Q1 2010 Results

Press release

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Overall trading conditions continue to improve

Q1 2010

GROUP

- Operating income € 251 million (€ 163 million in Q1 2009); quarter benefited from four extra working days
- Profit attributable to shareholders € 143 million (€ 76 million in Q1 2009)
- Net debt stable versus year-end 2009
- Vision 2015 implementation as per AGM announcement progressing

EXPRESS

- Development of Express volumes continues to improve
- Negative year-on-year yield development shows early signs of stabilisation
- Underlying* operating income € 59 million (€ 23 million in Q1 2009)

MAIL

- Addressed mail volumes in the Netherlands declined by 9.7% (corrected for working days and one-off mailings)
- Good performance improvement Emerging Mail & Parcels
- Underlying* operating income € 159 million (€ 149 million in Q1 2009)

SUMMARY OUTLOOK 2010

TNT sees a modest improvement in the economy. Express volumes, revenues and results are expected to be well above 2009 levels, though could be tempered by continuing yield pressure and cost inflation. Mail volumes and results are expected to be below 2009 levels. TNT continues to focus on costs and cash.

Key figures Q1 2010	As reported			Underlying		
in € millions, except percentages	Q1 2010	Q1 2009	% Change	Q1 2010	Q1 2009	% Change
Group						
Revenues	2,747	2,444	12.4%	2,569	2,444	5.1%
EBITDA	329	245	34.3%	287	248	15.7%
Operating income (EBIT)	251	163	54.0%	213	166	28.3%
Profit for the period	144	75	92.0%			
Profit attributable to the shareholders	143	76	88.2%			
Net cash from operating activities	31	157	-80.3%			
Express						
Revenues	1,620	1,364	18.8%	1,488	1,364	9.1%
EBITDA	127	72	76.4%	107	75	42.7%
Operating income (EBIT)	77	20	285.0%	59	23	156.5%
Mail						
Revenues	1,067	1,026	4.0%	1,022	1,026	-0.4%
EBITDA	205	176	16.5%	185	176	5.1%
Operating income (EBIT)	178	149	19.5%	159	149	6.7%

in € millions	Reconciliation Q1 2010: As reported	Working days	Foreign exchange	Underlying 2010	Reconciliation Q1 2009: As reported	Restructuring related costs	Underlying 2009
Express	1,620	(79)	(53)	1,488	1,364		1,364
Mail	1,067	(41)	(4)	1,022	1,026		1,026
Other networks	65			65	60		60
Non-allocated	(5)		(1)	(6)	(6)		(6)
Total revenues	2,747	(120)	(58)	2,569	2,444	0	2,444
Express	77	(16)	(2)	59	20	3	23
Mail	178	(19)		159	149		149
Other networks	2			2	1		1
Non-allocated	(6)		(1)	(7)	(7)		(7)
Operating income (EBIT)	251	(35)	(3)	213	163	3	166

* The underlying figures are at constant currency and exclude the impact of more working days in 2010 and the impact of various one-off charges in 2009.

CEO Peter Bakker comments:

'As noted in our 8 April AGM trading update, Q1 2010 continued to show a positive trend. Reported operating income from both divisions was up versus the prior year.

We have every reason to be satisfied with the results in all parts of our business. The profit recovery testifies to the hard work of TNT's employees around the world, squeezing the cost base and helping the company navigate through the 2008/09 economic crisis. However, as a guide for full year performance, this quarter also needs to be understood as having benefited from extra working days.

Volumes in Express have improved, albeit against a soft Q1 2009 comparison. In recent weeks, volumes have almost returned to levels seen in the more normal trading period of Q1 2007, though some customer feedback indicates that this is partially driven by re-stocking of supply chains. The negative year-on-year yield development shows early signs of stabilisation. Because cost increases inevitably follow improving volumes, cost control will remain in sharp focus. I am pleased how TNT swiftly deployed road-based alternatives to help mitigate the impact of Iceland's volcanic eruption.

Mail achieved a good operating result due in part to an improved performance from Emerging Mail & Parcels. Addressed Mail volumes were down by 9.7%, on a comparable basis, which again points to the need for ongoing cost control and Master plan implementation.

TNT is making good progress in the implementation of Vision 2015. Although TNT assumes a modestly improving business environment in 2010, the global economic recovery remains fragile. A continued focus on costs and cash will therefore remain essential.'

REVIEW OF OPERATIONS IN FIRST QUARTER

GROUP Q1

Reported revenues increased by 12.4% to € 2,747 million due primarily to higher revenues from Express. Reported operating income grew by 54.0% to € 251 million because of a rebound in Express profitability as well as a good contribution from Mail. Reported profit attributable to shareholders came in at € 143 million (€ 76 million in Q1 2009).

Net cash from operating activities was € 31 million, a decrease of € 126 million versus last year, due in large part to higher taxes paid and working capital outflow. Net debt held steady at around € 1.1 billion. Better operating income helped compensate for certain negative cash impacts.

To show the **underlying** developments in the business, TNT excludes currency impact and, when relevant, corrects for working days and one-off items. Underlying revenues increased by 5.1% in Q1 2010. Underlying operating income increased by 28.3% to € 213 million compared to Q1 2009.

EXPRESS Q1

Underlying revenues were up 9.1% to € 1,488 million, which is the net result of the revenue impact of: higher core consignments (+8% adjusted for the four extra working days); higher fuel surcharges (+2%); Emerging Platforms, Special Services and other (+4%); and price/mix pressure (-5%). Day-count adjusted, Air and Road volumes (in kilos) were +22.4% and +10.4% compared to Q1 2009 (note that Road represents the large majority of volumes).

Express' underlying operating income was € 59 million, representing a 4.0% operating margin, which compares with 1.7% last year. The year-on-year increase in underlying operating income is the net result of higher volumes, stable performance in Emerging platforms, lower unit cost and yield pressure. Costs per core consignment fell 5.6% year on year, while core consignment volumes grew 6.6% (day-count adjusted). The underlying operating income benefited from a € 10 million fuel-timing effect year on year.

MAIL Q1

Underlying revenues were virtually in line with the prior year, despite the fall in addressed mail volumes (-9.7% corrected for extra working days and one-off mailings). Organic growth in Emerging Mail & Parcels contributed to the top line development.

Underlying operating income of Mail improved year on year. Lower pension charges and a better performance from Emerging Mail & Parcels were important contributors. Underlying Mail operating income was € 159 million, which represents an operating margin of 15.6%, compared to 14.5% in Q1 2009. Master plan savings in the quarter were € 18 million.

OTHER GROUP FINANCIAL INDICATORS

Net financial expense: € 36 million *(Q1 09 € 40 million)*	No material changes.
Effective tax rate (ETR): 33.0% *(Q1 09 38.5%)*	Weighted average statutory tax rate starts to normalise due to changes in the mix of income and costs, and continuous optimisation of the tax structure.
Net cash from operating activities: € 31 million *(Q1 09 € 157 million)*	Working capital outflow as volumes pick up. Taxes and phasing of pension payments negatively impact cash flow.
Net debt (3 April 2010): € 1.1 billion *(28 March 2009: € 1.7 billion* *31 December 2009: € 1.1 billion)*	Steady against Q4 2009 – better operating income helped compensate for negative cash impacts in taxes paid and working capital.
Net Capex: € 33 million *(Q1 09 € 54 million)*	Timing impact on outflow.

* The underlying figures over 2010 are at constant currency and exclude the impact of extra working days

OUTLOOK

TNT assumes a modestly improving business environment in 2010. However, given that the global economic recovery remains fragile, caution is warranted. The focus on costs and cash will therefore continue.

In Express, TNT expects continuing volume growth with some recovery of weight per consignment and lower cost per consignment. Most growth is expected to come from international, especially International Economy. Express revenues and results are therefore expected to be well 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. Although the ash from the Icelandic volcano severely curtailed European air traffic, at this stage TNT anticipates limited extra costs.

In Mail, TNT expects addressed 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)*

Group Summary Q1

in € millions, except percentages	As reported Q1 2010	As reported Q1 2009	% Change as reported Operational	% Change as reported Fx	% Change as reported Total
Revenues	2,747	2,444	10.0%	2.4%	12.4%
EBITDA	329	245	31.4%	2.9%	34.3%
Operating income (EBIT)	251	163	52.2%	1.8%	54.0%
Profit for the period	144	75	90.7%		92.0%
Profit attributable to the shareholders	143	76	86.8%		88.2%
Net cash from operating activities	31	157			-80.3%

Segment Summary Q1

in € millions, except percentages	As reported Q1 2010	As reported Q1 2009	% Change as reported Operational	% Change as reported Fx	% Change as reported Total
Express					
Revenues	1,620	1,364	14.9%	3.9%	18.8%
EBITDA	127	72	70.8%	5.6%	76.4%
Operating income (EBIT)	77	20	275.0%	10.0%	285.0%
Operating margin	4.8%	1.5%			
Mail					
Revenues	1,067	1,026	3.6%	0.4%	4.0%
EBITDA	205	176	15.9%	0.6%	16.5%
Operating income (EBIT)	178	149	19.5%		19.5%
Operating margin	16.7%	14.5%			
Other networks					
Revenues	65	60	8.3%		8.3%
EBITDA	2	2			
Operating income (EBIT)	2	1	100.0%		100.0%
Operating margin	3.1%	1.7%			
Non-allocated	(6)	(7)		14.3%	14.3%
Operating income (EBIT)	251	163	52.2%	1.8%	54.0%

PRESS RELEASES SINCE THE FOURTH QUARTER 2009 RESULTS

Date	Subject
8 March 2010	• TNT Hoau completes day-definite road distribution
11 March 2010	• TNT makes importing easier with new online import system
15 March 2010	• TNT union members approve CLA and social plan

8 April 2010	• Annual General Meeting of Shareholders
	• Update Vision 2015: TNT takes further steps in its earlier announced business transformation under Vision 2015
	    • Accelerate development towards leadership in Day Definite Delivery services
	    • Explore the best position for its Mail business for continued success
	• Trading conditions in Q1 2010 continue to show a positive trend

8 April 2010	• TNT announces results of Annual General Meeting of Shareholders:
	    • Supervisory Board and Board of Management announcements
	    • Adoption of various resolutions
	    • Voting against the proposal to maintain the full large company regime at the level of TNT N.V.

27 April 2010	• Announcement conversion rate final dividend 2009
	    • Shareholders who elected a final dividend in shares will receive one new TNT N.V. ordinary share for every 65 dividend rights. This stock dividend right represents a value of € 0.3578 which is 2.21% above the value of the cash dividend. The conversion rate has been based on the volume-weighted average share price of € 23.2539 for all TNT N.V. shares traded on Euronext Amsterdam over a three trading day period from 22 up to and including 26 April 2010.Over 50% of outstanding capital has elected for dividend to be paid in stock, which results in approximately 2,900,500 new ordinary shares being issued as stock dividend. The stock dividend will be paid out of additional paid in capital as part of the distributable reserves, free of withholding tax in the Netherlands.
	    • The dividend will be payable as from 29 April 2010.

EXPRESS OVERVIEW

Key figures	Underlying *		
in € millions, except percentages	Q1 2010	Q1 2009	% Change
Revenues	1,488	1,364	9.1%
EBITDA	107	75	42.7%
Operating income (EBIT)	59	23	156.5%
Operating margin	4.0%	1.7%	

* The underlying figures are at constant currency and exclude the impact of more working days in 2010 and the impact of various one-off charges in 2009.

TRADING ENVIRONMENT AND OPERATING FOCUS

Trading conditions continue to improve. In the quarter, premium products have recovered relatively quickly. Overall, volumes in March are near levels seen in the more normal Q1 2007 trading period.

The negative year-on-year yield development shows early signs of stabilisation. Compared to Q1 2007, however, the development continues to be negative sequentially.

As volumes improve so too does the likelihood of cost increases. Controlling costs therefore remains a primary focus. Costs per core consignment fell 5.6%, while core consignment volumes grew 6.6% (day-count adjusted).

Operational performance indicators	
Core kilos	+15.7%
Air	*+30.5%*
Road	*+17.6%*
Domestic	*+13.3%*
Core consignments	+13.7%

Other financial indicators	
Fuel-adjusted revenue quality yield on core volumes	-2.8%

OPERATIONAL PERFORMANCE

Core consignment and kilo levels in Q1 are ahead of last year. Adjusting for working days, core consignments increased by 6.6% and kilos by 8.5%. This, combined with pressure on price/mix and with the relatively strong growth from Emerging Platforms, meant that the division's underlying revenues grew by 9.1%.

With respect to revenue quality yield on core volumes, the relatively fast growth from large customers represents an important negative mix change.

To combat cost increases, management remains focused on cost control. This is in part why Q1 2010 is the second consecutive quarter of year-on-year improvement in underlying operating margin. The underlying 4.0% operating margin compares favourably with 1.7% last year. Q1 2010 underlying operating income benefited from a € 10 million fuel-timing effect year on year.

Revenue analysis Q1 in € millions, except percentages	Underlying * Q1 2010	Q1 2009	% Change	of which Organic	Acq
International & Domestic	1,146	1,103	3.9%	3.9%	0.0%
Emerging platforms	342	261	31.0%	19.9%	11.1%
Express	1,488	1,364	9.1%	7.0%	2.1%

* The underlying figures are at constant currency and exclude the impact of more working days.

INTERNATIONAL & DOMESTIC

In International & Domestic, underlying revenues increased by 3.9% because of higher volumes and reasonably steady, though still negative, core revenue quality yield. Eastern Europe and Germany performed relatively well.

EMERGING PLATFORMS

Emerging platforms experienced a strong quarter. Of particular note is Hoau domestic in China, which had 28% underlying revenue growth, spurred on by the continuing successful deployment of TNT's developing top-quality day-definite freight product offering.

FURTHER INDICATORS in € millions, except percentages and volumes	As reported Q1 2010	Q1 2009	% Change
EXPRESS			
International & Domestic			
Revenues	1,252	1,103	
Growth %	13.5%	-18.2%	
Organic	9.7%	-13.8%	
Acquisition / Disposal	0.0%	0.0%	
Fx	3.8%	-4.4%	
Emerging platforms			
Revenues	368	261	
Growth %	41.0%	-1.9%	
Organic	25.7%	-7.9%	
Acquisition / Disposal	11.1%	1.5%	
Fx	4.2%	4.5%	
Total Express			
Revenues	1,620	1,364	
Growth %	18.8%	-15.5%	
Organic	12.8%	-12.8%	
Acquisition / Disposal	2.1%	0.2%	
Fx	3.9%	-2.9%	
Operating income (EBIT)	77	20	
Operating margin	4.8%	1.5%	
Other information Express			
Working days	65	61	
Core* consignments (in millions)	55.0	48.4	13.7%
Domestic core consignments	43.0	38.1	13.0%
International core consignments	11.9	10.3	16.5%
Core* kilos (in millions)	1,061.0	917.3	15.7%
Domestic core kilos	759.9	670.7	13.3%
International core kilos	301.2	246.6	22.1%
Core* revenue quality yield improvement	-1.0%	-6.9%	

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

MAIL OVERVIEW

Key figures	Underlying *		
in € millions, except percentages	QI 2010	QI 2009	% Change
Revenues	1,022	1,026	-0.4%
EBITDA	185	176	5.1%
Operating income (EBIT)	159	149	6.7%
Operating margin	15.6%	14.5%	

* The underlying figures are at constant currency and exclude the impact of more working-days in 2010.

TRADING ENVIRONMENT AND OPERATING FOCUS

QI 2010 marked the first year of full postal-market liberalisation in the Netherlands. Underlying addressed mail volumes declined more than the expected trend. Within the mix, bulk mail experienced a more significant decline than did single-item mail.

For the full year, € 75 million of Master plan savings are targeted, of which € 18 million was achieved in this quarter.

On 15 March 2010, TNT and the trade unions reached a new collective labour agreement (CLA), resulting in salary increases. Alongside this CLA, a social plan was confirmed. The net savings to be achieved by employee-related restructuring will support the Master plan II and III savings targets.

The decisions in Germany (VAT) and the Netherlands (minimum wage for competitors) likely represent incremental positives for TNT's competitive positions.

As part of Vision 2015, TNT's strategy is to manage its European Mail Networks (EMN) business for value realisation. In this context, further partnerships/disposals are anticipated. Also, Mail's legal and financial carve out continues as explained in the 8 April 2010 AGM statement.

Operational performance indicators	
Netherlands addressed mail volumes	-5.7%
Corrected for extra working days and one-off mailings	*-9.7%*

Other financial indicators	
Master plan savings achieved	€ 18 million

OPERATIONAL PERFORMANCE

The good growth in Emerging Mail & Parcels revenues and profitability, lower pension costs, provision releases and four extra working days were among the main drivers of the improved operational performance. Overall, underlying revenues decreased by 0.4%.

Revenue analysis QI	Underlying *			of which	
in € millions, except percentages	QI 2010	QI 2009	% Change	Organic	Acq
Mail	1,022	1,026	-0.4%	-0.2%	-0.2%
of which Emerging Mail & Parcels (excl. EMN Germany)	336	308	9.1%	8.5%	0.6%

* The underlying figures are at constant currency and exclude the impact of more working days.

EMERGING MAIL & PARCELS

All Emerging Mail & Parcels business units achieved higher operating income compared with QI 2009. Of note in this regard are Italy, Belgium and the parcels entity.

FURTHER INDICATORS	As reported	
in € millions, except percentages and volumes	Q1 2010	Q1 2009
MAIL		
Revenues	1,067	1,026
Growth %	4.0%	-2.2%
Organic	3.8%	-0.1%
Acquisition / Disposal	-0.2%	-0.4%
Fx	0.4%	-1.7%
of which Emerging Mail & Parcels (excl Germany)		
Revenues	362	308
Growth %	17.5%	4.8%
Organic	15.6%	12.3%
Acquisition / Disposal	0.6%	-1.4%
Fx	1.3%	-6.1%
Operating income (EBIT)	178	149
Operating margin	16.7%	14.5%
Other information Mail		
Addressed Mail NL volumes (in million items)	1,078	1,143
Growth %	-5.7%	-4.8%
Working days	65	61

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

GENERAL INFORMATION

The interim financial statements have been prepared in accordance with IAS 34 'Interim financial reporting'.

TNT N.V. ('TNT' or the 'Company'), a public limited liability company with its registered seat in Amsterdam, the Netherlands, and its head office in Amsterdam, the Netherlands, provides businesses and consumers worldwide with an extensive range of services for their express delivery and mail needs. TNT's services involve the collection, storage, sorting, transport and distribution of a wide range of items for the Company's customers within specific timeframes, and related data and document management services.

BASIS OF PREPARATION

The information is reported on a year-to-date basis ending 3 April 2010. Where material to an understanding of the period starting 1 January 2010 and ending 3 April 2010, further information is disclosed. The interim financial statements were discussed in and approved by the Board of Management. The interim financial statements should be read in conjunction with TNT's consolidated 2009 annual report as published on 22 February 2010.

The significant accounting policies applied in these consolidated interim financial statements are consistent with those applied in TNT's consolidated 2009 annual report for the year ended 31 December 2009. In 2010, revised IFRS statements for the accounting of Business combinations (IFRS 3) and Consolidated and separate financial statements (IAS 27) are applicable for TNT. These revisions concern mainly the expensing of all deal related costs, remeasurement of contingent considerations and revised treatment of non controlling interests in case of a change of control. The impact of these revised IFRS statements for Q1 2010 is limited due to the absence of major transactions.

The measure of profit and loss and assets and liabilities is based on the TNT Group Accounting Policies, which are compliant with IFRS. The pricing of inter-company sales is done at arm's length.

SEGMENT INFORMATION

TNT operates its businesses through three reportable segments Express, Mail and Other networks.

The Express business provides on-demand door-to-door express delivery services for customers sending documents, parcels and freight. The Mail business provides services for collecting, sorting, transporting and distributing domestic and international mail. The Other networks business provides time-critical deliveries to individually agreed service delivery points for business customers during the night.

Revenues and results are impacted by the seasonality of sales whereby Q4 is the strongest quarter in the financial year and Q3 is the weakest quarter.

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 2010 and 2009:

in € millions	Express	Mail	Other networks	Inter-company	Non-allocated	Total
Q1 2010 ended at 03 April 2010						
Net sales	1,599	1,058	63		1	2,721
Inter-company sales	2	3	1	(6)		0
Other operating revenues	19	6	1			26
Total operating revenues	1,620	1,067	65	(6)	1	2,747
Other income	1	1	0		0	2
Depreciation/impairment property, plant and equipment	(38)	(21)	0		(1)	(60)
Amortisation/impairment intangibles	(12)	(6)	0		0	(18)
Total operating income	77	178	2		(6)	251
Total assets	4,520	1,527	101		1,751	7,899
Q1 2009 ended at 28 March 2009						
Net sales	1,340	1,017	59		0	2,416
Inter-company sales	3	3	0	(6)		0
Other operating revenues	21	6	1			28
Total operating revenues	1,364	1,026	60	(6)	0	2,444
Other income	0	5	0		0	5
Depreciation/impairment property, plant and equipment	(39)	(21)	(1)		(2)	(63)
Amortisation/impairment intangibles	(13)	(6)	0		0	(19)
Total operating income	20	149	1		(7)	163
Total assets	4,339	1,682	98		1,468	7,587

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in € millions	03 Apr 2010	31 Dec 2009
Goodwill	1,845	1,803
Other intangible assets	233	258
1 Intangible assets	2,078	2,061
Land and buildings	799	809
Plant and equipment	351	342
Aircraft	273	280
Other	145	151
Construction in progress	26	28
2 Property, plant and equipment	1,594	1,610
Investments in associates	64	62
Other loans receivable	9	6
Deferred tax assets	240	233
Prepayments and accrued income	25	23
Financial fixed assets	338	324
3 Pension assets	919	884
Total non-current assets	4,929	4,879
Inventory	24	24
Trade accounts receivable	1,458	1,370
Accounts receivable	206	221
Income tax receivable	21	28
Prepayments and accrued income	344	236
5 Cash and cash equivalents	889	910
Total current assets	2,942	2,789
Assets held for sale	28	27
Total assets	7,899	7,695
Equity attributable to the equity holders of the parent	2,255	2,060
Minority interests	23	20
4 Total equity	2,278	2,080
Deferred tax liabilities	398	391
3 Provisions for pension liabilities	267	292
6 Other provisions	164	165
5 Long term debt	1,921	1,925
Accrued liabilities	6	5
Total non-current liabilities	2,756	2,778
Trade accounts payable	468	470
6 Other provisions	190	203
Other current liabilities	680	687
7 Income tax payable	287	265
Accrued current liabilities	1,240	1,212
Total current liabilities	2,865	2,837
Total liabilities and equity	7,899	7,695

these numbers relate to the notes belonging to these interim financial statements

CONSOLIDATED INCOME STATEMENT

in € millions	QI 2010	QI 2009
Net sales	2,721	2,416
Other operating revenues	26	28
Total revenues	2,747	2,444
Other income	2	5
Cost of materials	(130)	(96)
Work contracted out and other external expenses	(1,246)	(1,087)
Salaries and social security contributions	(890)	(863)
Depreciation, amortisation and impairments	(78)	(82)
Other operating expenses	(154)	(158)
Total operating expenses	(2,498)	(2,286)
Operating income	251	163
Interest and similar income	3	10
Interest and similar expenses	(39)	(50)
Net financial (expense)/income	(36)	(40)
Results from investments in associates	0	(1)
Profit before income taxes	215	122
7 Income taxes	(71)	(47)
Profit for the period	144	75
Attributable to:		
Minority interests	1	(1)
Equity holders of the parent	143	76
Earnings per ordinary share (in € cents) [1]	38.6	21.2
Earnings per diluted ordinary share (in € cents) [2]	38.4	21.1

1. In 2010 based on an average of 370,522,226 of outstanding ordinary shares (2009: 358,969,545).
2. In 2010 based on an average of 372,707,558 of outstanding ordinary shares (2009: 360,389,326).

CONSOLIDATED STATEMENT OF CASH FLOWS

in € millions	Q1 2010	Q1 2009
Profit before income taxes	215	122
Adjustments for:		
Depreciation, amortisation and impairments	78	82
Share based payments	4	4
Investment income:		
(Profit)/loss on sale of property, plant and equipment	(2)	(5)
(Profit)/loss on sale of Group companies/joint ventures	0	0
Interest and similar income	(3)	(10)
Foreign exchange (gains) and losses	2	2
Interest and similar expenses	37	48
Results from investments in associates	0	1
Changes in provisions:		
Pension liabilities	(59)	(37)
Other provisions	(17)	(18)
Changes in working capital:		
Inventory	0	(1)
Trade accounts receivable	(66)	41
Other accounts receivable	18	(33)
Other current assets	(95)	(74)
Trade accounts payable	(19)	3
Other current liabilities excluding short term financing and taxes	(14)	70
Cash generated from operations	79	195
Interest paid	(12)	(22)
Income taxes paid	(36)	(16)
Net cash from operating activities	31	157
Interest received	4	11
Acquisition of subsidiairies and joint ventures (net of cash)	(3)	(41)
Disposal of subsidiairies and joint ventures (net of cash)	0	0
Investment in associates	(2)	(5)
Capital expenditure on intangible assets	(12)	(12)
Disposal of intangible assets	0	0
Capital expenditure on property, plant and equipment	(27)	(54)
Proceeds from sale of property, plant and equipment	6	12
Other changes in (financial) fixed assets	(3)	0
Changes in minority interests	1	1
Net cash used in investing activities	(36)	(88)
Repurchases of shares	0	0
Cash proceeds from the exercise of shares/options	0	0
Proceeds from long term borrowings	0	46
Repayments of long term borrowings	(13)	0
Proceeds from short term borrowings	23	166
Repayments of short term borrowings	(27)	(50)
Repayments of finance leases	(3)	(3)
Dividends paid	0	0
Net cash used in financing activities	(20)	159
TOTAL CHANGES IN CASH	(25)	228
Cash at beginning of the period	**910**	**497**
Exchange rate differences	4	1
Changes in cash from continuing operations	(25)	228
Cash at end of period as reported	**889**	**726**

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 2008	173	876	(212)	(35)	497	434	1,733	24	1,757
Total comprehensive income			35	(17)	0	76	94	(1)	93
Final dividend previous year							0		0
Appropriation of net income							0		0
Interim dividend current year							0		0
Share based compensation					4		4		4
Other			0		1		1	2	3
Total direct changes in equity	0	0	0	0	5	0	5	2	7
Balance at 28 March 2009	173	876	(177)	(52)	502	510	1,832	25	1,857
Balance at 31 December 2009	178	871	(146)	(43)	953	247	2,060	20	2,080
Total comprehensive income			52	(7)		143	188	1	189
Stock dividend previous year							0		0
Appropriation of net income							0		0
Interim dividend current year							0		0
Share based compensation					5		5		5
Other					2		2	2	4
Total direct changes in equity	0	0	0	0	7	0	7	2	9
Balance at 03 April 2010	178	871	(94)	(50)	960	390	2,255	23	2,278

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € millions	Q1 2010	Q1 2009
Profit for the period	144	75
Gains/(losses) on cashflow hedges, net of tax	(7)	(17)
Currency translation adjustment net of tax	52	35
Other comprensive income for the period	45	18
Total comprehensive income for the period	189	93
Attributable to:		
Minority interest	1	(1)
Equity holders of the parent	188	94

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. INTANGIBLE ASSETS

The movements in the intangible assets are as follows:

in € millions	2010	2009
Balance at 1 January	2,061	2,063
Additions	33	30
Disposals	0	0
(De)consolidations	(22)	17
Exchange rate differences	24	19
Amortisation and impairments	(18)	(20)
Balance at end of period	2,078	2,109

The comparative figures relate to the three month period ended 28 March 2009.

The additions to the intangible assets concern additions to goodwill of € 21 million following the further finalisation of the purchase price allocation of the 2009 acquisition of LIT Cargo (January 2009) and Expresso Araçatuba (April 2009) and goodwill arisen following the TopPak acquisition in 2010. In addition, capital expenditures in Q1 2010 amounted to € 12 million of which a significant part in software.

The closing balance for this period consists of € 1,845 million goodwill. Compared to 1 January 2010, goodwill, increased by € 42 million of which € 21 million foreign currency differences. This movement of goodwill excluding FX effects is summarised below.

Company name	Segment	Month aquired	% owner	Acquisition costs	Goodwill on acquisition
TopPak Holding B.V.	Mail	February	100%	3	2
Other acquisitions (including contingent consideration)				0	19
Total				3	21

2. PROPERTY, PLANT AND EQUIPMENT

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

in € millions	2010	2009
Balance at 1 January	1,610	1,634
Capital expenditures	27	55
Capital expenditures in financial leases	1	0
Acquisitions	3	22
Disposals	(2)	(6)
Exchange rate differences	18	14
Depreciation and impairments	(60)	(62)
Transfers to assets held for sale	(3)	(1)
Balance at end of period	1,594	1,656

The comparative figures relate to the three month period ended 28 March 2009.

Capital expenditures of € 27 million mainly concern investments within Express of € 20 million and Mail of € 6 million. The investments mainly relate to depots and hubs, vehicle replacements and sorting machinery. The exchange rate differences are due to the weakening of the Euro compared to our main foreign currencies in the first three months of 2010. In 2010, buildings for an amount of € 3 million are transferred to assets held for sale.

3. PENSIONS

On the balance sheet, the pension assets and pension liabilities of the various defined benefit pension schemes have been presented separately. The pension assets increased by € 35 million and the pension liabilities decreased by € 25 million, resulting in a net € 60 million movement. This movement is the net result of the recorded defined benefit pension expenses of € 5 million in Q1 2010 and contributions paid by TNT to the pension funds and early retirement payments for a total amount of € 65 million (Q1 2009: € 52 million) mainly related to Mail in the Netherlands. During the first three months of 2010, the coverage ratio of TNT's main pension fund increased to around 110% from around 109% as per 31 December 2009. Both coverage ratios include the impact of increasing longevity, based on recent statistical studies performed by the Central Bureau of Statistics in the Netherlands.

4. EQUITY

Total equity attributable to equity holders of the parent increased to € 2,255 million on 3 April 2010 from € 2,060 million as per 31 December 2009. This increase of € 195 million is mainly due to comprehensive income attributable to equity holders of € 188 million, of which € 144 million is profit for the period, and € 7 million are direct equity movements. These direct equity movements relate for € 5 million of share based compensation.

(in millions)	03 Apr 2010	31 Dec 2009	28 Mar 2009
Number of issued and outstanding shares	371.0	371.0	360.0
Shares held by the company to cover share plans	0.5	0.5	1.0
Shares held by the company for cancellation	0	0	0
Year-to-date average number of shares	370.5	366.3	359.0
Year-to-date average number of diluted shares	2.2	2.6	1.4
Year-to-date average number of shares on a fully diluted basis	372.7	369.0	360.4

5. NET DEBT

The net debt is specified in the table below:

	03 Apr 2010	31 Dec 2009	28 Mar 2009
Short term debt	95	91	529
Long term debt	1,921	1,925	1,921
Total interest bearing debt	2,016	2,016	2,450
Cash and other interest bearing assets	(889)	(910)	(728)
Net debt	1,127	1,106	1,722

* Net debt does not include adjustments for operating leases and pension liabilities that are incorporated in the definition of total debt used for credit rating purposes.

The net debt position as at 3 April 2010 increased by € 21 million compared to December 2009 mainly due to a decreased cash position. Cash was positively impacted by net cash from operating activities of € 31 million fully offset by net cash used in investing and financing activities (€ 56 million). The net cash from operating activities was negatively impacted by an outflow of working capital outweighing the higher profit before taxes.

6. PROVISIONS

The other provisions consist of long term provisions and short term provisions for restructuring, claims and indemnities and other employee benefits. In Q1 2010, the balance of the long term and short term provisions decreased by € 14 million, from € 368 million to € 354 million.

in € millions	2010	2009
Balance at 1 January	368	402
Additions	10	8
Withdrawals	(27)	(23)
(De)consolidations	(2)	3
Interest	1	2
Other/releases	0	(3)
Exchange rate differences	4	2
Balance at end of period	354	391

The comparative figures relate to the three month period ended 28 March 2009.

The additions of € 10 million in Q1 2010 were limited to € 6 million within Express and € 4 million within Corporate and relate mainly to customer claims and insurance and non employee related provisions. The withdrawals of € 27 million in Q1 2010 relate mainly to withdrawals of € 10 million within the Express division for settlement payments following restructuring programmes in Europe and settlement of claims. Within the Mail division € 13 million has been withdrawn for restructuring provisions following settlement payments mainly following the execution of Master plan initiatives (€ 5 million) and settlement payments within the joint venture 'Postkantoren' (€ 3 million).

On 15 March 2010, TNT and the unions reached an agreement on a new collective labour agreement in the Netherlands for Operations employees in Mail. In addition a social plan was confirmed. No financial effects of this social plan have been included in the QI 2010 financial figures as not all formal requirements have been met and the details and implementation of this social plan have to be further assessed.

7. TAXES

Effective tax rate	Q1 2010	Q1 2009
Dutch statutory tax rate	25.5%	25.5%
Other statutory tax rates	0.5%	2.0%
Weighted average statutory tax rate	26.0%	27.5%
Non and partly deductible costs	2.4%	2.3%
Other	4.6%	8.7%
Effective tax rate	33.0%	38.5%

The effective tax rate in QI 2010 amounted to 33.0%, which is lower than the comparable effective tax rate of 38.5% in QI 2009. This decrease of the effective tax rate of 5.5% is partly due to an improved mix of income from profit and loss making countries resulting in a decrease of 1.5%. Furthermore, the effective tax rate improved due to a lower impact of 4.1% on current year losses for which no deferred tax asset could be recognised due to uncertainty regarding the recoverability of such assets as presented in the line Other.

As per 3 April 2010, the income tax payable amounted to € 287 million and increased by € 22 million compared to December 2009. This increase is predominantly due to the increased economic activities.

8. CONTINGENT LIABILITY

TNT Post has ongoing discussions with the Dutch oversight body "OPTA" relating to level and detail of cost information to be provided to OPTA relating to the Universal Service Obligation. This information is input for the setting of the starting tariffs for the universal service.

9. LABOUR FORCE

The headcount at the end of the quarter as well as the average number of full time equivalents is specified in the table below:

Employees	03 Apr 2010	31 Dec 2009
Express	78,528	78,030
Mail	73,989	79,912
Other networks	1,326	1,355
Non-allocated	365	366
Total	154,208	159,663

Average FTE's	QI 2010	QI 2009
Express	76,112	69,139
Mail	38,550	39,145
Other networks	1,118	1,082
Non-allocated	355	258
Total	116,135	109,624

The average number of full time equivalents working in Express during the first three months of 2010 was 76,112, which increased due to the acquisition of LIT Cargo and Expresso Araçatuba in 2009 and an increase of full time equivalents in emerging countries partly offset by restructurings.

The average number of full time equivalents working in Mail during the first three months of 2010 was 38,550, a decrease of 595 compared to the comparable period in 2009 following staff reductions within operations in the Netherlands.

10. RELATED PARTIES

As at 3 April 2010, TNT's related party transactions for the year to date totalled € 1 million (2009: € 4 million). Purchases of TNT from joint ventures amounted to € 17 million (2009: € 19 million). The net amounts due to the joint venture entities amounted to € 69 million (2009: € 106 million). As at 3 April 2010, the net amount due from associates amounted to € 1 million (2009: € 9 million).

11. SUBSEQUENT EVENTS

On 8 April 2010, the Annual General Meeting established the final dividend over 2009 at € 0.35 per ordinary share. The final dividend is payable, at the shareholder's election, either wholly in ordinary shares or wholly in cash.

Shareholders who elected a final dividend in shares will receive one new TNT N.V. ordinary share for every 65 dividend rights. This stock dividend right represents a value of € 0.3578 which is 2.21% above the value of the cash dividend. The conversion rate has been based on the volume-weighted average share price of € 23.2539 for all TNT N.V. shares traded on Euronext Amsterdam over a three trading day period from 22 up to and including 26 April 2010.

Over 50% of outstanding capital has elected for dividend to be paid in stock, which results in approximately 2,900,500 new ordinary shares being issued as stock dividend. The stock dividend will be paid out of additional paid in capital as part of the distributable reserves, free of withholding tax in the Netherlands. 49% of outstanding capital has elected for dividend to be paid in cash.

The dividend will be payable as from 29 April 2010.

OTHER

Working days	Q1	Q2	Q3	Q4	Total
Express					
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					
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

Monday 2 August 2010
Publication of Q2 2010 Results

Monday 1 November 2010
Publication of Q3 2010 Results

Additional information available at
http://group.tnt.com

INVESTOR RELATIONS

Andrew Beh
Director Investor Relations
Phone +31 20 500 8717
Email andrew.beh@tnt.com

Inge Steenvoorden
Manager Investor Relations
Phone +31 20 500 8514
Email inge.steenvoorden@tnt.com

GROUP MEDIA RELATIONS

Ernst Moeksis
Director Media Relations
Phone +31 20 500 6171
Mobile +31 651 189 384
Email ernst.moeksis@tnt.com

PUBLISHED BY TNT N.V.

Neptunusstraat 41-63
2132 JA Hoofddorp
P.O. Box 13000
1100 KG Amsterdam
Phone +31 20 500 6000
Fax +31 20 500 7000
Email investorrelations@tnt.com

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