
2007 —
growth through
networks

ANNUAL REPORT 2007



Cautionary note with regard to “forward-looking statements”

Some statements in this annual report 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 TNT’s 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 TNT operates and TNT 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 annual report and are neither predictions nor guarantees of future events or circumstances. TNT does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Introduction and financial highlights

This is TNT’s annual report for the financial year ended 31 December 2007, prepared in accordance with Dutch regulations. Since TNT delisted its American Depositary Receipts from the New York Stock Exchange on 18 June 2007, and its reporting obligations with the United States Securities and Exchange Commission terminated 90 days later on 16 September 2007, TNT is no longer required to file its annual report on Form 20-F. This annual report reflects that, as, for example, there are no references to Form 20-F and information that only needed to be provided on the basis of US law, and not required by Dutch law, has not been inserted. TNT will continue to publish its annual report and communications in accordance with the US Securities Exchange Act on its corporate website, group.tnt.com. Also, where TNT thinks it is helpful, certain information is retained for comparative purposes. In this way TNT intends to provide its stakeholders with a clear overview of its financial year 2007.

Unless otherwise specified or the context so requires, “TNT”, the “company”, the “group”, “it” and “its” refer to TNT N.V. and all its group companies as defined in article 24b, book 2 of the Dutch Civil Code.

TNT has its seat in the Netherlands, which is one of the Member States of the European Union (EU) that has adopted the euro as its currency. Accordingly, TNT has adopted the euro as its reporting currency. In this annual report the euro is also referred to as “€”.

As required by EU regulation, as of 2005 TNT’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Selected financial data

The selected financial data below have been derived from TNT’s audited consolidated financial statements and the related notes included in chapter 8 of this report.

TNT has acquired a number of companies and businesses during the years, which limit the comparability of its year-on-year figures.

Year ended and position at 31 December

Selected financial data	2007	2006	2005	2004
Statements of income				
Total revenues	11,017	10,060	9,329	8,827
Other income	75	65	38	8
Salaries and social security contributions	(3,608)	(3,384)	(3,318)	(3,216)
Depreciation, amortisation and impairments	(349)	(318)	(303)	(296)
Other expenses	(5,943)	(5,147)	(4,598)	(4,213)
Total operating expenses	(9,900)	(8,849)	(8,219)	(7,725)
Total operating income	1,192	1,276	1,148	1,110
Profit before income taxes	1,099	1,223	1,146	1,092
Profit for the period from continuing operations	783	828	770	720
Profit/(loss) from discontinued operations	206	(157)	(109)	32
Profit attributable to the shareholders	986	670	659	752
Ratios				
Operating margin (%) ¹	10.8	12.7	12.3	12.6
Average number of outstanding shares (in millions)	383.0	420.7	454.4	473.4
Earnings per ordinary share (in cents) ²	257.4	159.3	145.0	158.9
Earnings from continuing operations per ordinary share (in cents)	203.6	196.6	169.0	152.1
Earnings from discontinued operations per ordinary share (in cents)	53.8	(37.3)	(24.0)	6.8
Average number of outstanding shares on diluted basis (in millions)	385.1	423.9	456.4	474.0
Earnings per diluted share (in cents) ²	256.1	158.1	144.4	158.7
Earnings from continuing operations per diluted share (in cents)	202.6	195.1	168.3	151.9
Earnings from discontinued operations per diluted share (in cents)	53.5	(37.0)	(23.9)	6.8
Dividend per share (in cents) ³	85.0	73.0	63.0	57.0
Dividend pay-out ratio (%) ⁴	33.0	45.8	43.4	35.9
Balance sheets				
Non-current assets	4,823	4,277	3,663	5,070
Current assets	2,252	2,122	2,355	3,159
Assets held for sale	10	409	2,378	0
Total assets	7,085	6,808	8,396	8,229
Equity	1,951	2,008	3,279	3,344
as % of total liabilities and equity	27.5	29.5	39.1	40.6
Non-current liabilities	2,232	2,112	1,608	2,221
Current liabilities	2,902	2,542	2,279	2,664
Liabilities related to assets classified as held for sale	0	146	1,230	
Total liabilities and equity	7,085	6,808	8,396	8,229
Cash flow statements continuing operations				
Net cash from operating activities	643	857	969	690
Net cash used in investing activities	(8)	1,068	(262)	(266)
Net cash used in financing activities	(635)	(2,152)	(768)	(298)
Changes in cash and cash equivalents	0	(227)	(61)	126
Cash flow statements discontinued operations				
Net cash from operating activities	(19)	(63)	43	268
Net cash used in investing activities	4	(30)	(22)	(24)
Net cash used in financing activities	16	36	8	(202)
Changes in cash and cash equivalents	1	(57)	29	42

(in millions, unless otherwise stated)

1 — Operating income as percentage of total revenues.

2 — Profit attributable to shareholders divided by the average number of (diluted) ordinary shares.

3 — For 2007 the final dividend is based on the estimated outstanding number of ordinary shares per mid April 2008.

4 — Dividend as percentage of earnings per share (EPS).

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The information in this annual report, and in particular in chapters 2, 3, 4 and 6, should be read in conjunction with the consolidated financial statements that can be found in chapter 8.

The report of the Board of Management is included in chapters 2, 3, 4 and 6.

This annual report can also be viewed on TNT's corporate website: group.tnt.com. Any information on the website other than the contents of this annual report does not form part of TNT's annual report.

Investing in TNT's securities involves risk. Carefully consider the key risks set out in chapter 11 of this annual report.

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