

1Q15 results presentation

Maarten de Vries, CFO

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THE PEOPLE NETWORK

1Q15 Outlook progress

Focus on profitable growth

- Move More by Road
- Drive sales from four priority industries
- Serve more SMEs even better
- Increase profitability Domestic and AMEA

- Customer satisfaction score improving
- Launch of new services to/from Turkey, Israel, Italy
- Opening of dedicated healthcare hub in the Netherlands
- Continued revenue growth from SMEs

Invest in operational excellence

- Realise the Perfect Transaction
- Increase efficiency and productivity in Network Operations
- Transform IT and Global Business Services
- Prioritise Health & Safety practices

- Service performance up year-on-year and sequentially
- CAPEX €78 million, or 4.8% of group revenues
- Opening of new hub in Sydney
- Investments in Liege, check weigh cube devices, fleet, IT

Organise to win

- Local Customer Focus, Global Business Services
- Integrated European Express organisation, focused Domestic organisation
- Strengthen leadership performance culture

- Global Business Services and 'Simplify & Transform' (IT) transformation projects on track
- New leadership for the UK, Italy, France International

1Q15 statement of income

<i>(€m) @ respective rates</i>	1Q15	1Q14	%chg YoY
Revenues	1,622	1,601	1.3
Operating income / (loss)	(11)	15	
One-offs	12	28	
Adjusted operating income / (loss)	1	43	-97.7
Net financial (expense) / income	(6)	(3)	
Results from associates and JVs	2	2	
Income taxes	(4)	(14)	
<i>Effective tax rate</i>	<i>-26.7%</i>		
Profit / (loss) for the period	(19)	0	

- Adjusted for disposals and positive FX effects, revenues declined 1.5% compared with 1Q14
- Underlying comparable revenue growth 2.1%, after adjusting for FX effects, disposals, and the negative impacts from lower fuel surcharges (-2.1%) and one fewer trading day (-1.5%)
- Operating income includes restructuring and other charges of €12 million
- Adjusted operating income €1 million, reflecting costs related to the execution of Outlook (€20 million), lower volumes from international accounts and pricing pressures, particularly in Western Europe.

1Q15 statement of cash flows

<i>(€m) @ respective rates</i>	1Q15	1Q14	%chg YoY
Cash generated from operations	(93)	(36)	-158.3
Net cash from / (used in) operating activities	(111)	(64)	-73.4
Net cash from / (used in) investing activities	(51)	(14)	-264.3
Net cash from / (used in) financing activities	11	(15)	
Total changes in cash	(151)	(93)	-62.3
Net cash	330	402	-17.9

- Cash CAPEX €78 million (4.8% of revenues), progressing in line with plan, compared with €26 million in 1Q14 (1.6% of revenues)
- Trade working capital 8.2% of revenues
- Net cash position of €330 million

International Europe

(€m) @ respective rates	1Q15	1Q14	%chg YoY
Revenues	663	672	-1.3
Adjusted operating income	8	31	-74.2
Avg daily cons ('000)	243	244	-0.4
RPC (€) (at constant FX @avg14)	44.2	44.3	-0.2
Avg daily kilos ('000)	8,393	8,202	2.3
RPK (€) (at constant FX @avg14)	1.28	1.32	-3.0

- Adjusted for positive FX effects, revenues declined 2.5%
- Underlying revenues* grew 1.4%
- Weaker sales in Western Europe markets, partly offset by growth in most other markets
- Continued revenue growth from SMEs, offset by lower revenues from international accounts
- Adjusted operating income decreased to €8 million, reflecting costs related to strategic Outlook initiatives (€6m) and the launch of new services (€4m), higher US\$ denominated air network costs (€6m) and disappointing sales in the segment's largest markets

* Adjusted for FX effects, negative impacts from trading day effect and lower fuel surcharges



International AMEA

<i>(€m) @ respective rates</i>	1Q15	1Q14	%chg YoY
Revenues	233	199	17.1
Adjusted operating income	9	5	60.0
Avg daily cons ('000)	55	59	-6.8
RPC (€) (at constant FX @avg14)	58.8	54.8	7.3
Avg daily kilos ('000)	1,162	1,073	8.3
RPK (€) (at constant FX @avg14)	2.77	2.99	-7.4

- Adjusted for positive FX effects, revenues declined 1.5%
- Underlying revenues* grew 3.5%
- Revenue per consignment rose 7.3%, driven by higher average daily weights (+8.3%)
- Adjusted operating income €4 million higher than prior year, supported by ongoing Outlook improvement initiatives

* Adjusted for FX effects, negative impacts from trading day effect and lower fuel surcharges

Domestics

<i>(€m) @ respective rates</i>	1Q15	1Q14	%chg YoY
Revenues	621	595	4.4
Adjusted operating income	(4)	15	
Avg daily cons ('000)	656	630	4.1
RPC (€) (at constant FX @avg14)	14.8	15.2	-2.6
Avg daily kilos ('000)	12,883	12,978	-0.7
RPK (€) (at constant FX @avg14)	0.75	0.74	1.4

- Adjusted for positive FX effects, revenues declined 0.5%
- Underlying revenues* grew 2.2%, helped by continued revenue growth from SMEs
- Improvements in the UK offset by a weaker performance in Australia and France
- Higher volumes (4.1% increase in average daily consignments) offset by lower selling prices
- Adjusted operating loss of €4 million, due to pressure on yields, especially in France and Australia, and costs related to strategic Outlook initiatives (€4 million) and the opening of the new hub in Sydney (€3 million)

* Adjusted for FX effects, negative impacts from trading day effect and lower fuel surcharges

Unallocated

<i>(€m) @ respective rates</i>	1Q15	1Q14	%chg YoY
Revenues	107	138	-22.5
Adjusted operating income	(12)	(8)	-50.0

- Prior year comparison distorted by sale of Fashion supply chain business in 2Q14
- Operating income affected by a €3 million increase in pension costs versus 1Q14

Guidance unchanged

- TNT reiterates its current financial year and longer-term guidance
- For 2015, TNT expects a continuation of adverse trading conditions, particularly in Western Europe
- 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 between €25 million and €30 million in the second quarter of 2015.



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QUESTIONS