Q4 & Full Year 2009 Results

Press release

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Trading conditions in Q4 2009 improving

Q4 2009

GROUP

- Reported operating income € 128 million (€ 160 million in Q4 2008), including one-off charges (mainly non cash) of € 191 million
- Underlying* operating income at € 322 million improves for the first time since Q2 2008, year-on-year
- Net cash from operating activities strong at € 352 million

EXPRESS

- Sequential improvement in Express volume development with first year-on-year volume increase
- Cost savings € 60 million
- Underlying* operating income up 20.5% to € 106 million (€ 88 million in Q4 2008)
- Underlying* operating margin above 2008 levels for the first time in 2009 (Q4 2009 6.3% vs Q4 2008 5.3%) and highest of 2009

MAIL

- Addressed mail volume decline in the Netherlands 5.9% in line with trend
- Master plan savings of € 33 million in the quarter
- € 146 million impairments and other value adjustments in EMN following strategic review
- Underlying* operating income down 1.3% to € 229 million (€ 232 million in Q4 2008)

FULL YEAR 2009: WEATHERING THE STORM

HIGHLIGHTS

- Sequential improvement in Express volume development started in Q3 2009
- Mail volume decline in line with expectations at -4.7%
- Cost savings € 527 million
- Reported operating income € 648 million (€ 982 million in FY 2008), including one-off charges (mainly non cash) of € 222 million
- Underlying* operating income € 896 million (2008: € 1,141 million)
- Net cash from operating activities at € 1,016 million
- Net debt reduced by € 638 million to € 1,106 million
- Announcement Vision 2015 strategy

DIVIDEND

- Total proposed distribution to shareholders of € 0.53 per share, pay-out ratio of ~40% of normalised net income
    - € 0.18 already paid by way of interim dividend, optional in cash or shares
    - € 0.35 as final dividend, optional in cash or shares

OUTLOOK 2010 SUMMARY

TNT sees early signs of a somewhat improving trend in the economy, but remains cautious on a continuation of the economic recovery. Express volumes, revenues and results are expected to be above 2009 levels. Mail volumes and results are expected to be below 2009 levels. A continuous focus on cost and cash remains essential.

* **The underlying figures** over 2009 are at constant currency and exclude the impact of restructuring and impairment charges in Express (Q4: € 21 million; FY: € 63 million) and Mail (Q4: € 170 million; FY: € 159 million). The underlying figures over 2008 exclude the impact of restructuring and impairment charges (Express € 70 million and Mail Q1: € 7 million; Q4: € 82 million).

Key figures Q4 2009

in € millions, except percentages	As reported Q4 2009	As reported Q4 2008	% Change	Underlying Q4 2009	Underlying Q4 2008	% Change
Group						
Revenues	2,947	2,933	0.5%	2,954	2,933	0.7%
EBITDA	361	293	23.2%	410	408	0.5%
Operating income (EBIT)	128	160	-20.0%	322	312	3.2%
Profit for the period	23	61	-62.3%			
Profit attributable to the shareholders	25	59	-57.6%			
Net cash from operating activities	352	354	-0.6%			
Express						
Revenues	1,675	1,667	0.5%	1,675	1,667	0.5%
EBITDA	145	114	27.2%	159	147	8.2%
Operating income (EBIT)	81	18	350.0%	106	88	20.5%
Mail						
Revenues	1,214	1,204	0.8%	1,222	1,204	1.5%
EBITDA	227	185	22.7%	260	267	-2.6%
Operating income (EBIT)	59	150	-60.7%	229	232	-1.3%

Key figures FY 2009

in € millions, except percentages	As reported FY 2009	As reported FY 2008	% Change	Underlying FY 2009	Underlying FY 2008	% Change
Group						
Revenues	10,402	11,152	-6.7%	10,566	11,152	-5.3%
EBITDA	1,137	1,381	-17.7%	1,241	1,496	-17.0%
Operating income (EBIT)	648	982	-34.0%	896	1,141	-21.5%
Profit for the period	289	560	-48.4%			
Profit attributable to the shareholders	281	556	-49.5%			
Net cash from operating activities	1,016	923	10.1%			
Earnings per ordinary share (in € cents)	76.7	152.9	-49.8%			
Dividend per share over the year (in € cents)	53.0	71.0	-25.4%			
Express						
Revenues	5,956	6,653	-10.5%	6,070	6,653	-8.8%
EBITDA	423	637	-33.6%	505	670	-24.6%
Operating income (EBIT)	193	376	-48.7%	282	446	-36.8%
Mail						
Revenues	4,216	4,245	-0.7%	4,266	4,245	0.5%
EBITDA	725	764	-5.1%	748	846	-11.6%
Operating income (EBIT)	472	633	-25.4%	632	722	-12.5%

Reconciliation Q4 2009

in € millions	As reported	Restructuring related costs	Impairments and other value adjustments	OPTA penalties	Other	Foreign exchange	Underlying 2009
Express	1,675						1,675
Mail	1,214					8	1,222
Other networks	64						64
Non-allocated	(6)					(1)	(7)
Total revenues	2,947	0	0	0	0	7	2,954
Express	81		17		4	4	106
Mail	59	18	146	6			229
Other networks	(1)						(1)
Non-allocated	(11)					(1)	(12)
Operating income (EBIT)	128	18	163	6	4	3	322

Reconciliation FY 2009

in € millions	As reported	Restructuring related costs	Impairments and other value adjustments	Sale of ASPAC, OPTA penalties and Other	Foreign exchange	Underlying 2009
Express	5,956				114	6,070
Mail	4,216				50	4,266
Other networks	253					253
Non-allocated	(23)				1	(22)
Total revenues	10,402	0	0	0	165	10,566
Express	193	37	22	4	26	282
Mail	472	28	146	(15)	1	632
Other networks	7					7
Non-allocated	(24)				(1)	(25)
Operating income (EBIT)	648	65	168	(11)	26	896

CEO Peter Bakker comments:

'Operating results in Q4 2009 were relatively solid in a trading environment that continued to improve, leading for the first time since Q2 of 2008 to a higher group operating income than the same quarter last year. However, this trading environment is still clearly below 2006 economic activity levels. TNT saw positive development in core Express volumes and Parcels, as well as a robust performance in Mail Netherlands. For the full year, significant cost savings and a strong focus on cash have made us come out of the severe economic crisis as a financially and operationally stronger company.

In the fourth quarter and the first weeks of 2010 TNT took concrete steps towards implementing the Vision 2015 strategy by, amongst others: exiting the first of a number of the European Mail Networks and simultaneously entering into a German partnership. We are also pushing forward in implementing the five focus areas as announced on the 3 December Analysts' Meeting: Parcels, Freight, Emerging Platforms, Special Delivery Solutions and Mail NL.

Mail succeeded in achieving an in-principle CLA with the unions in early 2010, which will be presented to the union members with a positive advice. The agreement is balanced and will give a sufficient basis for the required downsizing and efficiency improvements in Mail related to volume decline and realisation of our Master plans.

TNT is also pleased to announce today that we aim to improve our CO_2 efficiency by 45% by 2020. With this ambitious objective, TNT substantiates its global Planet Me programme and underscores its commitment to minimise its impact on the environment.

We remain confident of our strategic positioning to capitalise on an economic rebound and eventual recovery. The first weeks of 2010 make me somewhat optimistic on improving economic conditions, however, we will continue to manage our group from cautious assumptions, leading to continued strong focus on cash and cost.'

Review of operations in fourth quarter

GROUP Q4

Reported revenues increased 0.5% to € 2,947 million. Reported operating income declined 20.0% to € 128 million. Profit attributable to shareholders came in at € 25 million (€ 59 million in Q4 2008). Both were impacted by significant one-offs and impairments.

Net cash from operating activities was € 352 million, in line with last year. Net debt decreased from approximately € 1.4 billion at the end of Q3 2009 to approximately € 1.1 billion.

To show the **underlying** developments in the business, we exclude the one-offs, the impairments and the currency impact. Underlying revenues increased 0.7% in Q4 2009. Underlying operating income increased by 3.2% to € 322 million.

EXPRESS Q4

Underlying revenues were up 0.5% to € 1,675 million. The increase is caused by the revenue impact of higher core consignments (+2.7%), lower fuel surcharges (-1.5%), Emerging Platforms / non-core (+2.1%) and increasing price pressure and product mix effects (-2.8%). Air volumes (in kilos) were 9.7% ahead of last year, and Road volumes 2.6% above last year.

Q4 cost savings of € 60 million, € 428 million in the full year, helped increase **underlying** operating income to € 106 million, representing a 6.3% operating margin, which compares with 5.3% last year, the first time in 2009 TNT performed above 2008 operating margin levels.

MAIL Q4

Overall, **underlying** revenues exceeded the revenues of the previous year as Emerging Mail & Parcels offset declines in Mail Netherlands. Addressed volumes in the Netherlands fell by 5.9%, virtually all the result of substitution.

Reported operating income was well below last year, mainly due to impairments and write-downs of € 146 million in European Mail Networks. **Underlying** operating income was € 229 million, which represents an underlying operating margin of 18.7%, close to the 19.3% of Q4 2008.

TNT and the trade unions reached an in-principle agreement on the collective labour agreement (CLA) and the accompanying social plan at the end of January 2010. The members will be asked to approve this in-principle agreement in the next few weeks.

The Federal Administrative Court in Leipzig, Germany, ruled the ordinance on the postal minimum wage of € 9.80 in the German mail market as null and void. In January TNT reached an agreement with leading German publishers to form a "mail alliance". With this new alliance, TNT Post strengthens the existing co-operation with the mail distribution companies of leading German publishers and further extends its coverage in this large postal market. The alliance has been operational as of 25 January 2010.

Impairments, provisions and one-offs in Q4

TNT has charged the P&L in **Express** in Q4 for a total of € 21 million of impairments, provisions and one-offs:

- € 10 million impairment of intangible assets
- € 7 million value adjustment of aircraft held for sale
- € 4 million various one-off costs

TNT has charged the P&L in **Mail** in Q4 for a total of € 170 million of impairments, provisions and one-offs:

- € 146 million impairments and other value adjustments EMN
- € 6 million for the OPTA penalties
- € 18 million other restructuring charges

Other Group financial indicators Q4

Net financial expense: € 43 million *(Q4 2008 € 33 million)*	Net financial expense increased as a result of foreign exchange effects and other adjustments
Effective tax rate (ETR): 70.5% *(Q4 2008 36.5%)*	The effective tax rate is significantly impacted by the non-tax deductibility of certain impairments and value adjustments. Excluding this effect the underlying effective tax rate was around 24.5%
Net cash from operating activities: € 352 million *(Q4 2008 € 354 million)*	Net cash from operating activities decreased slightly, this is on balance due to lower interest (€ 26 million) and tax payments (€ 14 million) offset by lower cash earnings and provision expenditures
Net debt (31 December 2009): € 1,106 million *(26 September 2009: € 1,369 million)*	Net debt decreased by € 263 million due to net payments on borrowings of € 173 million and an increase in cash of € 110 million being partially offset by various non-cash debt increases of € 20 million
Net Capex: € 71 million *(Q4 2008 € 90 million)*	Continuing tight control over investments

Full year performance

Over 2009, **Group reported** revenues decreased by 6.7%, and EBIT decreased by 34.0%, mainly as a result of the various one-offs and impairments.

When excluding the one-offs, the impairments and the currency impact, the **Group underlying** revenues decreased over the prior year period by 5.3% and EBIT decreased by 21.5%.

Non-allocated costs were brought down considerably as part of the company's overall push to cut overhead costs (€ 24 million versus € 38 million).

Cash performance was very strong due to tight working capital control and lower taxes paid: net cash from operating activities was up 10.1% to € 1,016 million despite the significant decrease in cash from earnings. This is the highest ever level of net cash from operating activities.

Express in Q4 saw a further recovery in volumes and a decline in costs due to the implemented cost optimisation initiatives, which resulted in improving underlying results. However, pricing pressure remained strong. In 2009, Express reached savings of € 428 million. For the full year, the underlying operating income was € 282 million versus € 446 million in 2008.

Mail revenues were in line with the previous year, with the decline in revenue from the Netherlands almost being matched by good growth from Emerging Mail & Parcels. The trend in Mail Netherlands addressed volumes is in line with our indications. For the full year, the underlying operating income was € 632 million versus € 722 million in 2008.

Group Summary Q4

in € millions, except percentages	As reported Q4 2009	As reported Q4 2008	% Change as reported Operational	Fx	Total
Revenues	2,947	2,933	0.7%	-0.2%	0.5%
EBITDA	361	293	24.9%	-1.7%	23.2%
Operating income (EBIT)	128	160	-18.1%	-1.9%	-20.0%
Profit for the period	23	61	-60.7%	-1.6%	-62.3%
Profit attributable to the shareholders	25	59	-55.9%	-1.7%	-57.6%
Net cash from operating activities	352	354			-0.6%

Segment Summary Q4

in € millions, except percentages	As reported Q4 2009	As reported Q4 2008	% Change as reported Operational	Fx	Total
Express					
Revenues	1,675	1,667	0.5%		0.5%
EBITDA	145	114	29.8%	-2.6%	27.2%
Operating income (EBIT)	81	18	372.2%	-22.2%	350.0%
Operating margin	4.8%	1.1%			
Mail					
Revenues	1,214	1,204	1.5%	-0.7%	0.8%
EBITDA	227	185	22.7%		22.7%
Operating income (EBIT)	59	150	-60.7%		-60.7%
Operating margin	4.9%	12.5%			
Other networks					
Revenues	65	66	-3.0%	1.5%	-1.5%
EBITDA	1	4	-75.0%		-75.0%
Operating income (EBIT)	(1)	2	-150.0%		-150.0%
Operating margin	-1.5%	3.0%			
Non-allocated	(11)	(10)		-10.0%	-10.0%
Operating income (EBIT)	128	160	-18.1%	-1.9%	-20.0%

Group Summary FY

in € millions, except percentages	As reported FY 2009	As reported FY 2008	% Change as reported Operational	Fx	Total
Revenues	10,402	11,152	-5.2%	-1.5%	-6.7%
EBITDA	1,137	1,381	-15.2%	-2.5%	-17.7%
Operating income (EBIT)	648	982	-31.4%	-2.6%	-34.0%
Profit for the period	289	560	-45.7%	-2.7%	-48.4%
Profit attributable to the shareholders	281	556	-46.8%	-2.7%	-49.5%
Net cash from operating activities	1,016	923	10.1%		10.1%
Earnings per ordinary share (in € cents)	76.7	152.9			

Segment Summary FY

in € millions, except percentages	As reported FY 2009	As reported FY 2008	% Change as reported Operational	Fx	Total
Express					
Revenues	5,956	6,653	-8.8%	-1.7%	-10.5%
EBITDA	423	637	-28.3%	-5.3%	-33.6%
Operating income (EBIT)	193	376	-41.8%	-6.9%	-48.7%
Operating margin	3.2%	5.7%			
Mail					
Revenues	4,216	4,245	0.5%	-1.2%	-0.7%
EBITDA	725	764	-5.0%	-0.1%	-5.1%
Operating income (EBIT)	472	633	-25.2%	-0.2%	-25.4%
Operating margin	11.2%	14.9%			
Other networks					
Revenues	253	273	-7.3%		-7.3%
EBITDA	11	15	-26.7%		-26.7%
Operating income (EBIT)	7	11	-36.4%		-36.4%
Operating margin	2.8%	4.0%			
Non-allocated	(24)	(38)	34.2%	2.6%	36.8%
Operating income (EBIT)	648	982	-31.4%	-2.6%	-34.0%

Dividend

The Board of Management, with the approval of the Supervisory Board, has appropriated an amount of € 117 million out of profit to the reserves. Following this appropriation, there remains an amount of € 164 million of the profit that is at the disposal of the annual general meeting of shareholders. Subject to the adoption of TNT's financial statements by the annual general meeting of shareholders, the proposed 2009 dividend has been set at € 0.53 per ordinary share of € 0.48 nominal value. After adjusting for the 2009 interim dividend of € 0.18 per ordinary share as paid out partly in cash and shares in August 2009 and based on the outstanding number of 370,988,519 ordinary shares as per 31 December 2009, the final dividend will be € 0.35 per ordinary share. It is proposed that, at the election of the shareholder, the final dividend will be made available in cash or in ordinary shares. To the extent the final dividend is paid out in shares, the shares issued as stock dividend are paid up from additional paid in capital, free from withholding tax in the Netherlands. Where shareholders have opted to receive their dividend in shares, the corresponding cash value of € 0.35 per share will be deducted from the profit attributable to shareholders and added to the reserves.

The conversion rate of the stock dividend to that of the cash dividend will be determined on 26 April 2010, after close of trading on NYSE Euronext by Euronext Amsterdam ('Euronext'), based on the volume weighted average price ('VWAP') of all TNT shares traded on Euronext over a three trading day period from 22 April 2010 to 26 April 2010 inclusive. The value of the stock dividend, based on this VWAP, will, subject to rounding, be targeted at but not lower than 2% above the cash dividend. There will be no trading in the stock dividend rights.

The final dividend represents a total value of € 130 million, ignoring the premium for stock election.

The ex dividend date will be 12 April 2010, the record date 14 April 2010 and the dividend will be payable as from 29 April 2010.

Pensions

At 31 December 2008, the coverage ratio of the main TNT pension fund had dropped to around 93%. The recovery plan, which was approved by DNB in July 2009, resulted in an increase in contributions by TNT. By the end of 2009 the main TNT pension fund was in a much better position, with a coverage ratio of around 113%, well ahead of the recovery plan. It is expected however that increasing longevity, based on recent studies performed by the Central Bureau of Statistics in the Netherlands, might result in a drop of around 4% in the coverage ratio as at the end of December 2009 if the main TNT pension fund decides to apply the new mortality outlook.

Based on IFRS, the charge to the income statement for the defined benefit obligations in 2009 amounted to € 60 million (2008: € 24 million) in total. The total cash contributions for defined benefit obligations were € 286 million (compared to € 233 million in 2008), of which € 260 million for the main Dutch plans and the transitional plans, and are estimated to amount to approximately € 287 million in 2010.

Remuneration of the Board of Management

TNT takes responsible leadership seriously. The Remuneration Committee recommended to the Supervisory Board of TNT the introduction of a new remuneration policy in 2010, based on principles of transparency and consistency with emerging practice in the market. The Supervisory Board in agreement with the Board of Management adopted these recommendations. The proposal for a new Board of Management remuneration policy will be submitted for adoption to the 2010 annual general meeting of shareholders.

The key elements of the proposed remuneration policy:

- The levels of base salary will remain frozen at the 2009 actual levels, for 2010 - 2012
- The proposed variable compensation scheme:
    - The total variable income potential amounts to a maximum of 100% of base salary per year. There is no longer a stretch opportunity.
    - This variable income is a combined short term and long term incentive three year plan in which the members of the Board of Management have the opportunity to earn an incentive, based on annual targets mostly derived from three year plans.
    - The proposed variable income scheme reflects a multi-stakeholder approach as the target areas are: financials, employees, the environment and customers.
    - Payments of the realised incentives have a deferred element for 50% of the resulting cash value which will be invested in TNT shares.

This new policy implies a reduction in maximum total income of 33% for the CEO and of 24.5% for the other members of the Board of Management when compared to the maximum of the current remuneration policy.

Vision 2015

Since the announcement of Vision 2015 on 3 December 2009, TNT has taken significant steps to progress towards implementing its Vision 2015. Projects have been established on expanding the day-definite delivery services by profitable growth in Parcels, Freight and Delivery Solutions. On 1 February TNT has published a trading update with a significant progress overview.

In Mail (NL) preparations have started to enable the entering into partnerships. Last month's announcement of an in-principle agreement on the CLA for Mail Netherlands provides a well balanced basis for an efficient Mail operation going forward in a socially responsible way. The agreement, once approved by the union members, will support TNT in realising the 16% Cash EBITDA / Revenue objective for Mail NL (in Vision 2015), due to the optimised cash requirements for restructuring. The combination of the CLA and implementation of Master plans will clearly contribute to offsetting the pressure caused by declining volumes.

In European Mail Networks, in line with the objective to realise value through partnerships and sale, TNT already announced various steps in January.

As part of the Vision 2015 strategy on Parcels and Special Delivery Solutions (SDS), TNT is expanding its e-commerce activities with the acquisition of e-fulfilment specialist TopPak. Fulfilment entails service aspects like processing orders, stock management and packing products for shipping, in effect handling the entire administrative and logistics chain for orders, either traditional or online. This acquisition provides TNT with a dedicated service quality while improving the economics of the delivery networks.

Outlook 2010

TNT assumes a somewhat improving business environment in 2010. However, it is still uncertain how the global economy will develop over the year. The focus on costs and cash will continue to be key. TNT will continue the implementation of Vision 2015.

In Express, TNT expects single-digit volume growth with some limited recovery of weight per consignment, supported by lower costs per kilo and consignment. Most growth is expected from international, especially Economy Express. Express revenues and results are therefore expected to be above 2009 levels. However, the extent of possible pressure because of price/mix, wage increases and cost inflation, will influence the magnitude of the improvement.

In Mail, TNT expects a volume decline in the Netherlands of 7-9%, due to the first full year effect of liberalisation combined with normal substitution. Master plan savings of € 75 million are targeted. Mail results are expected to be below 2009 levels.

The 2010 additional financial indicators:

- *Structural cost savings: around € 200 million*
- *Capex: around € 400 million*
- *Pensions: cash contributions defined benefit obligations approximately € 287 million of which € 260 million for the main Dutch plans and the transitional plans*
- *Net financial expense: around € 160 million*
- *Taxes paid: around € 300 million, including delayed payment (preliminary tax refund € 175 million from Dutch tax authorities)*

Press releases since third quarter results

Date	Subject
19 November 2009	• TNT Express launches Direct Express in Europe
27 November 2009	• TNT winner of Henri Sijthoff Prize for best financial reporting
1 December 2009	• TNT makes urgent appeal to unions
3 December 2009	• TNT announces strategy "Vision 2015" and sees continued further stabilisation in its trading environment
9 December 2009	• TNT Post: gradual introduction of minimum wage (on Dutch postal market) feasible and necessary
13 January 2010	• Redmail in Austria creates value by focussing on distribution of newspapers
20 January 2010	• TNT Post Germany reaches agreement with publishers to start “mail alliance”
20 January 2010	• TNT sells German unaddressed mail unit to its management team
22 January 2010	• TNT sells its Czech call centre activities
28 January 2010	• German Federal Administrative Court: ordinance postal minimum wage null and void
29 January 2010	• TNT and trade unions reach in-principle agreement on CLA and social plan
1 February 2010	• TNT issues trading and business update
8 February 2010	• TNT sets clear step forward in e-commerce strategy: acquisition of e-fulfilment specialist TopPak

Express overview

Key figures

in € millions, except percentages	Underlying *			Underlying *		
	Q4 2009	Q4 2008	% Change	FY 2009	FY 2008	% Change
Revenues	1,675	1,667	0.5%	6,070	6,653	-8.8%
EBITDA	159	147	8.2%	505	670	-24.6%
Operating income (EBIT)	106	88	20.5%	282	446	-36.8%
Operating margin	6.3%	5.3%		4.6%	6.7%	

* The underlying figures are at constant currency and exclude the impact of various one-off charges

Trading environment and operating focus

Q4 2009, for the first time in 2009, saw volumes above the equivalent quarter of 2008, but remaining below 2007 levels.

The Boeing B747 operations from Shanghai and Hong Kong to Europe have operated successfully and at full capacity throughout the quarter, with the Hong Kong operation having started in September 2009.

Throughout 2009, Express' operating focus has been on what is in its control, namely, maintaining high service levels (year-on-year improvement was achieved for yet another quarter) while reducing costs. In the quarter, the business removed € 60 million from the cost base. For the full year € 428 million of costs were saved compared to the same period in 2008 (excl. fuel).

Operational performance indicators

Core kilos	+3.5%
Air	+9.7%
Road	+2.6%
Domestic	+2.8%
Core consignments	+3.5%

Other financial indicators

Cost savings achieved (excl. fuel)	€ 60 million
Actual costs	€ 1,586 million *(-3.9%)*
Fuel-adjusted revenue quality yield on core volumes	-3.1%

Operational performance

Core consignment and kilo levels in Q4 exceeded last-year levels by 3.5%. In Q4 2009, weight per consignment was in line with Q4 2008. For the first time this year, weight per consignment was not below the equivalent quarter of 2008. Combined with a lower rate per kilo plus lower fuel-surcharge revenue, this resulted in -1.5% organic revenue growth.

The improving business environment together with the strong focus on cost control and the positive year-on-year volumes resulted in an improvement in underlying operating margin. This quarter's underlying operating margin is above that of the equivalent period in 2008 for the first time in 2009 (6.3% versus 5.3%).

Revenue analysis Q4 in € millions, except percentages	Underlying * Q4 2009	Q4 2008	% Change	of which Organic	Acq
International & Domestic	1,285	1,332	-3.5%	-3.5%	0.0%
Emerging platforms	390	335	16.4%	6.3%	10.1%
Express	1,675	1,667	0.5%	-1.5%	2.0%

* The underlying figures 2009 are at constant currency.

International & Domestic

Within International & Domestic revenues declined because of lower prices resulting from lower fuel surcharges and price pressure from competition. The Domestic-based countries were impacted to the largest extent, with the biggest drop in UK.

Emerging platforms

For the first time in 2009, Q4 saw a positive organic revenue development versus last year. Both China (Domestic as well as International) and India showed strong double-digit growth year-on-year.

Revenue analysis FY in € millions, except percentages	Underlying * FY 2009	FY 2008	% Change	of which Organic	Acq
International & Domestic	4,797	5,438	-11.8%	-11.8%	0.0%
Emerging platforms	1,273	1,215	4.8%	-1.7%	6.5%
Express	6,070	6,653	-8.8%	-10.0%	1.2%

* The underlying figures 2009 are at constant currency.

in € millions, except percentages and volumes	As reported Q4 2009	Q4 2008	% Change	As reported FY 2009	FY 2008	% Change
EXPRESS						
International & Domestic						
Revenues	1,291	1,332		4,672	5,438	
Growth %	-3.1%	-7.4%		-14.1%	-0.2%	
Organic	-3.6%	-2.0%		-11.8%	3.7%	
Acquisition / Disposal	0.0%	0.0%		0.0%	0.0%	
Fx	0.5%	-5.4%		-2.3%	-3.9%	
Emerging platforms						
Revenues	384	335		1,284	1,215	
Growth %	14.6%	3.7%		5.7%	10.2%	
Organic	6.3%	3.1%		-1.7%	11.4%	
Acquisition / Disposal	10.1%	-1.9%		6.5%	1.5%	
Fx	-1.8%	2.5%		0.9%	-2.7%	
Total Express						
Revenues	1,675	1,667		5,956	6,653	
Growth %	0.5%	-5.4%		-10.5%	1.6%	
Organic	-1.5%	-1.1%		-10.0%	5.1%	
Acquisition / Disposal	2.0%	-0.3%		1.2%	0.2%	
Fx	0.0%	-4.0%		-1.7%	-3.7%	
Operating income (EBIT)	81	18		193	376	
Operating margin	4.8%	1.1%		3.2%	5.7%	
Other information Express						
Working days	68	66		254	254	
Core* consignments (in millions)	56.3	54.4	3.5%	202.8	208.4	-2.7%
Domestic core consignments	44.0	42.6	3.1%	158.8	161.3	-1.6%
International core consignments	12.3	11.8	4.6%	44.0	47.0	-6.3%
Core* kilos (in millions)	1,126.0	1,088.4	3.5%	3,969.5	4,275.9	-7.2%
Domestic core kilos	815.5	793.2	2.8%	2,896.9	3,092.2	-6.3%
International core kilos	310.5	295.2	5.2%	1,072.6	1,183.8	-9.4%
Core* revenue quality yield improvement	-5.5%	-0.5%				

* Core excludes Special Services, Hoau, Mercurio, Aracatuba and LIT Cargo

Mail overview

Key figures	Underlying *			Underlying *		
in € millions, except percentages	Q4 2009	Q4 2008	% Change	FY 2009	FY 2008	% Change
Revenues	1,222	1,204	1.5%	4,266	4,245	0.5%
EBITDA	260	267	-2.6%	748	846	-11.6%
Operating income (EBIT)	229	232	-1.3%	632	722	-12.5%
Operating margin	18.7%	19.3%		14.8%	17.0%	

* The underlying figures are at constant currency and exclude the impact of various one-off charges

Trading environment and operating focus

Q4 2009 was the third quarter of full postal-market liberalisation in the Netherlands. Addressed mail volumes declined in line with the expected trend, virtually completely by substitution.

This quarter TNT achieved € 33 million of Master plan savings. The total Master plan savings reached € 84 million for the year, well above the € 60 - € 70 million that had been targeted. The main reasons for the outperformance were from the results of projects in Operations and Overheads.

On 29 January 2010, TNT and the trade unions ABVAKABO FNV, BVPP and CNV Publieke Zaak reached an in-principle collective labour agreement (CLA). The agreement, if approved by the union members, will provide a strong basis for realising the 16% Cash EBITDA/Revenue objective for Mail NL (in Vision 2015).

On 28 January 2010, the German Federal Administrative Court in Leipzig court ruled that the postal minimum wage of € 9.80 is contrary to prevailing constitutional law and therefore is not binding on TNT Post in Germany. This ruling confirmed the decision of the Higher Administrative court of Berlin-Brandenburg on 18 December 2008 and the Berlin Administrative Court on 7 March 2008.

In January 2010, TNT announced the termination of its addressed mail business and part of its unaddressed mail business in Austria, as well as the sale of TNT Direktwerbung in Germany to its current management team. In the same month, TNT signed an agreement to sell DomiCall s.r.o., a Czech telemarketing company.

This refocus of activities is in line with TNT's strategy to manage its European Mail Networks business (EMN) for value realisation through partnerships and sale, as announced during the company's Analysts' Meeting on 3 December 2009.

Further partnerships / disposals are being prepared.

Operational performance indicators	
Netherlands addressed mail volumes	-5.9%
Adjusted for 2 working days and one-off mailing in Q4	*-6.6%*

Other financial indicators	
Master plan savings achieved	€ 33 million

Operational performance

Overall, underlying revenues exceeded last year's comparatives by 1.5%, largely due to the number of working days. The revenue decline in Mail Netherlands was offset by 10.8% revenue growth in Emerging Mail and Parcels (excl. EMN Germany). Underlying operating income at € 229 million was in line with the fourth quarter of 2008.

Revenue analysis Q4	Underlying *			of which	
in € millions, except percentages	Q4 2009	Q4 2008	% Change	Organic	Acq
Mail	1,222	1,204	1.5%	1.2%	0.3%
of which Emerging Mail & Parcels (excl. EMN Germany)	381	344	10.8%	8.8%	2.0%

* The underlying figures 2009 are at constant currency.

Revenue analysis FY	Underlying *			of which	
in € millions, except percentages	FY 2009	FY 2008	% Change	Organic	Acq
Mail	4,266	4,245	0.5%	0.6%	-0.1%
of which Emerging Mail & Parcels (excl. EMN Germany)	1,357	1,246	8.9%	8.6%	0.3%

* The underlying figures 2009 are at constant currency.

Emerging Mail & Parcels revenue grew compared to last year. The main contributors to this growth were the Dutch Parcels business and EMN in the UK. Impairments and write-offs of € 146 million were taken. This mainly relates to EMN Germany and EMN Italy.

EMN Germany addressed mail revenue increased by 13% mainly due to the first time consolidated revenue of the joint venture with Holtzbrinck.

	As reported		As reported	
in € millions, except percentages and volumes	Q4 2009	Q4 2008	FY 2009	FY 2008
MAIL				
Revenues	1,214	1,204	4,216	4,245
Growth %	0.8%	1.4%	-0.7%	0.3%
Organic	1.2%	4.8%	0.6%	2.5%
Acquisition / Disposal	0.3%	-1.7%	-0.1%	-0.6%
Fx	-0.7%	-1.7%	-1.2%	-1.6%
of which Emerging Mail & Parcels (excl Germany)				
Revenues	373	344	1,307	1,246
Growth %	8.4%	4.2%	4.9%	8.8%
Organic	8.7%	16.7%	8.6%	16.8%
Acquisition / Disposal	2.0%	-6.4%	0.3%	-2.4%
Fx	-2.3%	-6.1%	-4.0%	-5.6%
Operating income (EBIT)	59	150	472	633
Operating margin	4.9%	12.5%	11.2%	14.9%
Other information Mail				
Addressed Mail NL volumes (in million items)	1,309	1,391	4,473	4,693
Growth %	-5.9%	1.7%	-4.7%	-1.9%
Working days	68	66	255	255

Consolidated statement of financial position

in € millions	31 Dec 2009	31 Dec 2008
Goodwill	1,803	1,807
Other intangible assets	258	256
Intangible assets	2,061	2,063
Land and buildings	809	793
Plant and equipment	342	336
Aircraft	280	303
Other	151	163
Construction in progress	28	39
Property, plant and equipment	1,610	1,634
Investments in associates	62	64
Other loans receivable	6	5
Deferred tax assets	233	205
Prepayments and accrued income	23	33
Financial fixed assets	324	307
Pension assets	884	726
Total non-current assets	4,879	4,730
Inventory	24	24
Trade accounts receivable	1,370	1,370
Accounts receivable	221	204
Income tax receivable	28	37
Prepayments and accrued income	236	298
Cash and cash equivalents	910	497
Total current assets	2,789	2,430
Assets held for sale	27	25
Total assets	7,695	7,185
Equity attributable to the equity holders of the parent	2,060	1,733
Minority interests	20	24
Total equity	2,080	1,757
Deferred tax liabilities	391	335
Provisions for pension liabilities	292	360
Other provisions	165	212
Long term debt	1,925	1,845
Accrued liabilities	5	4
Total non-current liabilities	2,778	2,756
Trade accounts payable	470	414
Other provisions	203	190
Other current liabilities	687	890
Income tax payable	265	47
Accrued current liabilities	1,212	1,131
Total current liabilities	2,837	2,672
Total liabilities and equity	7,695	7,185

Consolidated income statement

in € millions	Q4 2009	Q4 2008	FY 2009	FY 2008
Net sales	2,918	2,890	10,278	10,983
Other operating revenues	29	43	124	169
Total revenues	2,947	2,933	10,402	11,152
Other income	(2)	9	37	35
Cost of materials	(148)	(129)	(454)	(484)
Work contracted out and other external expenses	(1,297)	(1,301)	(4,653)	(4,978)
Salaries and social security contributions	(909)	(983)	(3,480)	(3,617)
Depreciation, amortisation and impairments	(233)	(133)	(489)	(399)
Other operating expenses	(230)	(236)	(715)	(727)
Total operating expenses	(2,817)	(2,782)	(9,791)	(10,205)
Operating income	128	160	648	982
Interest and similar income	5	22	23	70
Interest and similar expenses	(48)	(55)	(184)	(217)
Net financial (expense)/income	(43)	(33)	(161)	(147)
Results from investments in associates	(7)	(31)	(19)	(33)
Profit before income taxes	78	96	468	802
Income taxes	(55)	(35)	(179)	(242)
Profit for the period	23	61	289	560
Attributable to:				
Minority interests	(2)	2	8	4
Equity holders of the parent	25	59	281	556
Earnings per ordinary share (in € cents) [1]	6.5	16.8	76.7	152.9
Earnings per diluted ordinary share (in € cents) [2]	6.3	17.0	76.2	152.5

1. In 2009 based on an average of 366,322,316 of outstanding ordinary shares (2008: 363,566,403).
2. In 2009 based on an average of 368,966,939 of outstanding ordinary shares (2008: 364,704,745).

Consolidated statement of cash flows

in € millions	Q4 2009	Q4 2008	FY 2009	FY 2008
Profit before income taxes	78	96	468	802
Adjustments for:				
Depreciation, amortisation and impairments	233	133	489	399
Share based payments	4	4	18	16
Investment income:				
(Profit)/loss on sale of property, plant and equipment	3	(7)	(12)	(30)
(Profit)/loss on sale of Group companies/joint ventures	0	0	(20)	0
Interest and similar income	(5)	(22)	(23)	(70)
Foreign exchange (gains) and losses	1	(6)	7	2
Interest and similar expenses	47	61	177	215
Results from investments in associates	7	31	19	33
Changes in provisions:				
Pension liabilities	(61)	(59)	(226)	(209)
Other provisions	(14)	107	(55)	40
Changes in working capital:				
Inventory	3	2	2	3
Trade accounts receivable	(16)	50	40	11
Other accounts receivable	(14)	4	(14)	(9)
Other current assets	61	5	50	(45)
Trade accounts payable	23	92	28	113
Other current liabilities excluding short term financing and taxes	81	(17)	145	59
Cash generated from operations	431	474	1,093	1,330
Interest paid	(50)	(77)	(160)	(182)
Income taxes paid	(29)	(43)	83	(225)
Net cash from operating activities	352	354	1,016	923
Interest received	4	23	29	64
Acquisition of subsidiairies and joint ventures (net of cash)	2	(1)	(81)	(5)
Disposal of subsidiairies and joint ventures (net of cash)	0	0	23	0
Investment in associates	(8)	(1)	(19)	(13)
Capital expenditure on intangible assets	(23)	(19)	(62)	(74)
Disposal of intangible assets	1	1	2	1
Capital expenditure on property, plant and equipment	(63)	(79)	(193)	(271)
Proceeds from sale of property, plant and equipment	14	7	48	40
Other changes in (financial) fixed assets	1	(1)	2	1
Changes in minority interests	0	(1)	(5)	0
Net cash used in investing activities	(72)	(71)	(256)	(257)
Repurchases of shares	0	0	0	(308)
Cash proceeds from the exercise of shares/options	1	0	2	1
Proceeds from long term borrowings	5	1	62	563
Repayments of long term borrowings	(5)	(1)	(12)	(3)
Proceeds from short term borrowings	11	201	34	367
Repayments of short term borrowings	(175)	(601)	(377)	(729)
Repayments of finance leases	(10)	(15)	(23)	(25)
Dividends paid	0	0	(34)	(324)
Net cash used in financing activities	(173)	(415)	(348)	(458)
TOTAL CHANGES IN CASH	107	(132)	412	208
Cash at beginning of the period	**800**	**632**	**497**	**295**
Exchange rate differences	3	(3)	1	(6)
Changes in cash from continuing operations	107	(132)	412	208
Cash at end of period as reported	**910**	**497**	**910**	**497**

Consolidated statement of changes in equity

in € millions	Issued share capital	Additional paid in capital	Translation reserve	Hedging reserve	Other reserves	Retained earnings	Attributable to equity holders of the parent	Minority interest	Total equity
Balance at 31 December 2007	182	982	(82)	(22)	0	871	1,931	20	1,951
Total comprehensive income			(129)	(13)	0	556	414	4	418
Final dividend previous year						(202)	(202)		(202)
Appropriation of net income					669	(669)	0		0
Interim dividend current year						(122)	(122)		(122)
Repurchases and cancellation of shares	(9)	(106)			(191)		(306)		(306)
Share based compensation					16		16		16
Other			(1)		3		2	0	2
Total direct changes in equity	(9)	(106)	(1)	0	497	(993)	(612)	0	(612)
Balance at 31 December 2008	173	876	(212)	(35)	497	434	1,733	24	1,757
Balance at 31 December 2008	173	876	(212)	(35)	497	434	1,733	24	1,757
Total comprehensive income			66	(8)	0	281	339	8	347
Stock dividend previous year	4	(4)					0		0
Appropriation of net income					434	(434)	0		0
Interim dividend current year	1	(1)				(34)	(34)		(34)
Share based compensation					18		18		18
Other					4		4	(12)	(8)
Total direct changes in equity	5	(5)	0	0	456	(468)	(12)	(12)	(24)
Balance at 31 December 2009	178	871	(146)	(43)	953	247	2,060	20	2,080

Consolidated statement of comprehensive income

in € millions	Q4 2009	Q4 2008	FY 2009	FY 2008
Profit for the period	23	61	289	560
Gains/(losses) on cashflow hedges, net of tax	6	(6)	(8)	(13)
Currency translation adjustment net of tax	39	(104)	66	(129)
Other comprensive income for the period	45	(110)	58	(142)
Total comprehensive income for the period	68	(49)	347	418
Attributable to:				
Minority interest	(2)	2	8	4
Equity holders of the parent	70	(51)	339	414

Reconciliation 2008 underlying figures

Reconciliation Q4 2008

in € millions	As reported	Restructuring related costs	Impairments and other value adjustments	Underlying
Express	1,667			1,667
Mail	1,204			1,204
Other networks	66			66
Non-allocated	(4)			(4)
Total revenues	2,933	0	0	2,933
Express	18	33	37	88
Mail	150	82		232
Other networks	2			2
Non-allocated	(10)			(10)
Operating income (EBIT)	160	115	37	312

Reconciliation FY 2008

in € millions	As reported	Restructuring related costs	Impairments and other value adjustments	Underlying
Express	6,653			6,653
Mail	4,245			4,245
Other networks	273			273
Non-allocated	(19)			(19)
Total revenues	11,152	0	0	11,152
Express	376	33	37	446
Mail	633	82	7	722
Other networks	11			11
Non-allocated	(38)			(38)
Operating income (EBIT)	982	115	44	1,141

Segment information

in € millions	Express	Mail	Other networks	Inter-company	Non-allocated	Total
FY 2009 ended at 31 December 2009						
Net sales	5,850	4,180	248		0	10,278
Inter-company sales	10	11	2	(23)		0
Other operating revenues	96	25	3			124
Total operating revenues	5,956	4,216	253	(23)	0	10,402
Other income	(2)	37	0		2	37
Depreciation/impairment property, plant and equipment	(163)	(95)	(2)		(2)	(262)
Amortisation/impairment intangibles	(67)	(158)	(2)		0	(227)
Total operating income	193	472	7		(24)	648
Total assets	4,383	1,472	92		1,748	7,695
FY 2008 ended at 31 December 2008						
Net sales	6,515	4,199	269		0	10,983
Inter-company sales	6	12	1	(19)		0
Other operating revenues	132	34	3			169
Total operating revenues	6,653	4,245	273	(19)	0	11,152
Other income	7	26	2		0	35
Depreciation/impairment property, plant and equipment	(208)	(95)	(3)		(2)	(308)
Amortisation/impairment intangibles	(53)	(36)	(1)		(1)	(91)
Total operating income	376	633	11		(38)	982
Total assets	4,189	1,691	96		1,209	7,185

Working days

Working days	Q1	Q2	Q3	Q4	Total
Express					
2005	64	63	65	64	256
2006	64	60	64	63	251
2007	64	60	64	64	252
2008	61	63	64	66	254
2009	61	60	65	68	254
2010	65	62	65	65	257
Mail					
2005	62	63	64	64	253
2006	65	62	65	63	255
2007	64	61	65	64	254
2008	62	62	65	66	255
2009	61	61	65	68	255
2010	65	60	65	65	255

Financial calendar

Thursday 8 April 2010
General Meeting of Shareholders

Monday 3 May 2010
Publication of Q1 2010 Results

Monday 2 August 2010
Publication of Q2 2010 Results

Monday 1 November 2010
Publication of Q3 2010 Results

Additional information available at

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