

## TNT press release



## 2007 Second Quarter Results

**Profit from continuing operations up 12.0%**

**10.0% increase in group revenues, driven by Express and EMN growth**

## Group

- Earnings per share from continuing operations up by 21.6%
- Further optimisation of capital structure announced
- Interim dividend of 30 cents per share, an increase of 15.4%

## Express

- Strong revenue growth of 14.1%
- Solid operating margin performance, excluding the effect of acquisitions

## Mail

- Margin in line with expectations
- Strong revenue growth in EMN

## Outlook

- Operating margin guidance Mail increased from around 17% to around 17.5%
- Uplift in EMN full year revenue outlook to 30-35%, with slightly lower margin
- Express outlook maintained

## Key numbers

	Q2 2007	Q2 2006	% Change	HY 2007	HY 2006	% Change
	€ mil	€ mil		€ mil	€ mil	
Revenues	2,689	2,444	10.0%	5,365	4,896	9.6%
Operating income (EBIT)	330	337	-2.1%	681	664	2.6%
Profit from continuing operations	233	208	12.0%	467	423	10.4%
Profit/(loss) from discontinued operations	11	1		206	(9)	
Profit/(loss) attributable to the shareholders	244	209	16.7%	671	414	62.1%
Cash generated from operations	314	236	33.1%	668	600	11.3%
Net cash from operating activities	139	129	7.8%	377	435	-13.3%
Earnings per share (in € cents)	63.1	49.7	27.0%	172.9	96.7	78.8%
Earnings from continuing operations per share (in € cents)	60.2	49.5	21.6%	119.8	98.8	21.3%

## CEO Peter Bakker:

“Overall, the second quarter brought satisfactory results for TNT. The volume development in Express was particularly strong for our international flows, and Mail performed in line with our expectations. The strategic growth initiatives in Mail and Express made good progress. Particularly our new South American Express expansion is getting up to speed fast, whilst China and India continue to develop according to plan. The strong revenue growth in EMN in the first half of 2007 enables us to lift the full year revenue growth outlook, while the additional start up costs lead to a slightly reduced margin outlook. For the Mail division in total, we are able to lift our full year operating margin guidance to around 17.5%.

TNT is making good progress in the continued successful deployment of the ‘Focus on Networks’ strategy. An expression of our confidence going forward is also today’s announcement of a further optimised capital structure. The financing proceeds thereof will be used amongst others for a new € 500 million share buy back and contribute to the funding of a balanced social plan for Mail masterplans.”

## Summary

Group revenues increased by 10.0% in the second quarter to reach € 2,689 million. Operating income of € 330 million was slightly (-2.1%) below last year's Q2 mainly explained by some significant one-off items in last year's numbers. The profit attributable to shareholders was € 244 million, an increase over last year of 16.7%.

Strong revenue growth in Express (+14.1%) propelled the Group's revenue increase. Our growth in international volumes remained strong at a solid double digit percentage, whilst domestic volumes developed slightly better than the market in general, at low single digit. The integration of the Express acquisitions made good progress, with a marked service quality upgrade in India, the launch of a new truck fleet in China and better than expected results in Brazil. The operating margin of Express remained solid at 10.1%, excluding the effect of acquisitions.

The trend in Dutch addressed mail volumes was 'as expected' (-3.5%, day-count adjusted), with a favorable price/mix effect reducing the impact on revenues. Revenue growth in EMN was 33.3% (37.0% for the half year). The operating margin decreased compared with last year in Mail overall, affected by one-off elements in Q2 2006 and higher start-up costs in EMN.

The 2007 interim dividend is set at 30 cents (2006: 26 cents), up 15.4%.

## Financial review

Non-allocated costs of € 7 million were substantially lower than last year (€ 22 million), due to reduced insurance costs and external fees.

The net financial expense was € 17 million and included positive results on hedges, tax interest and foreign exchange. Excluding €17 million of income from discontinued operations, the prior year interest expense was €25 million. The results from investments in associates of € 6 million positive are largely explained by the sale of an Express Innight business.

The effective tax rate of 27.0% was substantially lower than last year's 36.8%. The Q2 charge was reduced by the lower Dutch statutory rate, one-off benefits and the first results of our optimisation. The prior year charge included a one-off payment of €6 million.

The profit from continuing operations was € 233 million, a 12.0% increase on last year, and the profit from discontinued operations was € 11 million, explained by the final settlement of the Freight Management sale.

At € 244 million, the profit attributable to shareholders was 16.7% up on last year. Earnings per share were 27.0% higher at 63.1 cents, also helped by the lower average share count due to the share repurchases.

The cash generated from operations at € 314 million was 33.1% higher than Q2 2006. Resulting net cash from operating activities increased 7.8% due to considerably higher tax payments.

Capital expenditure in cash terms was € 85 million, a little lower than last year's € 95 million, although total capital

expenditure, including the second finance leased Boeing 747 freighter, amounted to € 195 million.

Group net debt was € 1,315 million, an increase of € 453 million in the quarter due to net capex (€ 190 million), net acquisitions and disposals (€ 79 million), share repurchases (€ 170 million), the 2006 final dividend (€ 183 million), offset by the net cash from operating activities and other items.

## Further optimisation of capital structure

In line with the company's financial strategy, TNT plans to further optimise its capital structure. The resulting financial proceeds will be allocated to a rebalancing of TNT's existing interest bearing debt package, a further share repurchase program and to the pension component of a to-be-negotiated balanced social plan related to new masterplan initiatives in Mail Netherlands.

The further share repurchase will amount to € 500 million and is expected to be completed by mid-next year, at which point the capacity for yet further share repurchases will again be considered in order to maintain an efficient and optimal capital structure and strategic flexibility.

The € 400 million share repurchase that commenced on 23 April 2007 is currently still in progress. € 234 million has been repurchased to date.

## Outlook

With the strong revenue growth of the European Mail Networks in the first half year, we increase our full year total revenue growth expectation for EMN from around 25% to the range 30% to 35%. The accelerated growth is accompanied by accelerated start up costs, particularly in UK packets and parcels. As a result we slightly revise our low-single-digit operating margin outlook for EMN to around break-even.

For the Mail division in total, we increase the operating margin outlook from around 17.0% to around 17.5%, reflecting the Mail Netherlands performance in half year 2007.

Incorporating these revisions, our full year outlook for the Group is as follows:

➤ In **Express**, we expect to achieve revenue growth of around 15%, with a balance of organic and acquisition growth. We expect an operating margin in the range 9% to 10%.

➤ In **Mail**, we expect total revenue growth in the mid-single-digit range, with an operating margin of around 17.5% (this margin excludes the effect of any provisions related to the new masterplan initiatives\*). As in 2006, we expect a year-on-year margin reduction related to the increased size of EMN, start up costs in EMN and the lower pace of masterplan savings compared with continuing volume reductions in the Netherlands. In EMN, we forecast total revenue growth in the range 30% to 35%, at around break-even operating income.

\*As mentioned in December 2006, we will consider forming provisions during 2007 in Mail in respect of the new masterplan initiatives.

## Significant events since first quarter

- 2 Apr ➡ TNT starts bio-fuel pilot in India
- 20 Apr ➡ TNT's Annual General Meeting of Shareholders adopts dividend for 2006
- 20 Apr ➡ TNT to start share repurchase program of up to € 400 million
- 16 May ➡ Asia's first road network expands into Vietnam
- 21 May ➡ TNT customers donate € 140,000 to WFP school feeding projects
- 1 Jun ➡ 2<sup>nd</sup> Boeing 747 going into service
- 5 Jun ➡ Postal Law approved in Dutch Parliament
- 8 Jun ➡ TNT launches faster express delivery service in South East Asia
- 13 Jun ➡ Result of BCG study confirms basis of planned cost-savings initiatives at TNT Post
- 18 Jun ➡ TNT completes delisting from New York Stock Exchange
- 29 Jun ➡ Agreement in principle between TNT and unions on collective agreement on employment mobility
- 2 Jul ➡ TNT Post acquires holding in Nordwest-Mail GmbH (CITIPOST Bremen)
- 5 Jul ➡ TNT Express wins Bosch Supplier Award once again
- 20 Jul ➡ TNT Hoau purchases 260 new trucks and launches new visual identity for entire fleet

## Group Summary Q2

<b>Revenues</b>
<b>Operating income (EBIT)</b>
<b>Profit from continuing operations</b>
<b>Profit/(loss) from discontinued operations</b>
<b>Profit/(loss) attributable to the shareholders</b>

Q2 2007	Q2 2006	% Change		
€ mil	€ mil	Operational	Fx	Total
2,689	2,444	9.8%	0.2%	10.0%
330	337	-2.4%	0.3%	-2.1%
233	208	11.5%	0.5%	12.0%
11	1			
244	209	16.2%	0.5%	16.7%

## Segment Summary Q2

### Express

Revenues
Operating income (EBIT)
Operating margin

### Mail

Revenues
Operating income (EBIT)
Operating margin

### Non-allocated

### Operating income (EBIT)

Q2 2007	Q2 2006	% Change		
€ mil	€ mil	Operational	Fx	Total
1,672	1,465	13.8%	0.3%	14.1%
156	150	3.3%	0.7%	4.0%
9.3%	10.2%			
1,022	985	3.7%	0.1%	3.8%
181	209	-13.4%	0.0%	-13.4%
17.7%	21.2%			
(7)	(22)			68.2%
330	337	-2.4%	0.3%	-2.1%

## Group Summary HY

<b>Revenues</b>
<b>Operating income (EBIT)</b>
<b>Profit from continuing operations</b>
<b>Profit/(loss) from discontinued operations</b>
<b>Profit/(loss) attributable to the shareholders</b>

HY 2007	HY 2006	% Change		
€ mil	€ mil	Operational	Fx	Total
5,365	4,896	9.7%	-0.1%	9.6%
681	664	2.4%	0.2%	2.6%
467	423	10.2%	0.2%	10.4%
206	(9)			
671	414	61.9%	0.2%	62.1%

## Segment Summary HY

### Express

Revenues
Operating income (EBIT)
Operating margin

### Mail

Revenues
Operating income (EBIT)
Operating margin

### Non-allocated

### Operating income (EBIT)

HY 2007	HY 2006	% Change		
€ mil	€ mil	Operational	Fx	Total
3,293	2,908	13.4%	-0.2%	13.2%
286	270	5.5%	0.4%	5.9%
8.7%	9.3%			
2,081	1,998	4.1%	0.1%	4.2%
412	431	-4.4%	0.0%	-4.4%
19.8%	21.6%			
(17)	(37)			54.1%
681	664	2.4%	0.2%	2.6%

Comparative 2006 figures are adjusted for the sale of Freight Management and for the revised allocation of the non-allocated costs using actual incurred costs in 2007.



- Express achieves 14.1% revenue growth
- Solid underlying operating margin performance, excluding effect of acquisitions
- Integration of acquisitions on track

Express Summary	Q2 2007 € mil	Q2 2006 € mil	% Change	HY 2007 € mil	HY 2006 € mil	% Change
Revenues	1,672	1,465	14.1%	3,293	2,908	13.2%
Operating income (EBIT)	156	150	4.0%	286	270	5.9%
<b>Operating margin</b>	<b>9.3%</b>	<b>10.2%</b>		<b>8.7%</b>	<b>9.3%</b>	

Comparative 2006 figures are adjusted for the revised allocation of the non-allocated costs using actual incurred costs in 2007.

Express achieved a high growth rate of 14.1%, including a small (+0.3%) FX effect. About half of the increase was organic, with the remainder coming from the acquisitions. Growth in international revenues was 9.5%, excluding acquisitions, which was over twice the rate of domestic growth. The growth in (international) Economy Express was again strong. Good double-digit growth was seen in Special Services, with the largest increases in areas of freight and value added services, including fashion services.

The overall revenue yield remained positive at 0.8% due to the increase in the higher value international business. The fuel surcharge in the second quarter of 2007 was at roughly the same level as last year, thus having no significant impact on revenue growth and yield. (The 2006 growth and yield benefited by over one percentage point from the increase in surcharge.)

The overall margin was impacted by acquisition and integration effects in line with expectations. Excluding the revenues and results of the acquisitions, the operating margin was at last year's level. (Note that, as previously stated, last year's margin benefited by around half a percentage point from one-off effects.) Margins in Western Europe increased, partially offset by lower margins in the UK (one-off effect) and lower margins in the Nordics and Eastern Europe due to investments in higher service quality and domestic coverage. Margins in Rest of World also increased, excluding the impact of acquisitions.

Integration programs made good progress in our recently acquired businesses: in Speedage (India), up-graded depot facilities and new trucks contributed to a marked increase in service quality; in Mercurio (Brazil), depot integration has commenced and a new call-centre is being established; and in Hoau (China), a new truck fleet has been launched with the new visual TNT related identity for that market.

Revenue Analysis	Q2 2007 € mil	Q2 2006 € mil	% Change	% Change		
				Organic	Acq	Fx
Express Europe	1,287	1,202	7.1%	6.6%	0.0%	0.5%
Express Rest of World	385	263	46.4%	9.6%	37.6%	-0.8%
<b>Express</b>	<b>1,672</b>	<b>1,465</b>	<b>14.1%</b>	<b>7.0%</b>	<b>6.8%</b>	<b>0.3%</b>

Revenue Analysis	HY 2007 € mil	HY 2006 € mil	% Change	% Change		
				Organic	Acq	Fx
Express Europe	2,570	2,390	7.5%	7.1%	0.0%	0.4%
Express Rest of World	723	518	39.6%	10.6%	31.9%	-2.9%
<b>Express</b>	<b>3,293</b>	<b>2,908</b>	<b>13.2%</b>	<b>7.7%</b>	<b>5.7%</b>	<b>-0.2%</b>

Comparative 2006 figures are adjusted for the revised allocation of the non-allocated costs using actual incurred costs in 2007.

Organic revenue growth in **Europe** was 6.6%, well within our 5% to 10% indicative target range for the region. Solid double digit growth volume growth in international express and low/mid single digit growth in domestic express in our key Western European markets was the basis of this development.

In the **Rest of World**, revenue growth exceeded 46%, with most of the increase coming from the acquisitions already mentioned. The organic growth was almost 10%, which included 5% growth in the established and largely domestic Australian business and higher growth rates in the emerging markets.

- ➔ Strong organic and acquisition growth in EMN
- ➔ Mail Netherlands performance as expected. Volumes 'on trend'

Mail Summary	Q2 2007 € mil	Q2 2006 € mil	% Change	HY 2007 € mil	HY 2006 € mil	% Change
Revenues	1,022	985	3.8%	2,081	1,998	4.2%
Operating income (EBIT)	181	209	-13.4%	412	431	-4.4%
<b>Operating margin</b>	<b>17.7%</b>	<b>21.2%</b>		<b>19.8%</b>	<b>21.6%</b>	

Revenue growth in the Mail division was 3.8%, including a 0.3% acquisition effect. As expected, the main elements were the strong increase in European Mail Networks (EMN) and the decline in Dutch addressed mail volumes. EMN growth remained strong, especially in the addressed mail operations of Germany and the UK, and supports the increase in our full year revenue outlook for that line of business. However, in EMN UK, the start-up costs of the parcels business are exceeding our original estimates.

The operating margin for Mail in total of 17.7% was below last year's level, explained in part by the investment in the growth of EMN. In addition, the amount of income received from our bilateral agreements with other postal operators was considerably lower than in prior years and, as we previously stated, Q2 2006 results contained net one-off benefits of around € 8 million.

Operating expenses in Mail Netherlands were well controlled, with masterplan savings this quarter of € 8 million. The rate of savings is expected to accelerate in 2008 when the new initiatives commence. Increases in operating expenses resulted from expansion in EMN.

In June, 'agreement in principle' was reached with the Dutch unions on the collective agreement on employment mobility that will form an element of the overall agreement related to the new initiatives. The discussions recommence in September. Unions are now in the process of consulting their members on the negotiation result; the members of one union do not agree with certain aspects of the agreement and the other unions have not yet commenced the consultation process with their members.

Revenue Analysis	Q2 2007 € mil	Q2 2006 € mil	% Change	% Change		
				Organic	Acq	Fx
Mail Netherlands	613	627	-2.2%	-2.0%	-0.2%	0.0%
European Mail Networks	244	183	33.3%	21.3%	10.9%	1.1%
Cross-border Mail	127	127	0.0%	6.3%	-5.5%	-0.8%
Data and Document Management	38	48	-20.8%	-2.0%	-18.8%	0.0%
<b>Mail</b>	<b>1,022</b>	<b>985</b>	<b>3.8%</b>	<b>3.4%</b>	<b>0.3%</b>	<b>0.1%</b>

Revenue Analysis	HY 2007 € mil	HY 2006 € mil	% Change	% Change		
				Organic	Acq	Fx
Mail Netherlands	1,270	1,295	-1.9%	-1.7%	-0.2%	0.0%
European Mail Networks	474	346	37.0%	23.4%	12.7%	0.9%
Cross-border Mail	264	257	2.7%	6.2%	-2.7%	-0.8%
Data and Document Management	73	100	-27.0%	-1.0%	-26.0%	0.0%
<b>Mail</b>	<b>2,081</b>	<b>1,998</b>	<b>4.2%</b>	<b>3.6%</b>	<b>0.5%</b>	<b>0.1%</b>

In **Mail Netherlands**, the revenue decline was 2.2%, explained by the expected addressed mail volume decline, partially off-set by price/mix effects. The volume decline was 4.5%, although the one fewer day meant that the underlying rate was around 3.5%, the mid-point of our expected range. Domestic volumes were 4.3% lower affected by fewer bank mailings, and direct mail was 5.0% lower. **EMN** recorded another quarter of very strong revenue growth. The organic increase was 21.3% and most of this came from higher addressed mail volumes in the UK, through the Downstream Access agreement, and Germany, both in terms of national (TNT Post AG and

PostCon) and regional (Regioservice) activities. The acquisition growth of 10.9% also centred on Germany and the UK. The strategically less important unaddressed mail revenue growth was mid-single digit. The **Cross-border** organic revenues increased as growth in TNT branded business outpaced the decline in Spring activities (the JV with Royal Mail and Singapore Post). The disposal effect related to the sale of the US activities of Spring. The **Data and Document Management** revenues were slightly lower organically, in the face of stiff price competition. The exit of the non-core Dutch mailroom business in 2006 explains the 18.8% disposal effect.



# Consolidated Statements of Income

Consolidated statements of income	Q2 2007 € mil	Q2 2006 € mil	HY 2007 € mil	HY 2006 € mil
Net sales	2,654	2,420	5,309	4,848
Other operating revenues	35	24	56	48
<b>Total revenues</b>	<b>2,689</b>	<b>2,444</b>	<b>5,365</b>	<b>4,896</b>
<b>Other income</b>	<b>5</b>	<b>20</b>	<b>42</b>	<b>30</b>
Cost of materials	(99)	(101)	(195)	(196)
Work contracted out and other external expenses	(1,153)	(973)	(2,292)	(1,967)
Salaries and social security contributions	(880)	(858)	(1,749)	(1,708)
Depreciation, amortisation and impairments	(85)	(76)	(170)	(149)
Other operating expenses	(147)	(119)	(320)	(242)
<b>Total operating expenses</b>	<b>(2,364)</b>	<b>(2,127)</b>	<b>(4,726)</b>	<b>(4,262)</b>
<b>Operating income</b>	<b>330</b>	<b>337</b>	<b>681</b>	<b>664</b>
Interest and similar income	25	61	59	99
Interest and similar expenses	(42)	(69)	(90)	(107)
Net financial (expense)/income	(17)	(8)	(31)	(8)
Results from investments in associates	6	0	5	(1)
<b>Profit before income taxes</b>	<b>319</b>	<b>329</b>	<b>655</b>	<b>655</b>
Income taxes	(86)	(121)	(188)	(232)
<b>Profit from continuing operations</b>	<b>233</b>	<b>208</b>	<b>467</b>	<b>423</b>
Profit/(loss) from discontinued operations	11	1	206	(9)
<b>Profit for the period</b>	<b>244</b>	<b>209</b>	<b>673</b>	<b>414</b>
<b>Attributable to:</b>				
Minority interests	0	0	2	0
<b>Shareholders</b>	<b>244</b>	<b>209</b>	<b>671</b>	<b>414</b>
Earnings per share (in € cents)*	63.1	49.7	172.9	96.7
Earnings per diluted share (in € cents)**	63.0	49.3	172.1	96.1
Earnings from continuing operations per share (in € cents)*	60.2	49.5	119.8	98.8
Earnings from continuing operations per diluted share (in € cents)**	60.0	49.2	119.3	98.2
Earnings from discontinued operations per share (in € cents)*	2.9	0.2	53.1	(2.1)
Earnings from discontinued operations per diluted share (in € cents)**	3.0	0.1	52.8	(2.1)
Number of employees	158,998	128,671		
Full time equivalent employees	112,754	88,661		

Comparative 2006 figures are adjusted for the sale of Freight Management.

\* Based on an average number of 388.1 million ordinary shares in Q2, including ADS (2006: 428.1 million).

\*\* Based on an average number of 389.8 million diluted ordinary shares in Q2, including ADS (2006: 430.7 million).

The total number of shares outstanding as of 30 June, 2007 was 422.8 million, including 38.7 million shares held in treasury, of which 2.3 million were held to cover for option and share incentive programmes, and 36.4 million shares for cancellation. Per 5 July the cancellation of 30.9 million shares became effective.



€ mil

Q2 2007 Q2 2006

## EXPRESS

### Express Europe

Revenues	<b>1,287</b>	<b>1,202</b>
Growth %	7.1%	8.8%
Organic	6.6%	6.7%
Acquisition / Disposal	0.0%	2.6%
Fx	0.5%	-0.5%

### Express Rest of World

Revenues	<b>385</b>	<b>263</b>
Growth %	46.4%	8.7%
Organic	9.6%	10.4%
Acquisition / Disposal	37.6%	0.0%
Fx	-0.8%	-1.7%

### Total Express

<b>Revenues</b>	<b>1,672</b>	<b>1,465</b>
Growth %	14.1%	8.8%
Organic	7.0%	7.3%
Acquisition / Disposal	6.8%	2.2%
Fx	0.3%	-0.7%
Working days	60	60
Core consignments (mil)	50.9	46.3
Core kilos (mil)	1,004.2	816.5
Core revenue quality yield improvement	0.8%	1.4%
<b>Operating income (EBIT)</b>	<b>156</b>	<b>150</b>
<b>Operating margin</b>	<b>9.3%</b>	<b>10.2%</b>
<b>Operating margin excluding effect acquisitions</b>	<b>10.1%</b>	<b>10.2%</b>

Comparative 2006 figures are adjusted for the sale of Freight Management and for the revised allocation of the non-allocated costs using actual incurred costs in 2007.

€ mil	Q2 2007	Q2 2006
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## MAIL

### Mail Netherlands

Revenues	613	627
Growth %	-2.2%	-2.5%
Organic	-2.0%	-2.0%
Acquisition / Disposal	-0.2%	-0.5%
Fx	0.0%	0.0%
Addressed mail pieces (millions)	1,115	1,168
Growth %	-4.5%	-6.3%
Working days	61	62

### European Mail Networks

Revenues	244	183
Growth %	33.3%	26.2%
Organic	21.3%	20.7%
Acquisition / Disposal	10.9%	5.5%
Fx	1.1%	0.0%

### Cross-border Mail

Revenues	127	127
Growth %	0.0%	1.6%
Organic	6.3%	1.6%
Acquisition / Disposal	-5.5%	0.0%
Fx	-0.8%	0.0%

### Data and Document Management

Revenues	38	48
Growth %	-20.8%	6.7%
Organic	-2.0%	-2.2%
Acquisition / Disposal	-18.8%	8.9%
Fx	0.0%	0.0%

### Total Mail

Revenues	1,022	985
Growth %	3.8%	2.8%
Organic	3.4%	1.9%
Acquisition / Disposal	0.3%	0.9%
Fx	0.1%	0.0%

Operating income (EBIT)	181	209
Operating margin	17.7%	21.2%

	Q2 2007 € mil	Q2 2006 € mil	HY 2007 € mil	HY 2006 € mil
<b>CASH FLOWS FROM CONTINUING OPERATIONS</b>				
<b>Profit before income taxes</b>	<b>319</b>	<b>329</b>	<b>655</b>	<b>655</b>
Adjustments for:				
Depreciation, amortisation and impairments	85	76	170	149
Share based payments	2	3	4	5
Investment income:				
(Profit)/loss on sale of property, plant and equipment	(3)	(21)	(36)	(29)
Interest and similar income	(28)	(62)	(59)	(100)
Foreign exchange (gains) and losses	(4)	2	(7)	1
Interest and similar expenses	49	68	97	107
Results from investments in associates	(6)	1	(5)	2
Changes in provisions:				
Pension liabilities	(32)	(33)	(72)	(50)
Other provisions	3	19	(37)	10
Changes in working capital:				
Inventory	(1)	(1)	(2)	0
Accounts receivable	(5)	(3)	48	(28)
Other current assets	16	(55)	(29)	(42)
Trade accounts payable	(17)	32	(14)	37
Other current liabilities excluding short term financing and taxes	(64)	(119)	(45)	(117)
<b>Cash generated from operations</b>	<b>314</b>	<b>236</b>	<b>668</b>	<b>600</b>
Interest paid	(51)	(48)	(89)	(65)
Income taxes paid	(124)	(59)	(202)	(100)
<b>Net cash from operating activities</b>	<b>139</b>	<b>129</b>	<b>377</b>	<b>435</b>
Acquisition of group companies (net of cash)	(89)	(9)	(266)	(39)
Disposals of group companies and joint ventures	11	10	483	10
Investment in associates	(8)	(7)	(16)	(8)
Disposals of associates	7	0	7	0
Capital expenditure on intangible assets	(24)	(26)	(43)	(53)
Disposal of intangible assets	0	0	0	0
Capital expenditure on property, plant and equipment	(61)	(69)	(117)	(130)
Proceeds from sale of property, plant and equipment	6	7	45	16
Other changes in (financial) fixed assets	3	2	1	4
Changes in minority interests	0	0	0	3
Interest received	20	11	35	23
Dividends received	0	0	13	0
<b>Net cash used in investing activities</b>	<b>(135)</b>	<b>(81)</b>	<b>142</b>	<b>(174)</b>
Repurchases of shares	(170)	(216)	(289)	(849)
Other equity changes	20	6	25	40
Proceeds from long term borrowings	0	1	13	1
Repayments to long term borrowings	(17)	0	(18)	(23)
Proceeds from short term borrowings	310	403	310	856
Repayments to short term borrowings	(17)	(7)	(327)	(150)
Proceeds from finance leases	0	1	0	8
Repayments to finance leases	(8)	(1)	(9)	(2)
Dividends paid	(183)	(173)	(183)	(173)
Financing relating to our discontinued operations	(18)	(57)	(7)	(74)
<b>Net cash used in financing activities</b>	<b>(83)</b>	<b>(43)</b>	<b>(485)</b>	<b>(366)</b>
<b>Changes in cash from continuing operations</b>	<b>(79)</b>	<b>5</b>	<b>34</b>	<b>(105)</b>
<b>CASH FLOWS FROM DISCONTINUED OPERATIONS</b>				
Net cash from operating activities	0	9	(19)	(32)
Net cash used in investing activities	0	(9)	4	(9)
Net cash used in financing activities	0	46	16	57
<b>Changes in cash from discontinued operations</b>	<b>0</b>	<b>46</b>	<b>1</b>	<b>16</b>
<b>TOTAL CHANGES IN CASH</b>	<b>(79)</b>	<b>51</b>	<b>35</b>	<b>(89)</b>
<b>Cash at beginning of the period</b>	<b>411</b>	<b>415</b>	<b>326</b>	<b>663</b>
Cash from divested business	0	0	(29)	0
Exchange rate differences	1	(5)	1	(6)
<b>Total changes in cash</b>	<b>(79)</b>	<b>51</b>	<b>35</b>	<b>(89)</b>
<b>Cash at end of period</b>	<b>333</b>	<b>461</b>	<b>333</b>	<b>568</b>
of which discontinued business	0	(44)	0	(151)
<b>Cash at end of period as reported</b>	<b>333</b>	<b>417</b>	<b>333</b>	<b>417</b>

Comparative 2006 figures are adjusted for the sale of Freight Management.

	30 Jun 2007 € mil	31 Dec 2006 € mil
Goodwill	1,785	1,573
Other intangible assets	288	212
<b>Intangible assets</b>	<b>2,073</b>	<b>1,785</b>
Land and buildings	825	823
Plant and equipment	354	342
Aircraft	402	306
Other	162	162
Construction in progress	57	45
<b>Property, plant and equipment</b>	<b>1,800</b>	<b>1,678</b>
Investments in associates	72	58
Other loans receivable	6	7
Deferred tax assets	202	211
Prepayments and accrued income	41	38
<b>Financial fixed assets</b>	<b>321</b>	<b>314</b>
<b>Pension asset *</b>	<b>572</b>	<b>500</b>
<b>Total non-current assets</b>	<b>4,766</b>	<b>4,277</b>
Inventory	32	29
Accounts receivable	1,564	1,561
Income tax receivable	16	8
Prepayments and accrued income	275	227
Cash and cash equivalents	333	297
<b>Total current assets</b>	<b>2,220</b>	<b>2,122</b>
Assets held for sale	9	409
<b>Total assets</b>	<b>6,995</b>	<b>6,808</b>
Equity attributable to the equity holders of the parent	2,236	1,983
Minority interests	19	25
<b>Total equity</b>	<b>2,255</b>	<b>2,008</b>
Deferred tax liabilities	264	240
Provisions for pension liabilities *	522	523
Other employee benefit obligations	58	57
Other provisions	60	106
Long-term debt	1,285	1,183
Accrued liabilities	4	3
<b>Total non-current liabilities</b>	<b>2,193</b>	<b>2,112</b>
Trade accounts payables	307	308
Short term provisions	114	87
Other current liabilities	799	731
Income tax payable	231	280
Accrued current liabilities	1,096	1,136
<b>Total current liabilities</b>	<b>2,547</b>	<b>2,542</b>
Liabilities related to assets classified as held for sale	0	146
<b>Total liabilities and equity</b>	<b>6,995</b>	<b>6,808</b>

\* The comparative numbers have been changed according to the method of presentation introduced in 2007.

## Capital expenditure on property, plant and equipment and other intangible assets

	Q2 2007 € mil	Q2 2006 € mil	HY 2007 € mil	HY 2006 € mil
Express	176	67	235	134
Mail	18	26	38	44
Non-allocated	1	2	2	4
<b>Total</b>	<b>195</b>	<b>95</b>	<b>275</b>	<b>182</b>

Capital expenditure includes financial leases, which are non-cash transactions.

## Movement in equity attributable to the equity holders of the parent

	Q2 2007 € mil	Q2 2006 € mil	HY 2007 € mil	HY 2006 € mil
<b>Opening balance</b>	<b>2,306</b>	<b>2,855</b>	<b>1,983</b>	<b>3,262</b>
Profit/(loss) attributable to the shareholders	244	209	671	414
Foreign exchange effects and other	12	(9)	4	(26)
Repurchases of shares	(176)	(216)	(289)	(849)
Other reserves	33	12	50	50
Cash dividend	(183)	(173)	(183)	(173)
<b>Closing balance</b>	<b>2,236</b>	<b>2,678</b>	<b>2,236</b>	<b>2,678</b>

## Net debt<sup>\*</sup>

	30 Jun 2007 € mil	31 Dec 2006 € mil
Short term debt	384	383
Long term debt	1,285	1,183
<b>Total interest bearing debt</b>	<b>1,669</b>	<b>1,566</b>
Cash and other interest bearing assets	(354)	(298)
<b>Net debt</b>	<b>1,315</b>	<b>1,268</b>

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

Comparative 2006 figures are adjusted for the sale of Freight Management.

## Working daycount 2005-2007

	Q1	Q2	Q3	Q4	Total
<b>Express</b>					
2005	62	63	64	64	<b>253</b>
2006	64	60	64	63	<b>251</b>
2007	64	60	64	63	<b>251</b>
<b>Mail</b>					
2005	64	63	65	64	<b>256</b>
2006	65	62	65	63	<b>255</b>
2007	64	61	65	63	<b>253</b>



<b>Tuesday</b>	<b>31 July, 2007</b>	Interim ex-dividend date
<b>Tuesday</b>	<b>7 August, 2007</b>	Payment of interim dividend
<b>Monday</b>	<b>29 October, 2007</b>	Publication of 2007 third quarter results

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## Warning about forward-looking statements

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Some statements in this press release are "forward-looking statements" within the meaning of U.S. federal securities laws. We intend that these statements be covered by the safe harbors created under these laws. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industries in which we operate and management's beliefs and assumptions about future events. In addition to the assumptions specifically mentioned in this press release, important factors that could cause actual results to differ materially from those expressed or implied include, but are not limited to, the results and the timing of the conclusion of our tax investigations and our discussions or disagreements with other tax authorities and the other factors discussed in our annual report on Form 20-F and our other reports filed with the US Securities and Exchange Commission. Given these uncertainties, no assurance can be given as to our future results and achievements. You are cautioned not to put undue reliance on these forward-looking statements, which only speak as of the date of this press release and are neither predictions nor guarantees of future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.