PRESS RELEASE

28 April 2014 | Amsterdam, The Netherlands

1Q14 results: Improved performance supported by restructuring initiatives

- Reported operating income €17m (1Q13: €219m, including €200m UPS termination fee), reported revenues €1,608m (-6.6%)
- Higher adjusted operating income €51m (1Q13: €21m), adjusted revenues €1,673m (-2.8%)
- Revenues lower because of negative foreign exchange movements, disposal China Domestic and contract pruning
- Substantially better results in combined Europe Main and Europe Other & Americas, AMEA and Brazil; Pacific under pressure
- *Outlook* on track: savings €30m achieved in the quarter
- Sale Dutch operations of TNT Fashion announced – closing expected in 2Q14
- Period end net cash €402m (4Q13: €469m)

Summary: Consolidated results (€m)

in million euros and @ respective rates	Notes	Reported			Adjusted (non-GAAP)		
		1Q14	1Q13	%chg	1Q14	1Q13	%chg
Revenues	(1)	1,608	1,722	-6.6	1,673	1,722	-2.8
Operating income	(2)	17	219	-92.2	51	21	
Operating income margin (%)		1.1	12.7		3.0	1.2	
Profit/(loss) equity holders of the parent		1	144				
Cash generated from operations		(33)	184				
Net cash from/(used in) operating activities		(64)	157				
Net cash from/(used in) investing activities		(14)	(29)	51.7			
Net cash		402	277	45.1			

Notes: Non-GAAP adjustments
(1) 1Q14: €65m FX
(2) 1Q14: €6m FX, €14m restructuring related, €5m implementation costs, €9m impairments and depreciation Brazil Domestic
(2) 1Q13: €(3)m catch-up depreciation Boeing 747 freighters, €(200)m UPS termination fee, €5m UPS offer-related cost

Segments

- Europe Main: Overall better performance, with support from savings initiatives
- Europe Other & Americas: Strong adjusted operating profit growth
- Pacific: Persisting challenges, recovery plans in place
- AMEA: Higher operating profit in all units
- Brazil Domestic: Recovery continues with break-even quarter (1Q13: €(10)m)

Other

- 1Q13 figures include China Domestic (€54m revenues and €(3)m operating income); sale completed 4Q13
- Application of IFRS 11 'Joint Arrangement': 1Q14 adjusted operating income impact €(2)m (adjustment 1Q13: €(2)m)

More detailed quarterly financial and operational information: www.tnt.com/corporate/1Q14datasheets

Date 28 April 2014

		Reported					Adjusted (non-GAAP)		
Revenues (€m)	Notes	1Q14	1Q13	%chg	FX	One-offs	1Q14	1Q13	%chg
Europe Main		799	815	-2.0	(9)		790	815	-3.1
Europe Other & Americas		273	274	-0.4	18		291	274	6.2
Pacific		137	167	-18.0	27		164	167	-1.8
AMEA		199	262	-24.0	15		214	262	-18.3
Brazil Domestic		65	71	-8.5	14		79	71	11.3
Unallocated		138	136	1.5			138	136	1.5
Elimination		(3)	(3)				(3)	(3)	
Total		1,608	1,722	-6.6	65		1,673	1,722	-2.8
Operating income (€m)									
Europe Main	(1)	32	29	10.3	(1)	7	38	29	31.0
Europe Other & Americas	(2)	7	10	-30.0	4	6	17	9	88.9
Pacific		(3)	(2)	-50.0			(3)	(2)	-50.0
AMEA	(3)	4	(3)		3		7	(5)	
Brazil Domestic	(4)	(9)	(10)	10.0		9	0	(10)	
Unallocated	(5)	(14)	195			6	(8)		
Total		17	219	-92.2	6	28	51	21	
Operating income margin (%)									
Europe Main		4.0	3.6				4.8	3.6	
Europe Other & Americas		2.6	3.6				5.8	3.3	
Pacific		-2.2	-1.2				-1.8	-1.2	
AMEA		2.0	-1.1				3.3	-1.9	
Brazil Domestic		-13.8	-14.1				0.0	-14.1	
Unallocated		-10.1	143.4				-5.8		
Total		1.1	12.7				3.0	1.2	

Notes: Non-GAAP adjustments
(1) 1Q14: €7m restructuring related
(2) 1Q14: €6m restructuring related
(2) 1Q13: €(1)m catch-up depreciation Boeing 747 freighters
(3) 1Q13: €(2)m catch-up depreciation Boeing 747 freighters
(4) 1Q14: €9m impairment and depreciation Brazil Domestic
(5) 1Q14: €1m restructuring related, €5m implementation costs
(5) 1Q13: €(200)m UPS termination fee, €5m UPS offer-related cost

Outlook

- 1Q14 savings €30m
- 1Q14 restructuring-related charges €14m; implementation costs €5m
- Investments in Liège Eurohub and road infrastructure
- Further details about *Outlook* will be provided in 2H14

Date 28 April 2014

Commenting on this quarter's developments, Tex Gunning, CEO said:

'TNT Express' performance improved this quarter. I am particularly pleased with the profit recovery in our core European segments and in Asia Middle East & Africa as a result of the restructuring initiatives taken since last year. The Brazilian team deserves special mention, with excellent progress made on the turnaround resulting in a break-even result for the quarter.

To realise our 2015 ambitions, we target further improvements in our top and bottom line through the roll out of our Outlook *strategy. As significant progress has been made in restructuring our businesses, we are now increasingly focusing on growth in our target segments.*

Finally, we look forward to welcoming our new CFO, Maarten Jan de Vries and we announced new management teams for International Europe and Domestics, which will support the realisation of our strategy.'

2014 guidance

- Trading conditions remain volatile and uncertain; risk of continued negative FX impact
- Assuming continued improving external trend:
  - Combined Europe Main and Europe Other & Americas operating results to show positive development
  - Asia Middle East & Africa and Brazil Domestic operating results to be significantly better than prior year
  - Pacific operating results to remain under pressure
  - Unallocated around €(30)m
- Business as usual capex (excluding *Outlook* investments) up to around 3% of revenues

Date 28 April 2014

1Q14 segmental performance overview

Europe Main

	1Q14	1Q13	%chg
Adjusted revenues	790	815	-3.1
Adjusted operating income	38	29	31.0
Average consignments per day ('000)	658	693	-5.1
Revenue per consignment (€)(1)	19.4	18.7	3.7
Average kilos per day ('000)	11,119	11,071	0.4
Revenue per kilo (€)(1)	1.15	1.17	-1.7

(1) based on reported revenues @avg13

- Revenues impacted by ended Fashion UK contract and contract pruning in Italy; adjusting for both, revenues nearly flat with moderate volume growth but lower prices
- *Outlook* cost initiatives successful; adjusted operating expenses lower
- Higher results in nearly all units; Italy restructuring encouraging

Europe Other & Americas

	1Q14	1Q13	%chg
Adjusted revenues	291	274	6.2
Adjusted operating income	17	9	88.9
Average consignments per day ('000)	108	108	0.0
Revenue per consignment (€)(1)	43.3	40.4	7.2
Average kilos per day ('000)	4,238	4,129	2.6
Revenue per kilo (€)(1)	1.11	1.05	5.7

(1) based on reported revenues @avg13

- Commercial actions reflected in continued improvements in revenue quality with some volume growth
- Positive impact *Outlook* initiatives

Pacific

	1Q14	1Q13	%chg
Adjusted revenues	164	167	-1.8
Adjusted operating income	(3)	(2)	-50.0
Average consignments per day ('000)	79	76	3.9
Revenue per consignment (€)(1)	33.3	34.9	-4.6
Average kilos per day ('000)	2,849	2,957	-3.7
Revenue per kilo (€)(1)	0.93	0.90	3.3

(1) based on reported revenues @avg13

- Continued pressure on mining and retail volumes leading to lower weight per consignment and drop in revenue quality
- Efficiency and productivity gains offset wage and supplier cost increases
- Recovery plans in place. Melbourne, Sydney and Brisbane infrastructure developments on track, but will only impact in the longer term

Asia, Middle East & Africa

	1Q14	1Q13	%chg
Adjusted revenues	214	262	-18.3
Adjusted operating income	7	(5)	
Average consignments per day ('000)	59	90	-34.4
Revenue per consignment (€)(1)	58.9	46.0	28.0
Average kilos per day ('000)	1,073	6,980	-84.6
Revenue per kilo (€)(1)	3.21	0.60	

(1) based on reported revenues @avg13

- Year-on-year comparisons distorted by sale of China Domestic
- Excluding China Domestic, adjusted revenue would have been up 2.9% with nearly flat volumes and mid single-digit yield improvement; adjusted operating profit up €9m
- Intercontinental capacity utilisation strengthening
- Profitability improved in all units

Brazil Domestic

	1Q14	1Q13	%chg
Adjusted revenues	79	71	11.3
Adjusted operating income	0	(10)	
Average consignments per day ('000)	29	30	-3.3
Revenue per consignment (€)(1)	44.4	37.8	17.5
Average kilos per day ('000)	2,974	2,871	3.6
Revenue per kilo (€)(1)	0.43	0.39	10.3

(1) based on reported revenues @avg13

- High service levels supporting significant contract wins and strong customer retention
- Changes in customer portfolio, price adjustments and revenue protection initiatives supporting healthy revenue quality development
- Good cost control

Unallocated

- Sale Dutch operations of TNT Fashion announced with completion expected in 2Q14 – assets and liabilities reported 'held for disposal'
- Other Networks (Fashion and In-night) performance lower
- Quarter's result also reflected certain timing effects of central cost allocation

Other financial indicators

- Decrease in net cash from operating activities largely due to €200m UPS payment received last year and withdrawals from provisions in 1Q14, mostly related to restructuring
- Decrease in net cash used in investing activities in part due to lower cash outflow from financial instruments (€21m)
- Trade working capital 8.5% of revenues (1Q13: 8.6%)
- Net capex 1.2% of revenues (1Q13: 1.0%)
- Period end net cash €402m (4Q13: €469m)

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 Express', 'Group' or 'the company'). The company was incorporated under the laws of the Netherlands and is listed on Euronext Amsterdam.

TNT Express 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 Express 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 and year-to-date bases ending 29 March 2014. Where material to an understanding of the period starting 1 January 2014 and ending 29 March 2014, 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 Express' consolidated financial statements in the 2013 annual report as published on 18 February 2014. 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 Express' consolidated financial statements in the 2013 annual report for the year ended 31 December 2013, except for the following changes in accounting policies and disclosures:

- IFRS 10, *'Consolidated Financial Statements'*, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. TNT Express has adopted IFRS 10 on 1 January 2014. This did not have a material impact on the consolidated financial statements.
- IFRS 11, *'Joint Arrangements'*, replaces IAS 31 *'Interests in Joint Ventures'* and deals with how a joint arrangement in which two or more parties have joint control should be classified. Under IFRS 11, joint ventures are required to be accounted for using the equity method of accounting, whereas under IAS 31, jointly controlled entities can be accounted for using the equity method of accounting or proportionate consolidation method. TNT Express has adopted IFRS 11 as of 1 January 2014. The impact is disclosed in the paragraph hereafter.
- IFRS 12, *'Disclosures of Interests in Other Entities'*, includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose entities and other off-balance sheet vehicles. TNT Express has adopted IFRS 12 as of 1 January 2014. This did not have a material impact on the consolidated financial statements.

The measure of profit and loss and assets and liabilities is based on the TNT Express Group Accounting Policies, which are compliant with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Adoption IFRS 11

TNT Express has joint control over the following entities by virtue of a 50% share in the equity shares of such company:

- TNT Swiss Post AG;
- TNT Express Luxembourg SA;
- PNG Air Freight Limited;
- X-Air Services NV/SA.

These investments have been classified as joint venture under IFRS 11 and therefore the equity method of accounting has been used in the consolidated financial statements. Prior to the adoption of IFRS 11, TNT Express' interest was proportionately consolidated.

TNT Express recognised its investment in the joint ventures at the beginning of the earliest period presented (1 January 2013), as the total of the carrying amounts of the assets and liabilities previously proportionately consolidated by the group. This is the deemed cost of the group's investment in the joint venture for applying equity accounting.

The effect of the change to the accounting policy is shown in the following tables. There is no impact on equity, comprehensive income, net result and earnings per share.

Date 28 April 2014

Consolidated statement of financial position

	31 December 2013 reported	Equity accounting JVs	31 December 2013 restated	1 January 2013 reported	Equity accounting JVs	1 January 2013 restated
Assets						
Non-current assets						
Intangible assets						
Goodwill	1,039	0	1,039	1,340	0	1,340
Other intangible assets	98	0	98	117	0	117
Total	1,137	0	1,137	1,457	0	1,457
Property, plant and equipment						
Land and buildings	448	(1)	447	482	(1)	481
Plant and equipment	163	(2)	161	207	(2)	205
Aircraft	182	0	182	40	0	40
Other	79	0	79	87	(1)	86
Construction in progress	19	0	19	20	0	20
Total	891	(3)	888	836	(4)	832
Financial fixed assets						
Investments in associates and joint ventures	1	15	16	10	19	29
Other loans receivable	3	0	3	3	0	3
Deferred tax assets	198	0	198	243	0	243
Other financial fixed assets	14	(2)	12	15	(1)	14
Total	216	13	229	271	18	289
Pension assets	3	0	3	1	0	1
Total non-current assets	2,247	10	2,257	2,565	14	2,579
Current assets						
Inventory	10	(1)	9	13	(1)	12
Trade accounts receivable	942	(12)	930	1,026	(12)	1,014
Accounts receivable	100	1	101	88	2	90
Income tax receivable	28	0	28	14	0	14
Prepayments and accrued income	123	(3)	120	129	(3)	126
Cash and cash equivalents	700	(4)	696	397	(4)	393
Total current assets	1,903	(19)	1,884	1,667	(18)	1,649
Assets held for disposal	100	0	100	235	0	235
Total assets	4,250	(9)	4,241	4,467	(4)	4,463
Liabilities and equity						
Equity						
Equity attributable to the equity holders of the parent	2,413	0	2,413	2,610	0	2,610
Non-controlling interests	7	0	7	7	0	7
Total equity	2,420	0	2,420	2,617	0	2,617
Non-current liabilities						
Deferred tax liabilities	15	0	15	31	0	31
Provisions for pension liabilities	93	0	93	124	0	124
Other provisions	69	(1)	68	106	(1)	105
Long-term debt	176	(1)	175	191	(1)	190
Accrued liabilities	3	0	3	3	0	3
Total non-current liabilities	356	(2)	354	455	(2)	453
Current liabilities						
Trade accounts payable	440	(10)	430	439	(11)	428
Other provisions	121	(1)	120	66	0	66
Other current liabilities	279	13	292	297	17	314
Income tax payable	96	(2)	94	44	(2)	42
Accrued current liabilities	477	(7)	470	504	(6)	498
Total current liabilities	1,413	(7)	1,406	1,350	(2)	1,348
Liabilities related to assets held for disposal	61	0	61	45	0	45
Total liabilities and equity	4,250	(9)	4,241	4,467	(4)	4,463

(in € millions)

Date 28 April 2014

Consolidated income statement

Year ended at 31 December	2013 reported	Equity accounting joint ventures	2013 restated
Net sales	6,516	(74)	6,442
Other operating revenues	177	14	191
Total revenues	6,693	(60)	6,633
Other income/(loss)	208	0	208
Cost of materials	(419)	3	(416)
Work contracted out and other external expenses	(3,597)	20	(3,577)
Salaries and social security contributions	(2,174)	25	(2,149)
Depreciation, amortisation and impairments	(433)	1	(432)
Other operating expenses	(230)	4	(226)
Total operating expenses	(6,853)	53	(6,800)
Operating income	48	(7)	41
Interest and similar income	12	0	12
Interest and similar expenses	(36)	0	(36)
Net financial (expense)/income	(24)	0	(24)
Results from investments in associates and joint ventures	17	5	22
Profit before income taxes	41	(2)	39
Income taxes	(134)	2	(132)
Profit for the period from continuing operations	(93)	0	(93)
Profit/(loss) from discontinued operations	(29)	0	(29)
Profit/(loss) for the period	(122)	0	(122)
Attributable to:			
Non-controlling interests	0	0	0
Equity holders of the parent	(122)	0	(122)
Earnings per ordinary share (in € cents)[1]	(22.4)		(22.4)
Earnings from continuing operations per ordinary share (in € cents)[1]	(17.1)		(17.1)
Earnings from discontinued operations per ordinary share (in € cents)[1]	(5.3)		(5.3)

[1] In 2013 based on an average of 544,171,809 outstanding ordinary shares

(in € millions, except per share data)

Date 28 April 2014

Consolidated statement of cash flows

Year ended at 31 December	2013 reported	Equity accounting JVs	2013 restated
Profit before income taxes	41	(2)	39
Adjustments for:			
Depreciation, amortisation and impairments	433	(1)	432
Amortisation of financial instruments/derivatives	2		2
Share-based compensation	2		2
Investment income:			0
(Profit)/loss of assets held for disposal	(2)		(2)
Interest and similar income	(12)		(12)
Foreign exchange (gains) and losses	2		2
Interest and similar expenses	34		34
Results from investments in associates and joint ventures	(17)	(5)	(22)
Changes in provisions:			0
Pension liabilities	(7)		(7)
Other provisions	64		64
Changes in working capital:			0
Inventory	1		1
Trade accounts receivable	5	2	7
Accounts receivable	(8)		(8)
Other current assets	(1)		(1)
Trade accounts payable	17		17
Other current liabilities excluding short-term financing and taxes	(40)	(2)	(42)
Cash generated from operations	514	(8)	506
Interest paid	(35)		(35)
Income taxes received/(paid)	(82)	2	(80)
Net cash from/(used in) operating activities	397	(6)	391
Interest received	12		12
Disposal of subsidiaries and joint ventures	61		61
Disposal of associates	27		27
Capital expenditure on intangible assets	(25)		(25)
Capital expenditure on property, plant and equipment	(105)	1	(104)
Proceeds from sale of property, plant and equipment	5		5
Cash from financial instruments/derivatives	(15)		(15)
Other changes in (financial) fixed assets	(1)		(1)
Dividends received	0	8	8
Other	1		1
Net cash from/(used in) investing activities	(40)	9	(31)
Share-based payments	0		0
Financing discontinued operations	(25)		(25)
Proceeds from long-term borrowings	0		0
Repayments of long-term borrowings	(1)		(1)
Proceeds from short-term borrowings	38	(3)	35
Repayments of short-term borrowings	(32)		(32)
Repayments of finance leases	(15)		(15)
Dividends paid	(18)		(18)
Net cash from/(used in) financing activities	(53)	(3)	(56)
Change in cash from continuing operations	304	0	304
Cash flows from discontinued operations			
Net cash from/(used in) operating activities	(28)		(28)
Net cash from/(used in) investing activities	5		5
Net cash from/(used in) financing activities	23		23
Change in cash from discontinued operations	0		0
Total changes in cash	304	0	304

(in € millions)

express

Date 28 April 2014

AUDITOR'S INVOLVEMENT

The content of this interim financial report has not been audited or reviewed by an external auditor.

SEGMENT INFORMATION

TNT Express disclosed following reportable segments: Europe Main, Europe Other & Americas, Pacific, Asia Middle East & Africa (AMEA), Brazil Domestic and Unallocated. The operating segments Benelux, France, Germany, Italy, and UK & Ireland have been aggregated into Europe Main. Unallocated consists of Other Networks (TNT Innight and TNT Fashion activities outside the United Kingdom), Central Networks, ICS (Information Communication Services) and the TNT Express Head Office. Refer also to note 4 in respect of TNT Fashion activities outside the United Kingdom.

Brazil Domestic was reported as a discontinued operation and as an asset held for disposal in 2013. On 30 January 2014, TNT Express announced that it had terminated discussions with potential bidders for the disposal of Brazil Domestic as it was unable to realise a transaction on acceptable terms. As of 2014, Brazil Domestic will no longer be reported as a discontinued operation. The activities will be managed as a separate business unit within TNT Express. Consequently, the comparative figures 2013 have been restated.

TNT Express has adopted IFRS 11 as of 1 January 2014. Consequently, the comparative figures 2013 have also changed as joint ventures are no longer consolidated. This has impacted Europe Main, Europe Other & Americas, Pacific and Unallocated.

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 2014 and 2013:

in € millions	Europe Main	Europe Other & Americas	Pacific	AMEA	Brazil Domestic	Unallocated	Inter-company	**Total**
Q1 2014 ended at 29 March 2014								
Net sales	797	270	137	198	65	94		1,561
Inter-company sales	1	1				1	(3)	
Other operating revenues	1	2	0	1	0	43		47
Total operating revenues	799	273	137	199	65	138	(3)	1,608
Other income/(loss)					2	3		5
Depreciation/impairment property, plant and equipment	(11)	(4)	(2)	(2)	(9)	(12)		(40)
Amortisation/impairment intangibles	(1)	0	0	(1)	(2)	(5)		(9)
Operating income	32	7	(3)	4	(9)	(14)		17
Total assets	1,400	851	217	554	91	1,119		4,232
Q1 2013 ended at 30 March 2013[1]								
Net sales	813	272	167	260	71	96		1,679
Inter-company sales	2					1	(3)	0
Other operating revenues		2		2		39		43
Total operating revenues	815	274	167	262	71	136	(3)	1,722
Other income/(loss)						200		200
Depreciation/impairment property, plant and equipment	(11)	(4)	(3)	(4)	(2)	(7)		(31)
Amortisation/impairment intangibles	(2)	(1)				(7)		(10)
Operating income	29	10	(2)	(3)	(10)	195		219
Total assets	1,649	851	259	653	141	1,103		4,656

[1] Restated for IFRS 11

Consolidated statement of financial position TNT Express N.V. in € millions	29 Mar 2014	31 Dec 2013[1]
Assets		
Non-current assets		
Intangible assets		
Goodwill	1,037	1,039
Other intangible assets	100	98
Total	1,137	1,137
Property, plant and equipment		
Land and buildings	441	447
Plant and equipment	181	161
Aircraft	177	182
Other	77	79
Construction in progress	15	19
Total	891	888
Financial fixed assets		
Investments in associates and joint ventures	18	16
Other loans receivable	2	3
Deferred tax assets	207	198
Other financial fixed assets	13	12
Total	240	229
Pension assets	3	3
Total non-current assets	2,271	2,257
Current assets		
Inventory	10	9
Trade accounts receivable	969	930
Accounts receivable	129	101
Income tax receivable	30	28
Prepayments and accrued income	174	120
Cash and cash equivalents	602	696
Total current assets	1,914	1,884
Assets classified as held for disposal	47	100
Total assets	4,232	4,241
Liabilities and equity		
Equity		
Equity attributable to the equity holders of the parent	2,408	2,413
Non-controlling interests	6	7
Total equity	2,414	2,420
Non-current liabilities		
Deferred tax liabilities	14	15
Provisions for pension liabilities	109	93
Other provisions	89	68
Long-term debt	173	175
Accrued liabilities	6	3
Total non-current liabilities	391	354
Current liabilities		
Trade accounts payable	400	430
Other provisions	110	120
Other current liabilities	298	292
Income tax payable	93	94
Accrued current liabilities	505	470
Total current liabilities	1,406	1,406
Liabilities related to assets classified as held for disposal	21	61
Total liabilities and equity	4,232	4,241

[1] Restated for IFRS 11

Consolidated income statement TNT Express N.V.

in € millions	1Q14	1Q13[1]
Net sales	1,561	1,679
Other operating revenues	47	43
Total revenues	1,608	1,722
Other income/(loss)	5	200
Cost of materials	(97)	(111)
Work contracted out and other external expenses	(867)	(933)
Salaries and social security contributions	(517)	(561)
Depreciation, amortisation and impairments	(49)	(41)
Other operating expenses	(66)	(57)
Total operating expenses	(1,596)	(1,703)
Operating income	17	219
Interest and similar income	3	3
Interest and similar expenses	(6)	(10)
Net financial (expense)/income	(3)	(7)
Results from investments in associates and joint ventures	2	2
Profit/(loss) before income taxes	16	214
Income taxes	(16)	(70)
Profit/(loss) for the period	0	144
Attributable to:		
Non-controlling interests	(1)	0
Equity holders of the parent	1	144
Earnings per ordinary share (in € cents)[2]	0.2	26.5

[1] Restated for IFRS 11

[2] Based on an average of 544,957,426 of outstanding ordinary shares (2013: 543,272,474)

Consolidated statement of comprehensive income TNT Express N.V.

in € millions	1Q14	1Q13
Profit/(loss) for the period	0	144
Other comprehensive income that will not be reclassified to the income Statement		
Pensions: Actuarial gains/(losses), before income tax	(18)	0
Income tax on pensions	4	0
Other comprehensive income items that are or may be reclassified to the income statement		
Gains/(losses) on cash flow hedges, before income tax	2	2
Income tax on gains/(losses) on cash flow hedges	(1)	(1)
Currency translation adjustment, before income tax	7	7
Income tax on currency translation adjustment	0	0
Total other comprehensive income	(6)	8
Total comprehensive income for the period	(6)	152
Attributable to:		
Non-controlling interests	(1)	0
Equity holders of the parent	(5)	152

Date 28 April 2014

Consolidated statement of cash flows TNT Express N.V.

in € millions	1Q14	1Q13[1]
Profit before income taxes	16	214
Adjustments for:		
Depreciation, amortisation and impairments	49	41
Amortisation of financial instruments/derivatives		
Share-based compensation		
Investment income:		
(Profit)/loss of assets held for disposal	(2)	
Interest and similar income	(3)	(3)
Foreign exchange (gains) and losses		1
Interest and similar expenses	6	9
Results from investments in associates and joint ventures	(2)	(2)
Changes in provisions:		
Pension liabilities	(1)	(2)
Other provisions	(13)	
Cash from/(used in) financial instruments/derivatives		
Changes in working capital:		
Inventory		
Trade accounts receivable	(12)	(33)
Accounts receivable	(13)	(8)
Other current assets	(58)	(36)
Trade accounts payable	(65)	(35)
Other current liabilities excluding short-term financing and taxes	65	38
Cash generated from operations	(33)	184
Interest paid	(3)	(6)
Income taxes received/(paid)	(28)	(21)
Net cash from/(used in) operating activities	(64)	157
Interest received	2	3
Acquisition of subsidiairies and joint ventures	(1)	
Disposal of subsidiaires and joint ventures		
Investments in associates		
Disposal of associates		
Capital expenditure on intangible assets	(10)	(3)
Disposal of intangible assets	1	
Capital expenditure on property, plant and equipment	(16)	(16)
Proceeds from sale of property, plant and equipment	5	2
Cash from financial instruments/derivatives	5	(16)
Other changes in (financial) fixed assets	1	1
Other	(1)	
Net cash from/(used in) investing activities	(14)	(29)
Proceeds from long-term borrowings		
Repayments of long-term borrowings		(1)
Proceeds from short-term borrowings	5	33
Repayments of short-term borrowings	(18)	(32)
Repayments of finance leases	(2)	(1)
Dividends paid		
Net cash from/(used in) financing activities	(15)	(1)
Total changes in cash	(93)	127

[1] Restated for IFRS 11

Consolidated statement of changes in equity TNT Express N.V.

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 2012	43	3,019	(4)	(92)	(356)	2,610	7	2,617
Total comprehensive income			8		144	152		152
Final dividend previous year								
Legal reserves reclassifications			(5)	5				
Total direct changes in equity		0	(5)	5				
Balance at 30 March 2013	43	3,019	(1)	(87)	(212)	2,762	7	2,769
Balance at 31 December 2013	44	2,647	(84)	(69)	(125)	2,413	7	2,420
Total comprehensive income			8	(14)	1	(5)	(1)	(6)
Legal reserves reclassifications			2	(2)				
Total direct changes in equity			2	(2)				
Balance at 29 March 2014	44	2,647	(74)	(85)	(124)	2,408	6	2,414

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. INTANGIBLE ASSETS

The movements in the intangible assets are as follows:

in € millions	2014	2013
Balance at 1 January	1,137	1,457
Additions	10	3
Disposals	(1)	0
Amortisation	(9)	(10)
Impairments	0	0
Exchange rate differences	(3)	(1)
Transfers from/(to) assets held for disposal	3	(3)
Balance at end of period 29 Mar 2014, 30 Mar 2013	1,137	1,446

The intangible assets of €1,137m consist of goodwill for an amount of €1,037m and other intangibles for an amount of €100m.

The additions to the intangible assets of €10m (2013: 3) are related to software licence and software development costs.

In 2014, the transfers (to)/from assets held for disposal relate to the re-classification of Brazil as an asset held for disposal and discontinued operations to continuing operations and the classification of the Dutch operations of TNT Fashion Group B.V. to assets held for disposal. Refer to note 4.

In 2013, the transfers to assets held for disposal relate to the classification of Brazil as an asset held for disposal as at 30 March 2013.

2. PROPERTY, PLANT AND EQUIPMENT

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

in € millions	2014	2013
Balance at 1 January	888	832
Capital expenditures in cash	16	15
Capital expenditures in financial leases/other	2	0
Disposals	(1)	0
Depreciation	(36)	(31)
Impairment	(4)	0
Exchange rate differences	4	0
Transfers from/(to) assets held for disposal	22	(57)
Balance at end of period 29 Mar 2014, 30 Mar 2013	891	759

Total capital expenditures of €18m consist of investments within Europe Main of €6m, Europe Other & Americas of €4m, Pacific of €4m, AMEA of €2m, Brazil Domestic €0m and Unallocated of €2m. The investments mainly relate to sorting machinery, depot equipment and vehicles.

In 2014, the transfers (to)/from assets held for disposal relate to the re-classification of Brazil as an asset held for disposal and discontinued operations to continuing operations and the classification of the Dutch operations of TNT Fashion Group B.V. to assets held for disposal. Refer to note 4.

In 2013, the transfers to assets held for disposal relate to the classification of Brazil as an asset held for disposal as at 30 March 2013.

3. PENSIONS

TNT Express operates a number of post-employment benefit plans around the world. Most of TNT Express' 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. As at 29 March 2014, the pension asset is €3 million (2013: 3) and the pension liability is €109 million (2013: 93).

In 2013, TNT Express, PostNL and the pension fund ('Stichting Pensioenfonds PostNL') agreed to split the pension fund into a pension fund for the participants from PostNL and a separate pension fund for the participants from TNT Express, with effect of 1 January 2014.

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 €47 million (2013: 100) and are related to Brazil Domestic of €0 million (2013: 100), the Dutch operations of TNT Fashion Group B.V. of €46 million (2013: 0) and vehicles of €1 million (2013: 0).

The liabilities related to assets classified as held for disposal of €21 million (2013: 61) are related to Brazil Domestic for €0 million (2013: 61) and the Dutch operations of TNT Fashion Group B.V. of €21 million (2013: 0).

(i) Brazil Domestic

In March 2013, as part of *Deliver!*, TNT Express announced the commencement of preparations for the sale of its domestic operations in Brazil. The company carried out a comprehensive process to secure the best outcome for shareholders, customers and employees.

On 30 January 2014, TNT Express announced it had terminated discussions with potential bidders. Interest in the business existed, but ultimately offers were determined by management to be unacceptable. As of 2014, Brazil Domestic is no longer reported as a discontinued operation and asset held for disposal. Consequently, amortisation and depreciation has been continued.

The unrecognised depreciation and amortisation in 2013 amounted to €5 million and the unrecognised impairment (relating to vehicles held for disposal) in 2013 amounted to €4 million. This was recognised as a loss in Brazil Domestic in the first quarter 2014.

(ii) TNT Fashion Group B.V.

On 11 March 2014, TNT Express announced the intended sale of the Dutch operations of TNT Fashion Group B.V. to a consortium formed by Belspeed and Netlog Group. The intended sale is subject to consultation of the works council of TNT Fashion Group B.V. and regulatory approval.

The transaction is expected to be completed in the second quarter of 2014.

The major classes of assets and liabilities (excluding intercompany balances) classified as held for disposal relating to the Dutch operations of TNT Fashion Group B.V. are presented below:

in € millions	29 Mar 2014
Intangible assets	0
Property, plant and equipment	25
Financial fixed assets	0
Current assets	21
Total assets	46
Non-current liabilities	3
Current liabilities	18
Total liabilities	21

In 2014 the year-to-date revenue for the Dutch operations of TNT Fashion Group B.V. is €30 million and operating income is €1 million.

5. EQUITY

Total equity attributable to equity holders of the parent decreased to €2,414m on 29 March 2014 from €2,420m as at 31 December 2013. This decrease of €6m is mainly due to a loss of €1m attributable to non-controlling interest and to a negative comprehensive income attributable to equity holders of the parent of €5m, of which €14m relates to actuarial losses on pensions (net of taxes) partially offset by a profit of €7m due to foreign currency translation results, a €1m gain on cash flow hedges, net of tax, and a profit of €1m attributable to equity holders of the parent.

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.

As at 29 March 2014, the Company's issued share capital amounts to €44m divided into 544,957,426 ordinary shares with a nominal value of €0.08 each.

Additional paid-in capital amounted to €2,647m on 29 March 2014. The amount of paid-in capital recognised for Dutch dividend withholding tax purposes was €787m.

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 DEBT

The net debt is specified in the table below:

in € millions	29 Mar 2014	31 Dec 2013
Short term debt	29	52
Long term debt	173	175
Total interest bearing debt	202	227
Cash and cash equivalents	(604)	(696)
Net debt/(cash)	(402)	(469)

The net cash position as at 29 March 2014 decreased by €67m compared to 31 December 2013. The decrease reflects the net of a decrease in cash of €93m and various non-cash items of €26m.

The negative total changes in cash of €93m is due to net cash used in operating activities of €64m, net cash used in investing activities of €14m and net cash used in financing activities of €15m.

The long-term debt position of €173m includes €0m liabilities related to assets classified as held for disposal, the short-term debt position of €29m includes €0 m liabilities related to assets classified as held for disposal, and the cash and cash equivalents position of €604m includes €2m assets classified as held for disposal.

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 29 March 2014 increased by €11m compared to 1 January 2014 as specified hereafter.

in € millions	2014	2013
Balance at 1 January	188	171
Additions	20	7
Withdrawals/releases	(33)	(7)
Exchange rate differences	2	3
Transfers from/(to) liabilities held for disposal	22	(35)
Balance at end of period 29 Mar 2014, 30 Mar 2013	199	139

The additions of €20m relate to claims indemnities (€5m), restructuring (€8m), long-term employment benefits (€1m) and other movements (€6m). The withdrawals/releases of €33m relate to claims indemnities (€9m), restructuring (€20m), long-term employment benefits (€1m) and other movements (€3m).

In 2014, the transfers (to)/from assets held for disposal relate to the re-classification of Brazil as an asset held for disposal and discontinued operations to continuing operations and the classification of the Dutch operations of TNT Fashion Group B.V. to assets held for disposal. Refer to note 4.

In 2013, the transfers to assets held for disposal relate to the classification of Brazil as an asset held for disposal as at 30 March 2013.

8. OTHER INCOME

In 2013, other income related to the one-off receipt of the termination fee of €200m from UPS. In 2014, other income related to a profit on the sale of assets held for disposal of €2m and miscellaneous items of €3m.

9. TAXES

Effective tax rate	YTD 2014	YTD 2013
Dutch statutory tax rate	25.0%	25.0%
Other statutory tax rates	1.4%	0.1%
Weighted average statutory tax rate	26.4%	25.1%
Non and partly deductible costs	8.1%	0.7%
Other	65.5%	6.9%
Effective tax rate	100.0%	32.7%

The tax expense in the first three months of 2014 amounted to €16m (2013: €70m). The effective tax rate was 100.0% (2013: 32.7%).

The mix of income from countries in which TNT Express operates resulted in a weighted average statutory tax rate of 26.4%. Several non-deductible costs adversely affected the effective tax rate by 8.1 percentage points.

The line 'other' shows an impact of 65.5 percentage points and includes:

- The net impact of losses for which no deferred tax assets could be recognised due to uncertainty of the recoverability of those assets: 32.3 percentage points;

- The remaining 'other' of 33.2 percentage points consists of several other items and includes local taxes and accounting estimates relating to tax balances.

10. LABOUR FORCE

Employees	29 Mar 2014	31 Dec 2013
Europe Main	21,992	22,674
Europe Other & Americas	10,010	10,231
Pacific	4,299	4,338
AMEA	9,096	9,301
Brazil Domestic	6,652	6,908
Unallocated	6,673	6,591
Total	58,722	60,043
Average FTEs	YTD 2014	YTD 2013
Europe Main	20,818	22,241
Europe Other & Americas	9,479	9,835
Pacific	4,741	5,026
AMEA	9,465	15,274
Brazil Domestic	7,058	7,511
Unallocated	6,151	6,038
Total	57,712	65,925

The average number of full time equivalents working in TNT Express during the first three months of 2014 was 57,712, which decreased by 8,213 compared to YTD 2013. This was mainly due to the completion of the sale of China Domestic as at 1 November 2013, the reduction in FTEs in the United Kingdom due to the discontinuation of a major fashion contract and restructuring in Benelux, Italy and Germany. The increase in Unallocated mainly relates to shared service centre activities in Eastern Europe.

The 2013 figures have been restated for comparative purposes. The presented figures are excluding joint ventures.

11. RELATED PARTIES

Purchases of TNT Express from joint ventures amounted to €7m (2013: 7). During the three months of 2014, €0m (2013: 0) sales were made by TNT Express companies to its joint ventures.

As at 29 March 2014, net amounts due to the joint venture entities amounted to €22m (30 March 2013: 26). Net amounts due to associated companies amounted to €0m (30 March 2013: 1).

At 29 March 2014, TNT Express is owned by PostNL N.V. ("PostNL") for approximately 14.8%, as per AFM-register, of TNT Express' outstanding share capital. TNT Express also has trading relationships with a number of PostNL subsidiary companies.

As a result of the demerger, TNT Express and PostNL entered into a relationship agreement which contains certain arrangements in respect of the stake that PostNL retained in TNT Express 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 Express. The Relationship Agreement will terminate if PostNL holds less than 5% of the ordinary shares. Refer to the 2013 annual report as published on 18 February 2014, for more information on the Relationship Agreement.

12. SUBSEQUENT EVENTS

Annual General Meeting

On 9 April 2014, the Annual General Meeting of Shareholders (AGM) adopted the 2013 financial statements and determined the 2013 dividend at € 4.6 cents per ordinary share of € 8 cents nominal value.

Other resolutions adopted by the AGM include:

- To release from liability the members of the Executive and Supervisory Boards for their tasks insofar as these tasks are apparent from the financial statements.
- To adopt the proposed remuneration policy for the members of the Executive Board, as described in the Annual Report 2013.
- To extend the designation of the Executive Board as authorised body to issue ordinary shares until 9 October 2015. 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 authorised body to limit or exclude the pre-emptive right to the issuance of ordinary shares until 9 October 2015. 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 authorise the Executive Board to have TNT Express acquire its own shares to a maximum of 10% of the issued share capital until 9 October 2015.

Date 28 April 2014

FINANCIAL CALENDAR

28 July 2014	Publication 2Q14 results
27 October 2014	Publication 3Q14 results

Additional information available at www.tnt.com/corporate/en/site/home.html#

CONTACT INFORMATION

INVESTOR RELATIONS

Andrew Beh

Phone +31 (0)88 393 9500

andrew.beh@tnt.com

Michiel van der Harst

Phone +31 (0)88 393 9500

michiel.van.der.harst@tnt.com

MEDIA RELATIONS

Cyrille Gibot

Phone +31 (0)88 393 9323

Mobile +31 (0)6 5118 9384

cyrille.gibot@tnt.com

PUBLISHED BY TNT Express N.V.

Taurusavenue 111

2132 LS Hoofddorp

P.O. Box 13000

1100 KG Amsterdam

Phone +31 (0)88 393 9000

Fax +31 (0)88 393 3000

Email investorrelations@tnt.com

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