save where this period is extended by the General Meeting by not more than six months by reason of special circumstances, the Executive Board shall prepare the financial statements and shall lay them open for inspection by the shareholders at the office of the company. Within that period the Executive Board shall also present the annual report.

30.3 Within the period referred to in Article 30.2, the Executive Board shall send the financial statements to the central works council as well.

30.4 The financial statements shall be signed by the members of the Executive Board and of the Supervisory Board. If the signature of one or more of them is missing, this shall be stated and reasons shall be given.

30.5 Annually, the Supervisory Board shall prepare a report, that shall be added to the financial statements and the annual report. The provisions of Articles 30.2 and 30.3 shall apply by analogy.

30.6 The general meeting shall adopt the financial statements.

30.7 In the general meeting of shareholders where the resolution to adopt the financial statements is passed, a proposal to release the members of the Executive Board from liability for the exercise of the management and a proposal to release the members of the Supervisory Board from liability for the exercise of the supervision of the management, insofar as the exercise of such duties is reflected in the financial statements or otherwise disclosed to the general meeting prior to the adoption of the financial statements, shall be brought up for discussion as two separate items. The scope of a release from liability shall be subject to limitations by virtue of the law.

30.8 Sections 210 and 212 and Part 9 of Book 2 of the Dutch Civil Code shall also be applicable to the financial statements and the annual report.

Article 31. Dividends. Reservations.

31.1 The Executive Board shall, subject to the approval of the Supervisory Board determine what part of the profit is to be appropriated to reserves.

31.2 The part of the profit remaining after the appropriation to reserves shall be at the disposal of the general meeting.

31.3 If a loss is sustained in any year, no dividend shall be distributed for that year. No dividend may be paid in subsequent years until the loss has been compensated by profits. The general meeting may, however, resolve on a proposal of the Executive Board which has received the approval of the Supervisory Board to compensate the loss out at the expense of any reserves or also to distribute a dividend at the expense of any reserves.

31.4 A resolution of the general meeting to make a distribution will not be effective until approved by the Executive Board. The Executive Board may only refuse to grant such approval if it knows or reasonably should foresee that after the distribution the company would not be able to continue to pay its debts as they fall due.

31.5 The Executive Board may resolve to distribute an interim dividend. Such a resolution shall be subject to the approval of the Supervisory Board.

31.6 No dividend shall be paid on the shares held by the company in its own capital. For the computation of the profit distribution, the shares on which according to this Article 31.6 no dividend shall be paid, shall not be included. The provisions laid down before in this Article 31.6 shall not be applicable in the event that the Executive Board resolves otherwise, which resolution shall be subject to the approval of the Supervisory Board.

Article 32. Distributions in shares and distributions charged to the reserves.

32.1 The Executive Board may resolve that all or part of the dividend on shares shall be paid in shares in the company instead of cash. In case of an interim distribution the Executive Board may also resolve that the payments shall take place to the debit of the freely distributable reserves. These resolutions of the Executive Board shall be subject to the approval of the Supervisory Board.

32.2 The general meeting may resolve, on a proposal of the Executive Board which has received the approval of the Supervisory Board, to charge distributions to holders of shares to the expense of the freely distributable reserves. All or part of these distributions may also be paid in shares in the company instead of cash. A resolution of the general meeting to make a distribution will not be effective until approved by the Executive Board. The Executive Board may only refuse to grant such approval if it knows or reasonably should foresee that after the distribution the company would not be able to continue to pay its debts as they fall due.

32.3 Section 216 of Book 2 of the Dutch Civil Code shall also be applicable.

Article 33. Payments.

An announcement of dividends and other distributions becoming payable shall be made in accordance with Article 41.

CHAPTER 11. GENERAL MEETINGS OF SHAREHOLDERS.

Article 34. Annual meeting. Other meetings.

34.1 The annual meeting shall be held each year within six months after the end of the financial year.

34.2 The agenda for that meeting shall include the following items:

(a) the annual report;

(b) adoptions of the financial statements;

(c) determination of dividend;

(d) release from liability of members of the Executive Board;

(e) release from liability of members of the Supervisory Board;

(f) if applicable, appointments of members of the Executive Board and members of the Supervisory Board and notification of expected vacancies in the Supervisory Board;

(g) any other proposals put forward by the Supervisory Board or the Executive Board and announced pursuant to Article 35, such as a proposal to designate a body competent to issue shares or to authorise the Executive Board to cause the company to acquire its own shares or depositary receipts thereof.

34.3 Other general meetings of shareholders shall be held as often as the Executive Board or the Supervisory Board deems necessary, without prejudice to the provisions of sections 220, 221 and 222 of Book 2 of the Civil Code.

Article 35. Notice convening a meeting. Agenda.

35.1 General meetings of the shareholders shall be convened by the Supervisory Board or the Executive Board.

35.2 The meeting shall be announced no later than the eighth day before the day of the meeting, or on a longer period at discretion of the Executive Board.

35.3 The notice of the meeting will state:

(a) the subjects to be dealt with;

(b) venue and time of the general meeting;

(c) the procedure to take part in the general meeting by a representative authorized in writing; and

(d) the procedure to participate in the general meeting,

without prejudice to the provisions of Article 43.2 of these articles of association.

35.4 The notice convening a meeting shall be given in the manner stated in Article 42.

35.5 Matters not stated in the notice convening the meeting may be further announced, subject to the time limit pertaining to the convocation of meetings, in the manner stated in Article 42.

35.6 Shareholders who, alone or jointly, represent at least one percent (1%) of the issued capital and otherwise meet the requirements set forth in section 224a of Book 2 of the Dutch Civil Code will have the right to request the Executive Board or the Supervisory Board to place items on the agenda of the general meeting of shareholders, provided the reasons for the request are stated therein and the request or a proposed resolution is received by the chairman of the Executive Board or the chairman of the Supervisory Board in writing at least thirty (30) days before the date of the general meeting of shareholders.

35.7 The term "shareholders" in this Article shall include usufructuaries and pledgees in whom the voting rights on shares are vested.

Article 36. Venue of meetings.

The general meetings of shareholders shall be held in Amsterdam, The Hague, Hoofddorp or in the municipality of Haarlemmermeer.

Article 37. Chairmanship.

37.1 The general meetings of shareholders shall be presided over by the chairman of the Supervisory Board or, in his absence, by a vice-chairman of that board; in the event that the latter is also absent, the members of the Supervisory Board present shall appoint a chairman from their midst.

The Supervisory Board may appoint another chairman for a general meeting of shareholders.

37.2 If the chairman of a meeting has not been appointed in accordance with Article 37.1, the meeting itself shall appoint a chairman. Until that moment, a member of the Executive Board designated thereto by the Executive Board shall substitute as chairman.

Article 38. Minutes.

38.1 Minutes shall be kept of the proceedings of each general meeting of shareholders by a secretary appointed by the chairman. The minutes shall be adopted by the chairman and the secretary and shall be signed by them in witness thereof.

38.2 The Supervisory Board or the chairman may determine that a notarial record shall be made of the proceedings of the meeting. Such a record shall be co-signed by the chairman.

Article 39. Rights to attend meetings. Admission.

39.1 Each shareholder is authorised, either in person or represented by a representative authorised in writing, to take part in, to speak at, and to the extent applicable, to exercise his voting rights in the general meeting of shareholders. The provisions of this Article 39 concerning shareholders apply by analogy to each usufructuary and pledgee of shares to the extent they are entitled to voting rights and/or the right to attend general meetings of shareholders.

39.2 A shareholder or his proxy will only be admitted to the meeting if he has notified the company of his intention to attend the meeting in writing at the address in accordance with and by the date specified in the notice of meeting. In the notice of the meeting deposit shareholders shall be requested to evidence their entitlement to attend the general meeting of shareholders and exercise voting rights through the intermediary and that such deposit shareholder will retain such entitlement until the end of the meeting, in the manner as described in the notice of the meeting.

39.3 The proxy is also required to produce written evidence of his mandate. The company offers those entitled to attend meetings the opportunity to notify the company by electronic means of a power of attorney granted.

39.4 The Executive Board is authorized to determine that the rights in respect of a general meeting of shareholders as referred to in Article 39.1 can be exercised by using an electronic means of communication. If so decided, it will be required that the shareholder or his proxy holder can be identified through the electronic means of communication, follow the discussions in the meeting and exercise the voting right. The Executive Board may also determine that the electronic means of communication used must allow the shareholder or his proxy holder to participate in the discussions.

39.5 The Executive Board may determine further conditions to the use of electronic means of communication as referred to in Article 39.4, provided such conditions are reasonable and necessary for the identification of the shareholder and the reliability and safety of the communication. Such further conditions will be set out in the notice of the meeting. The foregoing does, however, not restrict the authority of the chairman of the meeting to take such action as he deems fit in the interest of the meeting being conducted in an orderly fashion. Any non or malfunctioning of the means of electronic communication used is at the risk of the shareholder using the same.

39.6 Each person eligible to vote or his representative shall sign the attendance list. The names of persons who participate in the meeting in accordance with Article 39.5 or who have cast their votes as referred to in Article 40.7, shall be added to the attendance list.

39.7 The members of the Supervisory Board and the members of the Executive Board shall have an advisory vote at the general meeting of shareholders.

39.8 The chairman shall decide whether persons other than those who shall be admitted in accordance with the above provisions of this Article shall be admitted to the meeting.

Article 40. Voting.

40.1 All resolutions for which no greater majority is required by law or the articles of association shall be passed by an absolute majority of the votes cast.

40.2 Each share shall entitle to one vote.

40.3 If in an election of persons an absolute majority is not obtained, there shall be a second free ballot.

If again an absolute majority is not obtained, further ballots shall be held until either one person obtains an absolute majority or there is a tie in a ballot between two persons.

Such further voting (not including the second free ballot) shall be between the persons voted upon in the preceding ballot with the exclusion of the person obtaining the lowest number of votes in that preceding ballot. If more than one person obtained the lowest number of votes in the preceding ballot, lots shall be drawn to decide which of those persons is to withdraw from the next ballot. In the event of a tie in a ballot between two persons, lots shall be drawn to decide which of the two is elected.

40.4 In the event of a tie in a vote on matters other than the election of persons, the proposal shall be rejected.

40.5 The chairman of the meeting will decide whether and to what extent votes are taken orally, in writing, electronically or by acclamation.

40.6 Abstentions and invalid votes shall be counted as not cast.

40.7 The provisions of sections 13, 227, 227a and 227b of Book 2 of the Dutch Civil Code shall also apply to the general meeting of shareholders.

Article 41. Adoption of Resolutions without holding Meetings.

41.1 Resolutions of the general meeting can be adopted without holding a meeting, provided all persons with meeting rights have consented with such manner of resolution-making in writing. For adoption of a resolution outside a meeting it is required that all votes are cast in writing or that the resolution is recorded in writing mentioning how the votes were cast. Prior to the resolution-making, the members of the Executive Board and the Supervisory Board must be given the opportunity to give advice.

41.2 Those having adopted a resolution outside a meeting must ensure that the Executive Board is informed of the resolution thus adopted as soon as possible in writing.

CHAPTER 12. CONVOCATIONS AND NOTIFICATIONS.

Article 42. Convocations and notifications.

42.1 The notice of a general meeting must be in writing and sent to the addresses of the shareholders and all the other persons holding meeting rights as shown in the register of shareholders. However, if a shareholder or another person holding meeting rights has provided the company with another address for the purpose of receiving such notice, the notice may alternatively be sent to such other address. For the purpose of notification of deposit shareholders, notice of general meetings of shareholders will be given by announcement on the company’s website as well.

42.2 Unless the opposite is evident, the provision of an electronic mail address by a shareholder to the company will constitute evidence of that shareholder’s consent with the sending of notices electronically.

42.3 The provisions of Articles 42.1 and 42.2 apply by analogy to other announcements, notices and notifications to shareholders.

42.4 The expression "shareholders" in this Article 42 shall include usufructuaries and pledgees in whom the voting rights on shares are vested.

CHAPTER 13. AMENDMENT OF THE ARTICLES OF ASSOCIATION. STATUTORY MERGER. STATUTORY DEMERGER. DISSOLUTION.

Article 43. Amendment of the articles of association. Dissolution.

43.1 A resolution of the general meeting to amend the articles of association, to merge or demerge within the meaning of Part 7 of Book 2 of the Dutch Civil Code or to dissolve the company may only be adopted on a proposal of the Executive Board which is approved by the Supervisory Board.

43.2 If a proposal to amend the articles of association or to dissolve the company is to be put to the general meeting, this must in all cases be stated in the notice convening the general meeting of shareholders or announced subsequently as referred to in Article 35.5, and, in the case of an amendment to the articles of association, simultaneously a copy of the proposal including the verbatim text of the proposed amendment must be deposited for inspection at the office of the company and must be made available free of charge to shareholders and to the persons referred to in Article 42.1, until the end of the meeting.

Article 44. Liquidation.

44.1 In the event of dissolution of the company pursuant to a resolution of the general meeting, the general meeting shall appoint one or more persons as liquidator.

44.2 During liquidation the provisions of the articles of association shall remain in force as far as possible.

44.3 The surplus remaining after settlement of the debts shall be distributed to the shareholders in proportion to the aggregate nominal value of their shares.

44.4 The liquidation shall otherwise be subject to the provisions of Part 1 of Book 2 of the Dutch Civil Code.