



TNT Express

1Q13 results presentation

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1Q13 highlights

TNT Express

- Trading conditions remain challenging and continued trends of previous quarters
- Cost savings programmes supported profitability
- Solid capital position

EMEA

- Volumes grew but yields declined in still-challenging trading conditions
- Continuing pricing pressure and negative mix effects
- Cost control lessened negative impact on profitability, which was in line expectations

ASPAC

- Revenue declined due to targeted reductions in large customer volumes and continuing weak demand
- Operating income flat, supported by improvements in business portfolio and cost reduction measures

Discontinued operations

- Brazil improving results from further turnaround measures, including yield actions and cost savings

Other

- *Deliver!* implementation started, first milestones realised
- UPS €200m termination fee received
- Period end net cash €280m

Deliver! progress to date

Highlights

Reshape portfolio

- Sale China Domestic announced 28 March
- Sale Brazil Domestic process underway
- Near-term solutions to excess longhaul capacity underway



Focus on distinctive service proposition

- First pilots using advanced prospect targeting software showing higher conversion rates
- Rollout started of standardised tariffs and vendor management tools in Special Services
- New sales productivity system rolled out



Execute better

- Functional / business unit reorganisation passed first milestones
- Central telecoms / data centre RFPs launched
- Five specific infrastructure analyses underway
- Centralised air linehaul optimisation started, generating first savings
- PUD productivity pilots started



Invest in infrastructure and IT

- Investment plans for four depots under review



1Q13 financial highlights

(€m)	1Q13	1Q12	%chg/€
Reported revenues	1,666	1,744	-4.5
Adjusted revenues*	1,676	1,744	-3.9
Reported operating income	231	54	177
Adjusted operating income*	38	54	-16
Net cash from operating activities	167	19	148
Net cash from/(used in) investing activities	(28)	(11)	-17

- Adjusted revenues decline in all segments but mainly in Asia Pacific
- Adjusted operating income decline of €16m
- Period end net cash position €280m

* The adjusted figures are at constant currency and exclude the impact of certain one-off charges. Please see 1Q13 press release for details of these adjustments.

1Q13 statement of income

(€m)	1Q13	1Q12	%chg/€
Revenues	1,666	1,744	-4.5
Operating income	231	54	177
Net financial expense	(7)	(5)	-2
Income taxes	(67)	(10)	-57
<i>Effective tax rate</i>	29.9%	20.4%	
Profit for the period from continuing operations	157	39	118
Loss from discontinued operations	(13)	(24)	11
Profit for the period	144	15	129

- Reported revenue -4.5%
- Operating income highly impacted by €200m termination fee from UPS
- Effective tax rate reflects exclusion of Brazil Domestic and one-off effects

Change in reporting – Brazil Domestic

(€m)	Previous reporting		Current reporting	
	1Q13	1Q12	1Q13	1Q12
Reported revenue	71	75	-	-
FX-adjusted revenue	80	75	-	-
Reported operating income	(10)	(18)	-	-
FX-adjusted operating income	(12)	(18)	-	-
Loss from discontinued operations	-	-	(13)	(24)
Condensed B/S	-	-	√	√
Condensed CF	-	-	√	√

Following IFRS, Brazil Domestic is now reported as a 'Discontinued Operation'

1Q13 statement of cash flows

(€m)	1Q13	1Q12	€
Cash generated from operations	191	33	158
Net cash from operating activities	167	19	148
Net cash used in investing activities	(28)	(11)	-17
Net cash used in financing activities	(16)	(29)	-13
Change in cash from discontinued operations	3	0	3
Total changes in cash	126	(21)	147

- Net cash used in investing activities €17m higher because cash out for matured foreign exchange hedges
- Net capex 1.0% of reported revenues
- Trade working capital 8.6% of revenues

Europe & MEA

(€m)	1Q13	1Q12	%chg YoY
Adjusted revenues	1,131	1,147	-1.4
Adj operating income	52	69	-24.6
Avg daily cons ('000)	807	754	7.0
RPC (€) (at constant FX)	22.3	23.4	-4.7
Avg daily kilos ('000)	14,726	14,752	-0.2
RPK (€) (at constant FX)	1.22	1.20	1.7

- Revenue decline as a result of price pressure and negative working day impact offset by higher intercontinental air cargo sales
- Growth Domestic and International Economy consignments, International Express lower
- General significant decrease in weight per consignment and higher growth of lower weight per consignment B2C parcels continued to impact yield
- Pricing pressure and negative mix also continued across all products
- Cost control measures eased impact of negative yield
- Nordics, Eastern Europe and Middle East strong performance, other units flat or weaker

Asia Pacific

(€m)	1Q13	1Q12	%chg YoY
Adjusted revenues	394	430	-8.4
Adj operating income	(7)	(7)	0.0
Avg daily cons ('000)	155	158	-1.9
RPC (€) (at constant FX)	40.3	41.8	-3.6
Avg daily kilos ('000)	9,436	9,840	-4.1
RPK (€) (at constant FX)	0.66	0.67	-1.5

- Lower revenues mostly because of last year's targeted reduction of volumes from larger customers, weak overall demand and VAT implementation affecting China sales
- Lower RPK and RPC reflect price pressure, mix effects and lower WPC in International
- Cost savings and block-space agreements supported profitability
- Australia yield decline because of lower weight per consignment and price pressure, with associated negative impact on operating profit
- China Domestic continues to improve profitability

Other Americas

(€m)	1Q13	1Q12	%chg YoY
Adjusted revenues	42	43	-2.3
Adj operating income	(4)	(5)	20.0
Avg daily cons ('000)	17	18	-5.6
RPC (€) (at constant FX)	40.0	37.5	6.7
Avg daily kilos ('000)	1,016	1,015	0.1
RPK (€) (at constant FX)	0.66	0.65	1.5

- Profitability in Chile and North America improved

Other Networks and Non-allocated

- Other Networks performance below prior year, mostly due to worsening trading conditions in Innight
- Overhead costs contained

Discontinued operations

- Brazil improving results from further turnaround measures, including yield actions and cost savings.

2013 guidance reiterated

- Challenging trading conditions foreseen in 2013 with related continued negative development of operating results in Europe & MEA
- Asia Pacific and Other Americas expected to perform in line with prior year
- Other Networks profitability affected by discontinuation of major Fashion contract and worsening trading conditions in Innight
- Brazil expected to reduce losses

