Press release

TNT reports first quarter 2016 results

- *Reported revenues of €1,587 million negatively impacted by fewer working days; underlying revenue growth of 4.2%*
- *Revenue growth from SME customers of 6.5%*
- *Adjusted operating income of €9 million, up €8 million year-on-year*
- *Service performance and customer satisfaction scores at an all-time high*
- *Capex investments of €51 million and net cash position of €145 million, in line with Outlook strategy*

Amsterdam, The Netherlands, 25 April 2016 – TNT today reported revenues of €1,587 million and operating income of minus €1 million for the first quarter of 2016. Both were negatively influenced by fewer working days.

Underlying revenue growth, adjusted for currency effects, lower fuel surcharges and working-day effect, was 4.2%. During the first three months of 2016, TNT continued to grow revenues from SMEs (+6.5%) and increased revenues in most countries, including China.

Operating income was minus €1 million, a €10 million improvement over the prior year. This result included one-off charges of €10 million, of which €4 million related to the FedEx offer.

Excluding one-off charges, TNT's adjusted operating income was €9 million, up €8 million year-on-year. TNT continued to execute its strategic Outlook initiatives, such as 'Global Business Services' and 'Simplify & Transform', and booked Outlook-related transition and project costs of €9 million during the quarter.

Capital expenditures amounted to €51 million (3.2% of revenues) compared to €78 million (4.8% of revenues) in the prior year. TNT finished the first quarter with a net cash position €145 million, compared to €330 million one year earlier.

Tex Gunning, TNT's Chief Executive Officer, said: "In the first quarter, TNT again delivered solid underlying revenue growth. Adjusted operating income improved despite fewer working days and continued investments in the Outlook strategy. The Outlook strategy is on track and delivers good growth from SME customers. Our customer satisfaction scores hit new records in Q1. Investments in operational excellence have started to pay off and were €51 million during the quarter. We made good progress with the roll-out of the Global Business Services and Simplify & Transform initiatives. Meanwhile, we spent significant time and effort towards the completion and preparation of the intended acquisition by FedEx, which we expect to complete in the first half of 2016."

Summary: Consolidated results

in million euros and @ respective rates

	Notes	Reported			Adjusted (non-GAAP)		
		1Q16	1Q15	*%chg*	**1Q16**	1Q15	*%chg*
Revenues		**1,587**	1,622	*-2.2*			
Operating income/(loss)	(1)	**(1)**	(11)	*90.9*	**9**	1	
Operating income margin (%)		***-0.1***	*-0.7*		***0.6***	*0.1*	
Profit/(loss) equity holders of the parent		**(14)**	(19)	*26.3*			
Cash generated from operations		**(31)**	(93)	*66.7*			
Net cash from/(used in) operating activities		**(46)**	(111)	*58.6*			
Net cash from/(used in) investing activities		**(27)**	(51)	*47.1*			
Net cash		**145**	330	*-56.1*			

Notes: Non-GAAP adjustments

(1) 1Q16: €6m restructuring and related charges, €4m FedEx related cost

(1) 1Q15: €11m restructuring and related charges, €1m FedEx related cost

International Europe segment

in million euros and @ respective rates	1Q16	1Q15	%chg
Revenues	679	663	2.4
Comparable revenue growth (%)[1]	3.9	-2.5	
Operating income/(loss)	(3)	3	
One-offs	1	5	-80.0
Adjusted operating income/(loss)	(2)	8	
Adjusted operating income margin (%)	-0.3	1.2	
Average consignments per day ('000)	272	243	11.9
Revenue per consignment (€)[2]	42.9	44.7	-4.0
Average kilos per day ('000)	9,254	8,393	10.3
Revenue per kilo (€)[2]	1.26	1.29	-2.3

(1) based on reported revenues @ constant fx
(2) based on reported revenues @avg15

In the first quarter, the International Europe segment made further progress in improving revenues and service. Reported revenues rose by 2.4% to €679 million. Underlying revenue growth, adjusted for currency effects, lower fuel surcharges and working-day effect, was 7.8%.

The segment was able to generate an 8.3% year-on-year increase in revenues from SME customers. From a geographic standpoint, all operating units posted underlying revenue growth, with the exception of North America.

Service quality and customer satisfaction both improved year-on-year. Consignment volumes and average weight went up 11.9% and 10.3%, respectively.

Revenue per consignment and per kilo decreased, however, due to lower fuel surcharges and the proportionally higher demand for Economy Express products than for premium services.

The segment's adjusted operating income of €(2) million was impacted by fewer working days as well as a drop in revenues and operating income in North America, which stems from the anticipation of the acquisition of TNT by FedEx. The segment also continued to invest in sales, marketing and capabilities to support service improvements, such as the continued expansion of the road network towards Eastern Europe.

International AMEA segment

in million euros and @ respective rates	1Q16	1Q15	%chg
Revenues	235	233	0.9
Comparable revenue growth (%)[1]	4.3	-1.5	
Operating income/(loss)	15	8	87.5
One-offs		1	
Adjusted operating income/(loss)	15	9	66.7
Adjusted operating income margin (%)	6.4	3.9	
Average consignments per day ('000)	56	55	1.8
Revenue per consignment (€)[2]	74.1	69.8	6.2
Average kilos per day ('000)	1,351	1,162	16.3
Revenue per kilo (€)[2]	3.05	3.29	-7.3

(1) based on reported revenues @ constant fx
(2) based on reported revenues @avg15

The International AMEA segment had a strong first quarter. Currency-comparable revenue growth was 4.3%, while underlying revenue growth, adjusted for currency effects, lower fuel surcharges and working-day effect, was 8.3%.

Revenue growth from SME customers was 12.1%. In contrast with recent quarters, China achieved revenue and volume growth.

Revenue per consignment rose by 6.2% year-on-year. Daily weights increased 16.3% from a year earlier, reflecting the trend toward heavier consignments observed in 2015.

International AMEA's adjusted operating income increased by €6 million to €15 million, driven by revenue growth and strict cost management.

Domestics segment

in million euros and @ respective rates	1Q16	1Q15	%chg
Revenues	575	621	-7.4
Comparable revenue growth (%)[1]	-1.8	-0.5	
Operating income/(loss)	4	(8)	
One-offs	5	4	25.0
Adjusted operating income/(loss)	9	(4)	
Adjusted operating income margin (%)	1.6	-0.6	
Average consignments per day ('000)	671	656	2.3
Revenue per consignment (€)[2]	15.4	15.5	-0.6
Average kilos per day ('000)	13,101	12,883	1.7
Revenue per kilo (€)[2]	0.79	0.79	0.0

(1) based on reported revenues @ constant fx
(2) based on reported revenues @avg15

Reported revenues in the Domestics segment were €575 million, down 7.4% from a year earlier.

Underlying revenue growth, adjusted for currency effects, lower fuel surcharges and working-day effect, was slightly positive (+0.7%). Underlying revenue growth in Europe more than offset the revenue declines in Australia and Brazil, where trading conditions remain challenging. Average daily consignments increased 2.3% compared with the first quarter of 2015. Revenue per consignment and per kilo was comparable to that of last year. During the first quarter, the segment managed to improve its customer mix and pricing discipline, enabling a sequential increase in RPC and RPK.

As in the fourth quarter of 2015, the segment's profitability improved as a result of operational efficiencies and reduced indirect costs. Adjusted operating income increased by €13 million year-on-year to €9 million. Management continued cost-tightening measures to mitigate the decline in Brazil and Australia, while performance in European units again improved.

Unallocated segment

in million euros and @ respective rates	1Q16	1Q15	%chg
Revenues	102	107	-4.7
Comparable revenue growth (%)(1)	-4.7	-22.5	
Operating income/(loss)	(17)	(14)	-21.4
One-offs	4	2	
Adjusted operating income/(loss)	(13)	(12)	-8.3
Adjusted operating income margin (% of tot. TNT rev.)	-0.8	-0.7	

(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 €102 million, down 4.7% from a year earlier.

Adjusted operating income was minus €13 million, compared with minus €12 million in the first quarter of 2015.

Guidance

TNT reiterates its Outlook agenda and guidance for 2018/19, as presented during the capital markets day on 18 February 2015. The company expects to achieve structural improvements from 2016 onwards and to see the full benefit of the Outlook strategy from 2018/2019.

TNT expects continued economic volatility in some markets outside Europe, especially in Brazil. TNT anticipates restructuring charges of about €30 million in the second quarter.

Closing of the FedEx Offer to acquire TNT is anticipated in the first half of calendar year 2016.

1Q16 segmental performance overview

in million euros and @ respective rates

		Reported				Adjusted (non-GAAP)		
Revenues (€m)	Notes	1Q16	1Q15	%chg	One-offs	1Q16	1Q15	%chg
International Europe		679	663	2.4				
International AMEA		235	233	0.9				
Domestics		575	621	-7.4				
Unallocated		102	107	-4.7				
Elimination		(4)	(2)					
Total		1,587	1,622	-2.2				
Operating income (€m)								
International Europe	(1)	(3)	3		1	(2)	8	
International AMEA	(2)	15	8	87.5		15	9	66.7
Domestics	(3)	4	(8)		5	9	(4)	
Unallocated	(4)	(17)	(14)	-21.4	4	(13)	(12)	-8.3
Total		(1)	(11)	90.9	10	9	1	
Operating income margin (%)								
International Europe		-0.4	0.5			-0.3	1.2	
International AMEA		6.4	3.4			6.4	3.9	
Domestics		0.7	-1.3			1.6	-0.6	
Unallocated (% of total TNT revenues)		-1.1	-0.9			-0.8	-0.7	
Total		-0.1	-0.7			0.6	0.1	

Notes: Non-GAAP adjustments
(1) 1Q16: €1m restructuring and related charges
(1) 1Q15: €5m restructuring and related charges
(2) 1Q15: €1m restructuring and related charges
(3) 1Q16: €5m restructuring and related charges
(3) 1Q15: €4m restructuring and related charges
(4) 1Q16: €4m FedEx related cost
(4) 1Q15: €1m restructuring and related charges, €1m FedEx related cost

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 basis ending 26 March 2016. As the period covers the first quarter of the reporting year, the information equals the year-to-date. Where material to an understanding of the period starting 1 January 2016 and ending 26 March 2016, 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 2015 annual report as published on 16 February 2016. 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 2015 annual report for the year ended 31 December 2015.

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 or reviewed by an external auditor.

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, Argentina, 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 consists of Other Networks (TNT Innight), Central Networks, IT 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 three months of 2016 (ended 26 March) and 2015 (ended 28 March):

in €millions	International Europe	International AMEA	Domestics	Unallocated	Inter-company	**Total**
Q1 2016 ended at 26 March 2016						
Net sales	675	233	574	54		1,536
Inter-company sales	1		1	2	(4)	0
Other operating revenues	3	2		46		51
Total operating revenues	679	235	575	102	(4)	1,587
Other income/(loss)		1	8			9
Depreciation/impairment property, plant and equipment	(6)	(3)	(15)	(15)		(39)
Amortisation/impairment intangibles	(1)	(1)	(1)	(8)		(11)
Operating income	(3)	15	4	(17)		(1)
Total assets	1,332	628	1,339	907		4,206
Q1 2015 ended at 28 March 2015						
Net sales	658	231	621	61		1,571
Inter-company sales	1			1	(2)	0
Other operating revenues	4	2		45		51
Total operating revenues	663	233	621	107	(2)	1,622
Other income/(loss)			1			1
Depreciation/impairment property, plant and equipment	(7)	(2)	(13)	(16)		(38)
Amortisation/impairment intangibles		(1)	(2)	(6)		(9)
Operating income	3	8	(8)	(14)		(11)
Total assets	1,432	596	1,254	1,168		4,450

Consolidated statement of financial position in € millions	Notes	26 Mar 2016	31 Dec 2015
Assets			
Non-current assets			
Intangible assets			
Goodwill		1,006	1,006
Other intangible assets		134	136
Total	(1)	1,140	1,142
Property, plant and equipment			
Land and buildings		394	425
Plant and equipment		306	314
Aircraft		99	119
Other		76	80
Construction in progress		68	57
Total	(2)	943	995
Financial fixed assets			
Investments in associates and joint ventures		16	18
Other loans receivable		2	2
Deferred tax assets		185	172
Other financial fixed assets		13	13
Total		216	205
Pension assets	(3)	1	3
Total non-current assets		2,300	2,345
Current assets			
Inventory		10	10
Trade accounts receivable		1,005	1,050
Accounts receivable		149	140
Income tax receivable		51	53
Prepayments and accrued income		248	149
Cash and cash equivalents	(6)	367	464
Total current assets		1,830	1,866
Assets classified as held for disposal	(4)	76	19
Total assets		4,206	4,230
Liabilities and equity			
Equity			
Equity attributable to the equity holders of the parent		2,098	2,196
Non-controlling interests		6	5
Total equity	(5)	2,104	2,201
Non-current liabilities			
Deferred tax liabilities		5	5
Provisions for pension liabilities	(3)	270	206
Other provisions	(7)	81	87
Long-term debt	(6)	98	103
Accrued liabilities		5	6
Total non-current liabilities		459	407
Current liabilities			
Trade accounts payable		477	491
Other provisions	(7)	72	89
Other current liabilities		380	377
Income tax payable		17	25
Accrued current liabilities		610	640
Total current liabilities		1,556	1,622
Liabilities related to assets classified as held for disposal	(4)	87	0
Total liabilities and equity		4,206	4,230

Consolidated income statement

in € millions	Notes	1Q16	1Q15
Net sales		1,536	1,571
Other operating revenues		51	51
Total revenues		1,587	1,622
Other income/(loss)	(8)	9	1
Cost of materials		(64)	(83)
Work contracted out and other external expenses		(906)	(914)
Salaries and social security contributions		(501)	(515)
Depreciation, amortisation and impairments		(50)	(47)
Other operating expenses		(76)	(75)
Total operating expenses		(1,597)	(1,634)
Operating income		(1)	(11)
Interest and similar income		3	4
Interest and similar expenses		(8)	(10)
Net financial (expense)/income	(10)	(5)	(6)
Results from investments in associates and joint ventures		0	2
Profit/(loss) before income taxes		(6)	(15)
Income taxes	(9)	(8)	(4)
Profit/(loss) for the period		(14)	(19)
Attributable to:			
Non-controlling interests		0	0
Equity holders of the parent		(14)	(19)
Earnings per ordinary share (in € cents) [1]		(2.6)	(3.5)

[1] Based on an average of 548,898,900 of outstanding ordinary shares (2015: 548,208,226)

Consolidated statement of comprehensive income

in € millions	1Q16	1Q15
Profit/(loss) for the period	(14)	(19)
Other comprehensive income that will not be reclassified to the income statement		
Pensions: Actuarial gains/(losses), before income tax	(69)	(158)
Income tax on pensions	17	39
Other comprehensive income items that are or may be reclassified to the income statement		
Gains/(losses) on cash flow hedges, before income tax	2	0
Income tax on gains/(losses) on cash flow hedges	(1)	(0)
Currency translation adjustment, before income tax	(32)	87
Income tax on currency translation adjustment	0	0
Total other comprehensive income	(83)	(32)
Total comprehensive income for the period	(97)	(51)
Attributable to:		
Non-controlling interests	0	0
Equity holders of the parent	(97)	(51)

Consolidated statement of cash flows

in € millions	1Q16	1Q15
Profit/(loss) before income taxes	(6)	(15)
Adjustments for:		
Depreciation, amortisation and impairments	50	47
Amortisation of financial instruments/derivatives		
Share-based compensation		1
Investment income:		
(Profit)/loss of assets held for disposal	(9)	(1)
(Profit)/loss on sale of Group companies		
Interest and similar income	(3)	(4)
Foreign exchange (gains) and losses		2
Interest and similar expenses	8	8
Results from investments in associates and joint ventures		(2)
Changes in provisions:		
Pension liabilities	1	(1)
Other provisions	(16)	(24)
Changes in w orking capital:		
Inventory		
Trade accounts receivable	26	(43)
Accounts receivable	(12)	(9)
Other current assets	(119)	(65)
Trade accounts payable	5	(10)
Other current liabilities excluding short-term financing and taxes	44	23
Cash generated from/(used in) operations	(31)	(93)
Interest paid	(7)	(6)
Income taxes received/(paid)	(8)	(12)
Net cash from/(used in) operating activities	(46)	(111)
Interest received	3	4
Capital expenditure on intangible assets	(16)	(12)
Disposal of intangible assets		1
Capital expenditure on property, plant and equipment	(29)	(66)
Proceeds from sale of property, plant and equipment	15	2
Cash from financial instruments/derivatives		4
Other changes in (financial) fixed assets		15
Dividends received		
Other		1
Net cash from/(used in) investing activities	(27)	(51)
Proceeds from long-term borrow ings		2
Proceeds from short-term borrow ings	1	23
Repayments of short-term borrow ings	(20)	(12)
Repayments of finance leases	(1)	(2)
Dividends paid		
Net cash from/(used in) financing activities	(20)	11
Total changes in cash	(93)	(151)

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 2014	44	2,500	12	(181)	(195)	2,180	12	2,192
Profit/(loss) for the period					(19)	(19)		(19)
Other comprehensive income/(loss)			87	(119)		(32)		(32)
Total comprehensive income/(loss)			87	(119)	(19)	(51)		(51)
Legal reserves reclassifications			5	(5)				
Share-based payments				1		1		1
Other							1	1
Total direct changes in equity			5	(4)		1	1	2
Balance at 28 March 2015	44	2,500	104	(304)	(214)	2,130	13	2,143
Balance at 31 December 2015	44	2,293	86	(177)	(50)	2,196	5	2,201
Profit/(loss) for the period					(14)	(14)		(14)
Other comprehensive income/(loss)			(31)	(52)		(83)		(83)
Total comprehensive income/(loss)			(31)	(52)	(14)	(97)		(97)
Legal reserves reclassifications			(1)	1				
Share-based payments								
Stock dividend								
Other				(1)		(1)	1	
Total direct changes in equity			(1)			(1)	1	
Balance at 26 March 2016	44	2,293	54	(229)	(64)	2,098	6	2,104

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. INTANGIBLE ASSETS

The movements in the intangible assets are as follows:

in €millions	2016	2015
Balance at 1 January	1,142	1,117
Additions	16	12
Disposals		(1)
Amortisation	(11)	(9)
Exchange rate differences	(7)	9
Balance at end of period (26 March 2016, 28 March 2015)	1,140	1,128

The intangible assets of €1,140m consist of goodwill for an amount of €1,006m and other intangibles for an amount of €134m.

The additions to the intangible assets of €16m (2015: 12) are related to software licences and software development costs mainly within Unallocated.

2. PROPERTY, PLANT AND EQUIPMENT

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

in €millions	2016	2015
Balance at 1 January	995	938
Additions	35	66
Disposals	(1)	(1)
Depreciation	(39)	(38)
Exchange rate differences	(19)	25
Transfers from/(to) assets held for disposal	(28)	(4)
Balance at end of period (26 March 2016, 28 March 2015)	943	986

The additions to property, plant & equipment consist of capital expenditures of €35m, of which investments within International Europe of €12m, International AMEA of €1m, Domestics of €13m and Unallocated of €9m. The investments mainly relate to depots, depot equipment, and IT. From the €35m in capital expenditure an amount of €6m had not yet been settled.

In 2016, of the €28m transfers to assets held for disposal, €10m relate to intended sale of buildings and €18m relate to the intended sale of TNT Airways and Pan Air. Refer to note 4.

In 2015, the transfers (to)/from assets held of disposal relate to buildings, vehicles and aircraft.

As per 26 March 2016 TNT has entered into several capital expenditure commitments amounting to €32m (28 March 2015: 58), primarily related to depots and depot equipment.

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 26 March 2016, the pension asset is €1m (2015: 3) and the pension liability is €270m (2015: 206). In the first three months, ending 26 March 2016, the net pension liability increased due to a lower discount rate of 1.5% per March 2016 versus 2.0% per December 2015. Total Defined Benefit Obligation increased with €69m through other comprehensive income (or €52m net of tax) thus decreasing the group equity with €52m.

4. ASSETS CLASSIFIED AS HELD FOR DISPOSAL AND LIABILITIES RELATED TO ASSETS CLASSIED AS HELD FOR DISPOSAL

The assets classified as held for disposal amounted to €76m (2015: 19) and are related to buildings of €18m (2015: 18), vehicles of €1m (2015: 1) and to the assets of TNT Airways and Pan Air of €57m (2015: 0). For segment allocation purposes €7m is related to International Europe, €12m is related to Domestics and €57m to Unallocated.

The liabilities related to assets classified as held for disposal of €87m (2015: 0) are related fully to TNT Airways and Pan Air (2015: 0), but exclude the liabilities related to the two Boeing 747 freighters.

Under EU airline regulations, TNT Airways and Pan Air, could lose full EU market access rights as soon as TNT is acquired by a non-EU company such as FedEx. To ensure that the airline operations are able to continue despite the change in ownership and control of TNT, TNT and FedEx have agreed to implement an independent European ownership and independent control structure for TNT Airways and Pan Air.

On 5 February 2016, TNT signed an agreement to sell its airlines operations to ASL Aviation Group, conditional on the completion of FedEx's intended acquisition of TNT. This completion condition is expected to be met in the first half of 2016. In conjunction with the transaction, ASL Aviation Group has entered into a service agreement with FedEx and TNT to operate flights for the intended FedEx-TNT combination.

Consequently, TNT Airways and Pan Air (excluding the two Boeing 747 freighters) are reported as assets held for disposal as at 26 March 2016.

The major classes of assets and liabilities (excluding intercompany balances) classified as held for disposal relating to TNT Airways and Pan Air are presented below:

in € millions	26 Mar 2016
Intangible assets	0
Property, plant and equipment	18
Financial fixed assets	6
Current assets	33
Total assets	57
Non-current liabilities	8
Current liabilities	79
Total liabilities	87

5. EQUITY

As 26 March 2016, total equity comprises of equity attributable to equity holders of the parent of €2,098m (2015: 2,196) and non-controlling interests of €6m (2015: 5).

This decrease of €98m in equity attributable to equity holders of the parent is mainly related to the negative impact from currency translation results (€32m), actuarial losses on pensions (net of tax) (€52m) and the loss for the period (attributable to equity holders of the parent) (€14m).

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 26 March 2016, 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 26 March 2016. 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	26 Mar 2016	31 Dec 2015
Short-term debt	124	130
Long-term debt	98	103
Total interest bearing debt	222	233
Cash and cash equivalents	(367)	(464)
Net debt/(cash)	(145)	(231)

The net cash position per 26 March 2016 decreased by €86m compared to 31 December 2015. The decrease reflects the negative change in cash of €97m, offset by various cash and non-cash items of €11m. The short-term debt position includes the net asset value for derivatives amounting to €6m (2015: 7). The negative total changes in cash of €97m is due to net cash used in operating activities of €46m, net cash used in investing activities of €27m, net cash used in financing activities of €20m and €4m of negative 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 26 March 2016 decreased by €23m compared to 31 December 2015 as specified hereafter.

in €millions	2016	2015
Balance at 1 January	176	312
Additions	8	11
Withdrawals/releases	(24)	(35)
Exchange rate differences	(1)	4
Transfers from/(to) liabilities held for disposal	(6)	
Balance at end of period (26 March 2016, 28 March 2015)	153	292

The additions of €8m relate to restructuring (€3m), long-term employment benefits (€2m), claims indemnities (€0m) and other provisions (€3m).

The withdrawals/releases of €24m relate to restructuring (€19m), long-term employment benefits (€1m), claims indemnities (€1m) and other provisions (€3m).

The transfer to liabilities held for disposal of €6m (2015:0) relates to the intended sale of TNT Airways and Pan Air. Refer to note 4.

8. OTHER INCOME

In 2016, other income related to a profit on the sale of assets held for disposal of €9 million (2015: 1).

9. TAXES

The tax expense in the first three months of 2016, ending 26 March 2016, amounted to €8m (2015: 4). This €8m 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 tax expense of €8m and the profit before tax of €-6m leads to the effective tax rate of -133% in the first three months of 2016 (2015: -27%). The Dutch statutory tax rate is 25% (2015: 25%), the effect of the other statutory tax rates is 0.5% (2015: 8.2%). The mix of income from countries in which TNT operates resulted in a weighted average statutory tax rate of 25.5%. Non deductible costs adversely affected the effective tax rate by 39.6 percentage points.

10. NET FINANCIAL (EXPENSE) / INCOME

The net financial expenses of €5m (2015: 6) consist of interest expenses from long-term borrowings of €2m (2015: 2), net interest expenses on foreign currency hedges of €2m (2015: 1), other interest expenses of €1m (2015: 1) and foreign exchange losses of €0m (2015: 2).

11. LABOUR FORCE

Employees	26 Mar 2016	31 Dec 2015
International Europe	15,546	15,239
International AMEA	8,904	8,999
Domestics	26,740	27,210
Unallocated	4,634	4,751
Total	55,824	56,199
Average FTEs	**YTD 2016**	**YTD 2015**
International Europe	14,151	13,755
International AMEA	8,863	9,586
Domestics	25,598	27,845
Unallocated	4,286	5,521
Total	52,898	56,707

The average number of FTEs working in TNT during the first three months ending 26 March 2016 was 52,898, a decrease of 3,809 compared to YTD 2015.

This was mainly due to transfer of employees of the shared-service centres as part of the BPO and IT outsourcing contracts and restructuring in various countries of Domestics and International AMEA. The presented figures exclude joint ventures and external agency staff.

12. 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. The fair value of the interest rate swaps is recorded in long-term debt for €4m (31 December 2015: 4) and in short-term debt for €2m (31 December 2015: 3).The fair value of the other financial instruments approximates the carrying amount of these assets and liabilities.

13. RELATED PARTIES

Purchases of TNT from joint ventures amounted to €6m (2015: 7). During the three months of 2016, ending 26 March, €8m (2015: 8) sales were made by TNT companies to its joint ventures.

At 26 March 2016, net amounts due to the joint venture entities amounted to €17m (28 March 2015: 24). Net amounts due to associated companies amounted to €1m (28 March 2015: 0).

As per AFM-register at 26 March 2016, TNT is owned by PostNL N.V. ("PostNL") for approximately 14.6% based on TNT's current issued 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 2015 annual report as published on 16 February 2016, for more information on the Relationship Agreement.

14. SUBSEQUENT EVENTS

Annual General Meeting

On 6 April 2016, the Annual General Meeting of Shareholders (AGM) adopted the 2015 financial statements.

Considering FedEx's offer to acquire TNT, the Executive Board of TNT has decided, with the approval of the Supervisory Board, not to pay a dividend for 2015. If TNT were to pay a dividend, the dividend amount would be subtracted from the offer price upon FedEx's actually purchasing the shares from TNT's shareholders.

Furthermore the AGM adopted the following resolutions:

- To release from liability the members of the Executive and Supervisory Boards for their tasks insofar as these tasks are apparent from the 2015 financial statements.
- To extend the designation of the Executive Board as body authorised to issue ordinary shares until 6 October 2017. This authority shall be limited to a maximum of 10% of the issued capital, plus a further 10% of the issued capital in case an issue takes place in relation to a merger or an acquisition.
- To extend the designation of the Executive Board as body authorised to limit or exclude the pre-emptive right upon issuance of ordinary shares until 6 October 2017. This authority shall be limited to a maximum of 10% of the issued capital, plus a further 10% of the issued capital in case an issue takes place in relation to a merger or an acquisition.
- To authorize the Executive Board to have TNT Express acquire its own shares to a maximum of 10% of the issued share capital until 6 October 2017.

Upholds unconditional approval CADE (Brazil)

On March 30, FedEx and TNT jointly announced that the Brazilian regulatory authority Conselho Administrativo de Defesa Econômica (CADE) has rejected the third party appeal of the unconditional approval of the Offer previously announced on February 18, 2016.

FedEx and TNT continue to work constructively with the regulatory authorities to obtain clearance of the transaction in the remaining jurisdictions, including China. FedEx and TNT continue to make progress, and anticipate that the FedEx Offer will close in the first half of 2016.

CONFERENCE CALLS AND WEBCASTS

TNT will discuss its first quarter 2016 results on a **conference call for analysts 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 analysts who wish to ask questions during the call.
Please use the following link to register:
http://www.tnt.com/corporate/en/site/home/investors/Financialevents/invitation.html

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.
Please use the following link to register:
http://www.tnt.com/corporate/en/site/home/press/invitation.html

CONTACTS

INVESTOR RELATIONS
Gerard Wichers
Phone: +31 (0)88 393 9500
gerard.wichers@tnt.com

MEDIA RELATIONS
Cyrille Gibot
Phone: +31 (0)6 51133104
cyrille.gibot@tnt.com

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.