



TNT Express

3Q13 results presentation

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3Q13 highlights

Group

- Demanding trading conditions
 - Adjusted revenues €1,704m (-1.8%), adjusted operating income €54m (3Q12: €64m)
 - Adjusted operating expenses -1.3%
 - Solid period end net cash €349m (2Q13: €287m)
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Segments

- Europe Main: yield pressure continuing but good cost control
 - Europe Other & Americas: results continue to improve, positive impact customer mix
 - Pacific: negative impact significant weight per consignment decline and higher wages
 - AMEA: all units ahead of prior year
 - Turnaround Brazil continuing apace
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Deliver!

- Significant milestones reached, with reorganisations starting in all Business Units and Head Office – €38m provisions booked
- Positive impact of €10m *Deliver!* savings

Deliver! progress to date

Reshape portfolio

- China Domestic expected to be completed 4Q13
- Sales process Brazil Domestic underway and opportunities for Dutch part of TNT Fashion being explored
- Disposal process of 747s continues, though market remains soft



Focus on distinctive service proposition

- Global marketing campaign 'Connect us' initiated
- Launch of web channel refresh MyTNT
- Expansion intra-Europe service



Execute better

- Reorganisations starting in all Business Units and Head Office
- Launch new Poland shared service centre
- Savings in PUD, linehaul, real estate and general procurement



Invest in infrastructure and IT

- RFPs for Data, Networking and Application management service provision
- Start of infrastructure investment programme in UK and AU





Investing in distinctive service

Excellent service to customers

- 2013 Excellence in Service Logistics Award from Cisco
- 2013 Road Supplier of the Year Award from CEVA
- Improved webchannel customer experience through launch of new version of MyTNT

Strong local presence

- Development of 4,800 m² air and road hub in Damman, Saudi Arabia started
- New facility in Switzerland to enable operational efficiencies and volume growth

Best European service, worldwide connections

- 'Before 12:00' coverage extended to 900 additional locations across 16 countries, increasing our intra-European pre 12:00 delivery capability by up to 20%

3Q13 statement of income

(€m)	3Q13	3Q12	%chg	YTD'13	YTD'12	%chg
Revenues	1,621	1,736	-6.6	4,989	5,236	-4.7
Operating income	9	62	-85.5	(40)	210	
Net financial expenses	(6)	(8)	25.0	(18)	(23)	21.7
Results from associates	17	(1)		17	0	
Income taxes	(8)	(20)	60.0	(90)	(54)	-66.7
<i>Effective tax rate</i>	<i>40.0%</i>	<i>37.7%</i>		<i>-219.5%</i>	<i>28.9%</i>	
Profit for the period from continuing operations	12	33	-63.6	(131)	133	
Loss from discontinued operations	(6)	(25)	76.0	(22)	(72)	69.4
Profit/loss for the period	6	8	-25.0	(153)	61	

- Revenues include €83m negative foreign exchange impact, of which Pacific single largest
- Operating income includes €38m *Deliver!* provisions, mostly in Europe Main
- Results from associates includes book profit on sale of Apriso and Datatrack
- Reported ETR impacted by disposal of associates and restructuring provisions

3Q I3 and YTD statement of cash flows

(€m)	3Q I3	3Q I2	%chg YoY	YTD'13	YTD'12	%chg YoY
Cash generated from operations	86	106	-18.9	365	237	54.0
Net cash from operating activities	68	90	-24.4	275	172	59.9
Net cash used in investing activities	8	6	33.3	(46)	(15)	
Net cash used in financing activities	(4)	(37)	89.2	(49)	(90)	45.6
Change in cash from discontinued	(3)	0		0	0	
Total changes in cash	69	59	16.9	180	67	

- Net cash from operating activities lower due to lower profit before tax
- Net cash used in investing activities includes cash proceeds from sales of interests in Apriso and Datatrac; 3Q I2 included cash from financial instruments/derivatives
- 3Q I3 net capex was €25m, 1.5% of revenues
- Net cash used in financing activities in 3Q I3 includes €7m interim dividend paid
- Trade working capital 7.9%
- Net cash €349m

Europe Main

(€m)	3Q13	3Q12	%chg YoY	YTD'13	YTD'12	%chg YoY
Adjusted revenues	794	822	-3.4	2,445	2,524	-3.1
Adjusted operating income	33	44	-25.0	111	158	-29.7
Avg daily cons ('000)	613	609	0.7	667	640	4.2
RPC (€) (at constant FX)	19.9	20.7	-3.9	19.3	20.5	-5.9
Avg daily kilos ('000)	10,610	10,640	-0.3	11,017	10,969	0.4
RPK (€) (at constant FX)	1.15	1.19	-3.4	1.17	1.20	-2.5

- Demanding trading environment for most business units
- Particular pressure on results in Italy, with accelerated restructuring measures put into action, including discontinuing loss-making customers
- Revenue growth negatively impacted by lower revenues in Italy and loss of major fashion contract in the UK; flat revenue growth excluding these decreases
- Consignment growth excluding Italy in line with the year to date trend
- Overall, negative impact pricing pressure, but trend improving
- Good cost control, with adjusted operating expenses more than 2% lower

Europe Other & Americas

(€m)	3Q13	3Q12	%chg YoY	YTD'13	YTD'12	%chg YoY
Adjusted revenues	294	283	3.9	885	873	1.4
Adjusted operating income	16	11	45.5	44	33	33.3
Avg daily cons ('000)	103	106	-2.8	109	109	0.0
RPC (€) (at constant FX)	44.0	41.2	6.8	42.7	41.6	2.6
Avg daily kilos ('000)	3,881	4,085	-5.0	4,103	4,256	-3.6
RPK (€) (at constant FX)	1.17	1.07	9.3	1.13	1.07	5.6

- Successful yield enhancement initiatives increased revenues
- Sustained volume growth in most profitable customer segments but lower overall
- Good cost containment offset inflation and impact lower volumes
- Nearly all units performing better

Pacific

(€m)	3Q13	3Q12	%chg YoY	YTD'13	YTD'12	%chg YoY
Adjusted revenues	187	192	-2.6	537	540	-0.6
Adjusted operating income	4	11	-63.6	6	22	-72.7
Avg daily cons ('000)	78	74	5.4	77	71	8.5
RPC (€) (at constant FX)	36.9	40.3	-8.4	36.7	39.4	-6.9
Avg daily kilos ('000)	2,939	3,012	-2.4	2,924	2,953	-1.0
RPK (€) (at constant FX)	0.98	0.98	0.0	0.97	0.95	2.1

- Weight per consignment drop of more than 7% causing lower revenues and profits
- Good productivity gains and overhead reductions but higher costs due to higher consignment volumes, lower density and wage inflation
- Higher-weight shipments targeted; price increases brought forward
- Implementation of further efficiency measures and reorganisation on track

AMEA

(€m)	3Q13	3Q12	%chg YoY	YTD'13	YTD'12	%chg YoY
Adjusted revenues	290	295	-1.7	847	896	-5.5
Adjusted operating income	8	(1)		22	4	
Avg daily cons ('000)	95	101	-5.9	96	103	-6.8
RPC (€) (at constant FX)	47.2	45.0	4.9	46.7	45.1	3.5
Avg daily kilos ('000)	7,983	8,295	-3.8	7,798	8,108	-3.8
RPK (€) (at constant FX)	0.56	0.55	1.8	0.57	0.58	-1.7

- Revenue decline from weaker business conditions in China and lower export volumes from large accounts
- VAT introduction in China negatively impacting pricing, however positive impact yield management
- Cost management supporting profitability
- Operating results in all units ahead of prior year
- Year-on-year comparisons impacted by last year's closure of India Air Domestic

Unallocated

- Adjusted for one-off items, Unallocated was €6m lower than the prior year mostly because of lower results from Innight and Fashion and higher pension costs
- Innight continuing to achieve higher volumes in agriculture and automotives after slower start of the year

Discontinued operations – Brazil Domestic

(€m)	3Q13	3Q12	%chg YoY	YTD'13	YTD'12	%chg YoY
Adjusted revenues*	88	78	12.8	255	227	12.3
Adjusted operating income*	(5)	(17)	70.6	(22)	(53)	58.5
Result from discontinued operations	(6)	(25)	76.0	(22)	(72)	69.4

- Higher revenues from better prices from customer changes, revenue protection and active price management
- Volumes decline following customer rationalisation; underlying growth satisfactory
- Excellent cost control; headcount reduced by around 800

*3Q13 revenues adjusted for FX (€15m), operating income adjusted for one-off items (€1m) and FX (€(2)m).
YTD'13 revenues adjusted for FX (€31m), operating income adjusted for one-off items (€1m) and FX (€(4)m)

2013 guidance

- Combined Europe Main and Europe Other & Americas operating results development to remain negative
- Asia Middle East & Africa to perform better than prior year
- Pacific decline in operating profits to continue
- Unallocated around €(25)m
- Brazil expected to continue to reduce losses
- Around €30m *Deliver!* savings expected

