Q4 2007

TNT Press Release

2007 Fourth Quarter & Full Year Results

It's our business to deliver yours

Profit 2007 and underlying operating income at record levels

Phase I 'Focus on Networks' strategy successfully completed

- **Q4 2007 developments**
  - Express record operating income of € 188 million (excluding Innight)
  - Mail restructuring charges for Master plans (€ 110 million) and UK Parcels (€ 28 million)
  - Agreement on settlement UK tax matters
- **2007: year of solid results in line with outlook**
  - Revenues up 9.5%
  - Underlying profit from continuing operations up 4.5%
  - Profit at € 986 million versus € 670 million in 2006
- **2007 proposed dividend of 85 euro cents per share (55 euro cents final dividend); dividend per share over 2007 up 16.4%**
- **Phase II Focus on Networks "Grow and Build Value" announced**
  - Clear growth and return objectives for 2008-2012
- **Outlook 2008 in line with 'Focus on Networks' objectives**

Key figures Q4 2007	Underlying*		As Reported		
	Q4 2007 € mil	% Change	Q4 2007 € mil	Q4 2006 € mil	% Change
Revenues			3,004	2,767	8.6%
EBITDA	455	1.8%	345	447	-22.8%
Operating income (EBIT)	363	2.3%	253	355	-28.7%
Profit from continuing operations	232	-1.7%	150	236	-36.4%
Profit/(loss) from discontinued operations			0	(46)	
Profit/(loss) attributable to the shareholders			148	189	-21.7%

Key figures FY 2007	Underlying*		As Reported		
	FY 2007 € mil	% Change	FY 2007 € mil	FY 2006 € mil	% Change
Revenues			11,017	10,060	9.5%
EBITDA	1,651	3.6%	1,541	1,594	-3.3%
Operating income (EBIT)	1,302	2.0%	1,192	1,276	-6.6%
Profit from continuing operations	865	4.5%	783	828	-5.4%
Profit/(loss) from discontinued operations			206	(157)	
Profit/(loss) attributable to the shareholders			986	670	47.2%
EPS from continuing operations (in € cents)			203.6	196.6	3.6%
Earnings per share (in € cents)			257.4	159.3	61.6%
Dividend per share over the year (in € cents)			85.0	73.0	16.4%

* The underlying figures in the tables above exclude the impact of the Mail Master plan provision of € 110 million.

CEO Peter Bakker:

"2007 has been a good year for the group. In Express, TNT has been able to expand its market share in Europe again. The acquisitions in the emerging markets performed according to our plans and establish unique platforms for the future. Express EBIT increased again and is now at record levels. In Mail, underlying results were solid and largely provided the necessary offset for the declining Mail volumes in the Netherlands. The discussions with the labour unions in the Netherlands on the new Collective Labour Agreement are ongoing in a constructive manner. A provision of € 110 million for the costs associated with efficiency projects at TNT Post has now been recorded. The liberalisation of mail in Europe is – although planned for 2011 – under serious pressure from the developments in Germany with respect to the minimum wage. This will continue to require our relentless effort in 2008.

For 2008 our outlook is in line with our mid term objectives as presented on 6 December 2007. As the economic outlook is more uncertain, TNT is carefully monitoring this development to be able to respond in an appropriate way if required."

2007 Summary

TNT's group revenues were up by 9.5% in 2007, with operating income up 2.0% excluding a Mail Master plan provision of € 110 million recorded in Q4 2007.

Express grew revenues by 13.8%, of which 7.9% was organic, and achieved an operating margin excluding the recent acquisitions and Innight of 9.8% compared to 9.7% in 2006, which represents a record.

Mail, in spite of a continuation of reductions in addressed Mail volumes in the Netherlands, achieved a revenue increase of 4.2%, driven by revenue growth in EMN of 33.8% bringing revenues to € 1 billion. Excluding the one-off charge for Master plans in Mail Netherlands in Q4, the operating margin is 17.4% for the year and in line with our guidance of around 17.5%.

Group profit from continuing operations is € 783 million (2006 € 828 million). However, adjusted for the after-tax impact of the Mail Master plan provision, the 2007 figure shows a level of € 865 million, an increase of 4.5%.

Review of operations in fourth quarter

Express achieved a strong operational revenue growth of 14.4% and an operating margin of 10.7%, equal to last year's all-time record. Express achieved its 33rd consecutive quarter of positive revenue quality yields. Progress on integrating our recently acquired companies is on track.

In **Mail**, revenue growth of 3.7% was driven by EMN (28.8%). Mail Netherlands revenues were 2.6% lower than last year, with price/mix increases partly offsetting the 4.9% lower addressed volumes. The operating margin was 15.8% excluding the impact of the Master plan provision of € 110 million.

6 Dec 2007 Analysts' Meeting key points

At our Analysts' Meeting of 6 December 2007, TNT announced the start of phase II of its Focus strategy called "Grow and Build Value". TNT announced it will report TNT Innight under 'Other Networks' instead of under Express.

TNT indicated that it expected to form provisions of € 125 - € 175 million in 2007 - 2009 in the Mail division, of which a significant part could already be in Q4 2007.

TNT announced the decision to exit from its UK parcel business.

TNT announced its aim to increase the dividend payout from currently around 35% of normalised net income to around 40% by 2010.

TNT announced that a full closure had been brought to all tax investigations dating back from the 2004 announcements.

TNT explained a new approach towards presenting its business as of 2008, reflecting the different stages of development in its various business portfolios. Challenging objectives for organic revenue and operating margin development in this format up to 2012 were set.

Restructuring charges Mail

TNT has charged the P&L in Mail in Q4 for a total of € 138 million.

- € 110 million provision in relation to new Master plans for the effect of various efficiency initiatives in the Netherlands which aims at annual cost reductions of € 85 million by 2010 versus 2007. The € 85 million is part of the € 370 million savings for the period from 2007 to 2015.
- € 28 million charge for an onerous UK Parcel contract, including an amount of € 5 million for impairment of various related assets.

Financial review Q4 and FY 2007

Q4

Group revenues for the quarter were € 3 billion, 8.6% above Q4 2006. Express revenues were up 12.7% at € 1,762 million. Mail revenues increased by 3.7% to € 1,187 million. Other Networks revenues remained at € 62 million.

Group operating income for the quarter was € 253 million, a reduction of € 102 million against Q4 2006, caused by the restructuring charges in Mail of € 138 million.

The non-allocated costs of € 15 million for the quarter were in line with last year. The net financial expense of € 34 million was also in line with the previous year (€ 35 million).

Net cash from operating activities amounted to € 120 million, down from € 224 million in Q4 2006. This is caused almost entirely by cash payments related to accelerated settlement of prior year tax assessments.

FY

Group operating income for the year came in at € 1,192 million, as a result of a decrease in Mail by € 135 million partly compensated by an increase in Express and Other Networks. The decrease in Mail is mainly the result of the restructuring charge for Master plans (€ 110 million). The operating margin in Other Networks increased, with revenues remaining at 2006 levels.

The non-allocated costs were € 8 million lower than last year and included costs related to our internal funding optimisation programme and CSR initiatives on CO_2.

The net financial expense increased to € 94 million, but decreased from € 99 million if we correct for interest income from discontinued operations in 2006. The difference is explained by higher net debt levels for the group being more than compensated by lower hedge costs and interest on tax.

The tax charge was € 316 million, an effective tax rate of 28.8% compared to 32.3% last year. This reduction is primarily the result of a lower Dutch corporate tax rate and further steps in repositioning our legal, funding and tax structure.

Subsequent to the settlement of all UK tax matters, the € 100 – 250 million contingent liability is no longer required.

The profit from discontinued operations representing the profit on the sale of Freight Management activities amounted to € 206 million.

The profit attributable to the shareholders was significantly up compared to last year. Earnings per share amount to 257.4 euro cents, up by 61.6% as a result of a higher profit for the year and a lower average number of outstanding shares.

Net cash from operating activities amounted to € 643 million, down from € 857 million in the previous year. The main component of this reduction was an increase of € 166 million in income taxes paid due to accelerated tax filings and the settlements of past tax assessments, higher interest paid and an increase in working capital.

Dividend over 2007

TNT announced its aim to increase the dividend payout from currently around 35% of normalised net income to around 40% by 2010. With the 2007 dividend proposal at 85 euro cents per share, leading to a 55 euro cents final dividend, the payout ratio will be 36.7% (35.2% in 2006) of normalised net income which implies a dividend increase of 16.4% per share compared with 2006.

Capital structure

Net debt at 31 December 2007 was € 1,789 million, an increase of € 521 million in the year. Net cash from operating activities was € 643 million. Disposals of group companies and joint ventures of € 486 million were mainly offset by share repurchases (€ 710 million), dividends (€ 298 million), capex (€ 369 million) and acquisitions (€ 287 million).

The previously announced share repurchase programme of up to € 500 million to be finalised by mid 2008, started in Q4 2007 with a first tranche of € 200 million completed in early January 2008. Another € 100 million tranche started on 7 January and was completed on 15 February 2008.

Outlook 2008

The outlook for 2008 is structured to enable specific insight in the development of TNT's established businesses and emerging platforms (see page 17).

Express is expected to show a high single digit organic revenue growth in International & Domestic, with a low double digit operating margin. The Express Emerging Platforms are expected to deliver organic revenue growth in the high teens, with a low single digit operating margin.

Mail is expected to show a low single digit organic revenue increase overall, with an operating margin around 16.5%. Emerging Mail & Parcels (excluding EMN Germany), as part of Mail, is expected to achieve a low double digit organic revenue increase, with a high mid single digit operating margin.

So far, TNT sees no evidence of a major slowdown in its business, which primarily is focused on European markets. TNT is, however, aware of the risks arising from a possible recession in the United States. TNT is strongly positioned to respond as appropriate and is confident about its performance for the year 2008.

Other information:

The overall Mail outlook includes expectations and assumptions on revenue development and operating margins for EMN Germany on an ongoing basis, which, due to the current legal and business environment, are more uncertain than usual.

The overall Mail margin outlook excludes possible further restructuring charges in the context of Master plans in the Netherlands and decisions on the future of EMN Germany.

TNT expects non allocated costs to stay at around € 35 million for the year.

TNT's outlook is based on constant 2007 exchange rates.

Significant events since third quarter

2 Nov	➲	TNT and trade unions consider extending present Collective Labour Agreement to 1 April 2008
6 Nov	➲	TNT and Russian Post sign Memorandum of Understanding
8 Nov	➲	TNT successfully placed benchmark Eurobond of € 650 million
9 Nov	➲	TNT to start share repurchase programme of € 200 million
30 Nov	➲	TNT and trade unions agree to extend present TNT Collective Labour Agreement
6 Dec	➲	Analysts' Meeting with an update on the 'Focus on Networks' strategy
19 Dec	➲	TNT's Asia Road Network expands into China
20 Dec	➲	German Parliament approves minimum wage for postal workers
28 Dec	➲	TNT Post: collective mobility agreement applies to efficiency projects
7 Jan	➲	TNT completes a € 200 million tranche of share buyback programme and starts a second € 100 million tranche
21 Jan	➲	TNT institutes legal proceedings to suspend generally binding minimum wage in postal services sector in Germany
24 Jan	➲	TNT applies for Authorised Economic Operator status - First express integrator to apply for new EU customs security standard
15 Feb	➲	TNT completes € 100 million tranche of share buyback programme

Group Summary Q4	Underlying	As reported				
	Q4 2007	Q4 2007	Q4 2006	% Change		
	€ mil	€ mil	€ mil	Operational	Fx	Total
Revenues		3,004	2,767	9.8%	-1.2%	8.6%
EBITDA	455	345	447	-22.1%	-0.7%	-22.8%
Operating income (EBIT)	363	253	355	-27.9%	-0.8%	-28.7%
Profit from continuing operations	232	150	236	-36.4%	0.0%	-36.4%
Profit/(loss) from discontinued operations		0	(46)			
Profit/(loss) attributable to the shareholders		148	189	-21.2%	-0.5%	-21.7%

Segment Summary Q4	Underlying	As reported				
	Q4 2007	Q4 2007	Q4 2006	% Change		
	€ mil	€ mil	€ mil	Operational	Fx	Total
Express						
Revenues		1,762	1,563	14.4%	-1.7%	12.7%
EBITDA		240	214	14.0%	-1.9%	12.1%
Operating income (EBIT)		188	168	13.7%	-1.8%	11.9%
Operating margin		10.7%	10.7%			
Operating margin excluding recent acquisitions		11.1%				
Mail						
Revenues		1,187	1,145	4.2%	-0.5%	3.7%
EBITDA	226	116	240	-51.7%	0.0%	-51.7%
Operating income (EBIT)	188	78	199	-60.8%	0.0%	-60.8%
Operating margin	15.8%	6.6%	17.4%			
Other Networks						
Revenues		62	62	0.0%	0.0%	0.0%
EBITDA		2	2	-50.0%	50.0%	0.0%
Operating income (EBIT)		2	1	100.0%	0.0%	100.0%
Operating margin		3.2%	1.6%			
Non-allocated		(15)	(13)			
Operating income (EBIT)	**363**	**253**	**355**	**-27.9%**	**-0.8%**	**-28.7%**

- Comparative 2006 figures are adjusted for the revised allocation of the non-allocated costs using actual incurred costs in 2007 and for the shift per 2007 of Innight from Express to Other Networks.
- Mail earnings figures include € 110 million of "special item" for Master plan provision, being € 82 million after tax. Other restructuring charges are regarded as "in the normal course of business" and as such part of the comparison with TNT's outlook.

Group Summary	Underlying FY 2007 € mil	As reported FY 2007 € mil	FY 2006 € mil	% Change Operational	Fx	Total
Revenues		11,017	10,060	9.9%	-0.4%	9.5%
EBITDA	1,651	1,541	1,594	-3.4%	0.1%	-3.3%
Operating income (EBIT)	1,302	1,192	1,276	-6.6%	0.0%	-6.6%
Profit from continuing operations	865	783	828	-5.5%	0.1%	-5.4%
Profit/(loss) from discontinued operations		206	(157)			
Profit/(loss) attributable to the shareholders		986	670	47.2%	0.0%	47.2%

Segment Summary	Underlying FY 2007 € mil	As reported FY 2007 € mil	FY 2006 € mil	% Change Operational	Fx	Total
Express						
Revenues		6,551	5,758	14.4%	-0.6%	13.8%
EBITDA		808	735	9.8%	0.1%	9.9%
Operating income (EBIT)		599	560	7.0%	0.0%	7.0%
Operating margin		9.1%	9.7%			
Operating margin excluding recent acquisitions		9.8%				
Mail						
Revenues		4,234	4,065	4.3%	-0.1%	4.2%
EBITDA	871	761	896	-15.1%	0.0%	-15.1%
Operating income (EBIT)	736	626	761	-17.7%	0.0%	-17.7%
Operating margin	17.4%	14.8%	18.7%			
Other Networks						
Revenues		256	256	0.0%	0.0%	0.0%
EBITDA		13	6	100.0%	16.7%	116.7%
Operating income (EBIT)		11	7	57.1%	0.0%	57.1%
Operating margin		4.3%	2.7%			
Non-allocated		(44)	(52)			
Operating income (EBIT)	**1,302**	**1,192**	**1,276**	**-6.6%**	**0.0%**	**-6.6%**

- Comparative 2006 figures are adjusted for the revised allocation of the non-allocated costs using actual incurred costs in 2007 and for the shift per 2007 of Innight from Express to Other Networks.
- Mail earnings figures include € 110 million of "special item" for Master plan provision, being € 82 million after tax. Other restructuring charges are regarded as "in the normal course of business" and as such part of the comparison with TNT's outlook.

FY	➲ Record operating margin excluding recent acquisitions
Q4	➲ Strong operational revenue growth of 14.4%
	➲ Highest quarterly operating income ever

Express Summary	Q4 2007 € mil	Q4 2006 € mil	% Change	FY 2007 € mil	FY 2006 € mil	% Change
Revenues	1,762	1,563	12.7%	6,551	5,758	13.8%
EBITDA	240	214	12.1%	808	735	9.9%
Operating income (EBIT)	188	168	11.9%	599	560	7.0%
Operating margin	**10.7% ***	**10.7%**		**9.1%***	**9.7%**	

Comparative 2006 figures are adjusted for the revised allocation of the non-allocated costs using actual incurred costs in 2007 and for the shift per 2007 of Innight from Express to Other Networks.

*** Excluding recent acquisitions the operating margin is 11.1% for the quarter and 9.8% for the full year.**

Q4

Express, excluding the business of TNT Innight which is now reported as "Other Networks", achieved a strong operational revenue growth of 14.4% in Q4 2007. The strengthening of the Euro versus the UK Pound and the Chinese Yuan led to a negative foreign exchange impact of 1.7%, leading to an overall revenue increase of 12.7%. More than half of the revenue increase was organic, with the remainder coming from acquisitions. EBITDA increased by 12.1%. This increase is particularly satisfying as this quarter saw a more unfavourable phasing of holidays than Q4 2006. In addition, the transport strike in Italy in December had its effect.

The operating margin was 10.7%, which equals last year's all-time record. Excluding acquisitions, the operating margin even reached 11.1%.

Q4 2007 was the 33rd consecutive quarter of positive revenue quality yields. The impact of fuel surcharge was around 1% versus Q4 2006, also without this surcharge, the revenue quality yield would have been clearly positive.

The overall operating margin for **Europe** was strong. Of the large Western European countries, only France experienced a lower margin, due to increased costs as a result of the law applying a 90km/h speed limit in trucks. In some of the smaller countries margins were lower because of higher costs from investments in service quality and a continued shortage of subcontractors in some markets. The overall margin of **Rest of World** increased substantially, mainly because of improved results out of China and the Middle East.

Europe had an organic revenue increase of 6.4%. International core kilos increased by 5.2%. The shift from our International Express product to International Economy was less pronounced than in Q3. In addition to the core volume related increases, Special Services performed very well, and price increases were positive.

In the **Rest of World**, revenues grew 11.2 % organically. The high utilisation rate of TNT's Boeing 747 from China to Europe is indicative of substantial volume increases across all products and sales channels in China.

Revenue Analysis	Q4 2007 € mil	Q4 2006 € mil	% Change	% Change Organic	Acq	Fx
Express Europe	1,312	1,250	5.0%	6.4%	0.0%	-1.4%
Express Rest of World	450	313	43.8%	11.2%	35.5%	-2.9%
Express	**1,762**	**1,563**	**12.7%**	**7.3%**	**7.1%**	**-1.7%**

Comparative 2006 figures are adjusted for the revised allocation of the non-allocated costs using actual incurred costs in 2007 and for the shift per 2007 of Innight from Express to Other Networks.

Full Year

In 2007, TNT's Express business produced a strong performance driven by TNT's international businesses and supported by a balanced customer portfolio, growth in TNT's global accounts, improved network optimisation and careful cost management. Recent acquisitions performed in line with TNT's expectations. The strong results (excluding the planned start-up costs of TNT's recent acquisitions) show a continuation of previous years' results which have seen continuous improvement in operating margin.

TNT's worldwide coverage extends to more than 200 countries. TNT is also building its position in Asia and has further improved service levels between Asia and Europe.

In 2007, in **Europe** TNT has continued to leverage off its fully integrated domestic and international networks including its best in class European road network and its highly dense European air network. This has enabled good volume growth particularly in the international businesses with higher growth in Northern and Eastern Europe than in Central/Southern Europe. Detailed analysis indicates that TNT has continued to gain market share in Europe.

In the **Rest of World**, 2007 has been a landmark year for China with several notable initiatives. In February, TNT started to fly its own 747 Extended Range Freighter between Shanghai and its European air hub in Liège. This now gives TNT a market leading value proposition for its customers in both China and Europe. In March, TNT completed the acquisition of Hoau, one of the country's largest and leading domestic road freight companies. TNT now boasts a solid market position in both the international and domestic markets and will build further on this platform to create market winning services for its customers.

TNT now operates the largest network of any of its competitors in China with over 1,250 depots in the country. These are served by three international gateways and 56 domestic hubs.

In South-east Asia, double digit revenue growth has once again been achieved. In May 2007, the road network in South-east Asia was extended into Vietnam and in December 2007 it was announced that it is planned to extend further into China in early 2008. The growth in Economy products as a result of the service offered through the network has been strong.

Australia performed well across all key areas of operations in 2007, with particularly strong revenue growth in international Express products. Revenue increases across the portfolio were driven by a combination of targeted new account acquisition, optimisation of pricing structures, and the successful renegotiation and retention of most expiring major customer contracts.

Express **Europe** operating revenues for 2007 increased by € 317 million (6.8%) compared to 2006. The organic growth in operating revenues was € 325 million (7.0%). Most business units contributed to the increase in operating revenues. In particular, the Western European countries contributed to the majority of the growth in operating revenues.

Express **Rest of World** operating revenues for 2007 increased by € 476 million (43.0%) compared to 2006. We achieved strong growth thanks to strong organic growth in China and the Middle East and because of the acquisitions.

Total revenue was up 13.8% and EBITDA increased by 9.9% to € 808 million. Operating income in 2007 increased by € 39 million (7.0%) compared to 2006. The improvement in operating income was the result of good volume growth, particularly in the international business across all customer segments and in Special Services, and good cost control. The highest income growth was seen from International business while Domestic business increased at a lower pace. Operating margin was 9.1%, but operating margin excluding revenue and operating income of recent acquisitions increased to 9.8% compared to 9.7% in 2006.

Revenue Analysis	FY 2007	FY 2006	% Change	% Change		
	€ mil	€ mil		Organic	Acq	Fx
Express Europe	4,969	4,652	6.8%	7.0%	0.0%	-0.2%
Express Rest of World	1,582	1,106	43.0%	11.4%	34.0%	-2.4%
Express	**6,551**	**5,758**	**13.8%**	**7.9%**	**6.5%**	**-0.6%**

Comparative 2006 figures are adjusted for the revised allocation of the non-allocated costs using actual incurred costs in 2007 and for the shift per 2007 of Innight from Express to Other Networks.

FY	➲ Strong revenue and operating income performance
Q4	➲ One-off charges for restructuring total € 138 million
	➲ Future of EMN Germany to be determined

Mail Summary	Q4 2007 € mil	Q4 2006 € mil	% Change	FY 2007 € mil	FY 2006 € mil	% Change
Revenues	1,187	1,145	3.7%	4,234	4,065	4.2%
EBITDA	116	240	-51.7%	761	896	-15.1%
Operating income (EBIT)	78	199	-60.8%	626	761	-17.7%
Operating margin	**6.6% ***	**17.4%**		**14.8% ***	**18.7%**	

* **Excluding a € 110 million provision for the Master plans the operating margin is 15.8% for the quarter and 17.4% for the full year.**

Q4

Revenue growth for the quarter in Mail was 3.7%, driven by continued substantial growth rates in EMN, with Mail Netherlands' revenues down 2.6%. Mail operating income of € 78 million is after two one-off charges:

- a reorganisation provision of € 110 million for efficiency projects to standardise the collection, preparation and delivery of mail in relation to the Master plans;
- € 28 million charge for an onerous UK Parcel contract including an amount of € 5 million for impairment of various assets.

Excluding these two charges, operating income would have been € 216 million.

Mail Netherlands volumes were down 6.2%, or 4.9% if adjusted for election mail Q4 2006. Q4 2006 also had sizeable volumes from insurance companies in relation to changes in healthcare legislation. Positive price/mix effects partially offset the volume decline.

Cross-border Mail revenues as reported declined by 3.9% to € 146 million. Excluding the impact of the Spring US activities sold in Q1 2007, revenues increased by 1.4% organically mainly driven by the European region of Spring.

Data and Document Management revenues were up by 9.8% to € 45 million. The organic revenue increase was 2.5%, which excludes the acquisition effect of the remaining shares of Cendris Customer Contact in 2007 and the disposal effect of Cendris Document Management in 2006.

European Mail Networks had another quarter of strong revenue growth with the UK most prominent, especially in Down Stream Access. In Germany, the revenue growth and margin development of the business were negatively influenced by the discussions around minimum wage and VAT, which has led to uncertainty in the market.

Revenue Analysis	Q4 2007 € mil	Q4 2006 € mil	% Change	% Change Organic	% Change Acq	% Change Fx
Mail Netherlands	714	733	-2.6%	-3.1%	0.5%	0.0%
Cross-border Mail	146	152	-3.9%	2.1%	-5.3%	-0.7%
Data and Document Management	45	41	9.8%	2.5%	7.3%	0.0%
European Mail Networks	282	219	28.8%	29.3%	1.8%	-2.3%
Mail	**1,187**	**1,145**	**3.7%**	**3.9%**	**0.3%**	**-0.5%**

Full year

TNT's profitability in Mail was sustained in 2007 through its customer focus, its market segmentation and cost restructuring measures that are being implemented in its home market, the Netherlands.

In December 2006, TNT had announced new cost saving initiatives to save € 300 million on an annual basis. Together with the remaining savings out of the Master Plans 2001, TNT targets to save € 370 million between 2007 and 2015. In 2007, TNT already achieved € 38 million in savings.

In 2007, the Mail division earned revenues of € 4,234 million, a 4.2% increase compared to 2006.

In 2007 the Mail business operating income decreased by € 135 million (17.7%) compared to 2006, on balance due to restructuring charges in Mail Netherlands and the expansions in European Mail Networks.

2007 saw strong revenue growth in European Mail Networks. This growth also requires significant start-up costs particularly in Germany and the UK.

The main focus of **Mail Netherlands** is on maintaining the position of market leader in a shrinking market that will possibly be fully liberalised in 2008. TNT's goal is to offer the best price/value proposition in the Dutch mail market, and as such to optimise its long term operating income and stabilise its cash flow.

TNT has successfully developed a budget alternative for addressed delivery through its subsidiary 'Netwerk VSP', which offers a lower service level (once a week delivery) at lower prices.

The 2007 addressed volume decline in Mail Netherlands was 4.4% or 3.8% taking into account the impact of elections and the reduction in working days.

Currently TNT is also evaluating its retail strategy, our aim being to improve service levels at lower costs.

Operating revenues in 2007 decreased by € 45 million (1.7%). The organic volume decline in addressed mail items was partly offset by a positive price-mix effect and other effects.

In the addressed delivery of **European Mail Networks**, the main focus in 2007 continued to be on strengthening TNT's position in the key markets of Germany and the United Kingdom.

In Germany, TNT strengthened its position with the further expansion of the regional distribution networks. The aim is to be active in all high density areas in Germany and thus secure a nationwide product offering. Clearly, the uncertainty resulting from discussions around VAT and minimum wage has not been helpful to TNT's business.

In the United Kingdom, TNT has contracted with Royal Mail for downstream access which allows TNT to offer customers an alternative in the postal market. In 2007, TNT again gained many important contracts and strengthened its position further. At the same time TNT opened four regional offices with sorting facilities targeting the small and medium enterprises market.

In unaddressed delivery TNT strengthened its position in 2007 in all markets where it is present, mainly through organic growth.

Revenues in **Data and Document Management** decreased because of the disposal of Cendris Document Management in 2006.

European Mail Networks operating revenues increased by 33.8% in 2007. The organic growth in operating revenues of TNT's EMN business was € 189 million (25.3%). The acquisitions in 2007 and during 2006 had a positive effect of € 67 million (9.0%) on operating revenues. Main contributors to this growth were the United Kingdom and Germany.

Revenue Analysis	FY 2007	FY 2006	% Change	% Change		
	€ mil	€ mil		Organic	Acq	Fx
Mail Netherlands	2,551	2,596	-1.7%	-1.9%	0.2%	0.0%
Cross-border Mail	527	534	-1.3%	3.2%	-3.9%	-0.6%
Data and Document Management	154	186	-17.2%	-0.5%	-16.7%	0.0%
European Mail Networks	1,002	749	33.8%	25.3%	8.9%	-0.4%
Mail	**4,234**	**4,065**	**4.2%**	**3.8%**	**0.5%**	**-0.1%**

Consolidated statements of income	Q4 2007 € mil	Q4 2006 € mil	FY 2007 € mil	FY 2006 € mil
Net sales	2,967	2,745	10,885	9,948
Other operating revenues	37	22	132	112
Total revenues	**3,004**	**2,767**	**11,017**	**10,060**
Other income	**15**	**30**	**75**	**65**
Cost of materials	(124)	(115)	(423)	(409)
Work contracted out and other external expenses	(1,321)	(1,181)	(4,806)	(4,160)
Salaries and social security contributions	(1,010)	(871)	(3,608)	(3,384)
Depreciation, amortisation and impairments	(92)	(92)	(349)	(318)
Other operating expenses	(219)	(183)	(714)	(578)
Total operating expenses	**(2,766)**	**(2,442)**	**(9,900)**	**(8,849)**
Operating income	**253**	**355**	**1,192**	**1,276**
Interest and similar income	17	40	97	199
Interest and similar expenses	(51)	(75)	(191)	(246)
Net financial (expense)/income	(34)	(35)	(94)	(47)
Results from investments in associates	(3)	(3)	1	(6)
Profit before income taxes	**216**	**317**	**1,099**	**1,223**
Income taxes	(66)	(81)	(316)	(395)
Profit from continuing operations	**150**	**236**	**783**	**828**
Profit/(loss) from discontinued operations	0	(46)	206	(157)
Profit for the period	**150**	**190**	**989**	**671**
Attributable to:				
Minority interests	2	1	3	1
Shareholders	**148**	**189**	**986**	**670**
Earnings from continuing operations per share (in € cents)*	39.7	56.8	203.6	196.6
Earnings from continuing operations per diluted share (in € cents)**	39.6	56.6	202.6	195.1
Earnings from discontinued operations per share (in € cents)*		(11.1)	53.8	(37.3)
Earnings from discontinued operations per diluted share (in € cents)**		(11.1)	53.5	(37.0)
Earnings per share (in € cents)*	40.1	45.7	257.4	159.3
Earnings per diluted share (in € cents)**	39.9	45.5	256.1	158.1
Dividend per share over the year (in € cents)			85.0	73.0
Number of employees	161,582	139,222		
Full time equivalent employees	114,459	92,973		

* Based on an average number of 383 million ordinary shares, including ADS (2006: 420.7 million).

** Based on an average number of 385.1 million diluted ordinary shares, including ADS (2006: 423.9 million).
The total number of shares outstanding as of 31 December, 2007 was 379.2 million, including 8.7 million shares held in treasury, of which 1.7 million shares were held to cover for option and share incentive programmes, and 7.0 million shares for cancellation.

€ mil	Q4 2007	Q4 2006	FY 2007	FY 2006
EXPRESS				
Express Europe				
Revenues	**1,312**	**1,250**	**4,969**	**4,652**
Growth %	5.0%	13.4%	6.8%	12.3%
Organic	6.4%	10.6%	7.0%	9.7%
Acquisition / Disposal	0.0%	2.7%	0.0%	2.6%
Fx	-1.4%	0.1%	-0.2%	0.0%
Express Rest of World				
Revenues	**450**	**313**	**1,582**	**1,106**
Growth %	43.8%	10.2%	43.0%	12.3%
Organic	11.2%	13.0%	11.4%	12.9%
Acquisition / Disposal	35.5%	2.8%	34.0%	0.8%
Fx	-2.9%	-5.6%	-2.4%	-1.4%
Total Express				
Revenues	**1,762**	**1,563**	**6,551**	**5,758**
Growth %	12.7%	12.8%	13.8%	12.3%
Organic	7.3%	11.2%	7.9%	10.4%
Acquisition / Disposal	7.1%	2.7%	6.5%	2.2%
Fx	-1.7%	-1.1%	-0.6%	-0.3%
Working days	64	63	252	251
Core* consignments (mil)	53.4	51.1	204.6	192.3
Domestic core consignments (mil)	41.1	39.4	157.2	148.5
International core consignments (mil)	12.3	11.6	47.4	43.8
Core* kilos (mil)	1,073.7	1,052.2	4,072.2	3,865.1
Domestic core kilos (mil)	762.9	755.6	2,895.3	2,796.2
International core kilos (mil)	310.8	296.6	1,176.9	1,068.9
Core* revenue quality yield improvement	3.2%	1.0%		
Operating income (EBIT)	**188**	**168**	**599**	**560**
Operating margin	**10.7%**	**10.7%**	**9.1%**	**9.7%**

* Core excludes Innight, Mercurio, Speedage, India Domestic, China Hoau and DPE as well as Special Services.
Comparative 2006 figures are adjusted for the revised allocation of the non-allocated costs using actual incurred costs in 2007 and for the shift per 2007 of Innight from Express to Other Networks.

€ mil	Q4 2007	Q4 2006	FY 2007	FY 2006
MAIL				
Mail Netherlands				
Revenues	**714**	**733**	**2,551**	**2,596**
Growth %	-2.6%	-2.3%	-1.7%	-1.9%
Organic	-3.1%	-2.0%	-1.9%	-1.7%
Acquisition / Disposal	0.5%	-0.3%	0.2%	-0.2%
Fx	0.0%	0.0%	0.0%	0.0%
Addressed mail pieces (millions)	1,339	1,427	4,701	4,918
Growth %	-6.2%	-3.6%	-4.4%	-4.3%
Working days	64	63	254	255
European Mail Networks				
Revenues	**282**	**219**	**1,002**	**749**
Growth %	28.8%	28.1%	33.8%	25.5%
Organic	29.3%	12.3%	25.3%	17.1%
Acquisition / Disposal	1.8%	15.2%	8.9%	8.2%
Fx	-2.3%	0.6%	-0.4%	0.2%
Cross-border Mail				
Revenues	**146**	**152**	**527**	**534**
Growth %	-3.9%	4.1%	-1.3%	3.7%
Organic	2.1%	4.8%	3.2%	3.7%
Acquisition / Disposal	-5.3%	0.0%	-3.9%	0.0%
Fx	-0.7%	-0.7%	-0.6%	0.0%
Data and Document Management				
Revenues	**45**	**41**	**154**	**186**
Growth %	9.8%	-29.3%	-17.2%	-5.1%
Organic	2.5%	-8.6%	-0.5%	-6.1%
Acquisition / Disposal	7.3%	-20.7%	-16.7%	1.0%
Fx	0.0%	0.0%	0.0%	0.0%
Total Mail				
Revenues	**1,187**	**1,145**	**4,234**	**4,065**
Growth %	3.7%	1.8%	4.2%	2.8%
Organic	3.9%	0.7%	3.8%	1.6%
Acquisition / Disposal	0.3%	1.1%	0.5%	1.2%
Fx	-0.5%	0.0%	-0.1%	0.0%
Operating income (EBIT)	**78**	**199**	**626**	**761**
Operating margin	**6.6%**	**17.4%**	**14.8%**	**18.7%**

The operating income and operating margin include the impact of the € 110 million for restructuring Mail Netherlands and € 28 million for UK parcel business.

	Q4 2007 € mil	Q4 2006 € mil	FY 2007 € mil	FY 2006 € mil
CASH FLOWS FROM CONTINUING OPERATIONS				
Profit before income taxes	**216**	**317**	**1,099**	**1,223**
Adjustments for:				
Depreciation, amortisation and impairments	92	92	349	318
Share based payments	6	2	13	9
Investment income:				
(Profit)/loss on sale of property, plant and equipment	(18)	(29)	(72)	(61)
Interest and similar income	(18)	(40)	(97)	(199)
Foreign exchange (gains) and losses	4	0	3	0
Interest and similar expenses	48	75	188	246
Results from investments in associates	3	3	(1)	6
Changes in provisions:				
Pension liabilities	(55)	(37)	(179)	(124)
Other provisions	128	(23)	87	10
Changes in working capital:				
Inventory	0	(2)	0	(5)
Trade accounts receivable	(122)	(131)	(132)	(131)
Other accounts receivable	(46)	(7)	38	(39)
Other current assets	46	25	(9)	(29)
Trade accounts payable	32	51	28	80
Other current liabilities excluding short term financing and taxes	56	129	(2)	34
Cash generated from operations	372	425	1,313	1,338
Interest paid	(59)	(92)	(178)	(199)
Income taxes paid	(193)	(109)	(492)	(282)
Net cash from operating activities	**120**	**224**	**643**	**857**
Acquisition of group companies (net of cash)	(11)	(24)	(287)	(89)
Disposals of group companies and joint ventures	3	1,355	486	1,365
Investment in associates	(8)	(2)	(29)	(20)
Disposals of associates	0	0	7	0
Capital expenditure on intangible assets	(30)	(29)	(97)	(103)
Disposal of intangible assets	0	1	0	2
Capital expenditure on property, plant and equipment	(99)	(64)	(272)	(277)
Proceeds from sale of property, plant and equipment	35	17	85	65
Other changes in (financial) fixed assets	2	3	1	7
Changes in minority interests	(1)	3	0	7
Interest received	34	57	85	111
Dividends received	0	0	13	0
Net cash used in investing activities	**(75)**	**1,317**	**(8)**	**1,068**
Repurchases of shares	(191)	(898)	(710)	(1,747)
Other equity changes	1	11	29	52
Proceeds from long term borrowings	645	1	659	2
Repayments to long term borrowings	(2)	(9)	(20)	(53)
Proceeds from short term borrowings	52	20	99	328
Repayments to short term borrowings	(539)	(436)	(357)	(166)
Repayments to finance leases	(9)	(8)	(19)	(10)
Dividends paid	0	0	(298)	(282)
Financing relating to our discontinued operations	(1)	(198)	(18)	(276)
Net cash used in financing activities	**(44)**	**(1,517)**	**(635)**	**(2,152)**
Changes in cash from continuing operations	**1**	**24**	**0**	**(227)**
CASH FLOWS FROM DISCONTINUED OPERATIONS				
Net cash from operating activities	0	(20)	(19)	(63)
Net cash used in investing activities	0	(11)	4	(30)
Net cash used in financing activities	0	(20)	16	36
Changes in cash from discontinued operations	**0**	**(51)**	**1**	**(57)**
TOTAL CHANGES IN CASH	**1**	**(27)**	**1**	**(284)**
Cash at beginning of the period	**295**	**272**	**326**	**663**
Cash from divested business	0	(48)	(29)	(48)
Exchange rate differences	(1)	(1)	(3)	(5)
Total changes in cash	1	(27)	1	(284)
Cash at end of period	**295**	**196**	**295**	**326**
of which discontinued business	0	101	0	(29)
Cash at end of period as reported	**295**	**297**	**295**	**297**

	31 Dec 2007 € mil	31 Dec 2006 € mil
Goodwill	1,828	1,573
Other intangible assets	291	212
Intangible assets	2,119	1,785
Land and buildings	847	823
Plant and equipment	349	342
Aircraft	387	306
Other	163	162
Construction in progress	39	45
Property, plant and equipment	1,785	1,678
Investments in associates	83	58
Other loans receivable	5	7
Deferred tax assets	203	211
Prepayments and accrued income	34	38
Financial fixed assets	325	314
Pension asset *	594	500
Total non-current assets	**4,823**	**4,277**
Inventory	30	29
Accounts receivable	1,656	1,561
Income tax receivable	35	8
Prepayments and accrued income	236	227
Cash and cash equivalents	295	297
Total current assets	**2,252**	**2,122**
Assets held for sale	10	409
Total assets	**7,085**	**6,808**
Equity attributable to the equity holders of the parent	1,931	1,983
Minority interests	20	25
Total equity	**1,951**	**2,008**
Deferred tax liabilities	298	240
Provisions for pension liabilities *	437	523
Other employee benefit obligations	55	57
Other provisions	145	106
Long-term debt	1,294	1,183
Accrued liabilities	3	3
Total non-current liabilities	**2,232**	**2,112**
Trade accounts payables	336	308
Short term provisions	162	87
Other current liabilities	1,188	731
Income tax payable	69	280
Accrued current liabilities	1,147	1,136
Total current liabilities	**2,902**	**2,542**
Liabilities related to assets classified as held for sale	0	146
Total liabilities and equity	**7,085**	**6,808**

* 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

	Q4 2007 € mil	Q4 2006 € mil	FY 2007 € mil	FY 2006 € mil
Express	87	177	384	391
Mail	42	35	99	121
Other Networks	0	1	2	2
Non-allocated	0	0	2	6
Total	**129**	**213**	**487**	**520**

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

Movement in equity attributable to the equity holders of the parent

	Q4 2007 € mil	Q4 2006 € mil	FY 2007 € mil	FY 2006 € mil
Opening balance	**2,030**	**2,636**	**1,983**	**3,262**
Profit/(loss) attributable to the shareholders	148	189	986	670
Foreign exchange effects and other	(41)	14	(77)	(1)
Repurchases of shares	(194)	(887)	(707)	(1,736)
Other reserves	(12)	31	44	70
Cash dividend	0	0	(298)	(282)
Closing balance	**1,931**	**1,983**	**1,931**	**1,983**

Net debt*

	31 Dec 2007 € mil	31 Dec 2006 € mil
Short term debt	791	383
Long term debt	1,294	1,183
Total interest bearing debt	**2,085**	**1,566**
Cash and other interest bearing assets	(296)	(298)
Net debt	**1,789**	**1,268**

* 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.

Working daycount 2005-2008

	Q1	Q2	Q3	Q4	Total
Express					
2005	62	63	64	64	**253**
2006	64	60	64	63	**251**
2007	64	60	64	64	**252**
2008	61	63	64	66	**254**
Mail					
2005	64	63	65	64	**256**
2006	65	62	65	63	**255**
2007	64	61	65	64	**254**
2008	62	63	65	66	**256**

Outlook 2008	Revenue 2007	Organic revenue growth	Operating margin
Express Segment			
International & Domestic	5,448	High single digit	Low double digit
Emerging platforms*	1,103	High teens	Low single digit
Mail Segment			
Mail Total	4,234	Low single digit	Around 16.5%
Emerging Mail + Parcels (excl. EMN Germany) **	1,141	Low double digit	High mid single digit

* Apac, India, China, LAM, MEA, Russia, Turkey
** EMN + parcel activities of Mail Netherlands

Friday	**11 April, 2008**	AGM
Tuesday	**15 April, 2008**	Final ex-dividend listing
Tuesday	**22 April, 2008**	Payment final dividend
Monday	**28 April, 2008**	Publication of 2008 first quarter results
Monday	**28 July, 2008**	Publication of 2008 second quarter and half year results
Monday	**27 October, 2008**	Publication of 2008 third quarter results

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