TNT Airways / Global Air Network

Niky Terzakis – Managing Director, TNT Airways / Global Air Network

The European Aviation Club
Brussels, October 24, 2011
TNT’s Global Air Network Hinges Around Its Main Airline, TNT Airways (Belgian Airline)

(*) A 50% Joint Venture Company with the French Sabena Technics Group.
TNT Express in short…

- The TNT Express is a European based group and one of the world’s leading Integrator

- Our company is about “Express and Logistics Services”

- Our network covers 200 countries over 5 continents, 900 distribution depots, hubs and sortation centers

- We operate multiple networks, whether road networks, dedicated air networks or sharing international airline networks
TNT Airways Network

- Express centre in Europe: Liège, Belgium
- Main other Hubs: Singapore, Shanghai, Hong Kong, New York, Miami, Frankfurt
- Airports served in Europe: more than 70 in 30 countries and over 600 destinations in the world
- Flights per week: +/- 20,000 flights per week
- Freight through Liege: 2,800 tonnes through Liège
- Weekly volume: 600,000 consignements through Liège
- TNT is amongst the largest employers in the Liège area with over 2,300 direct employees at the airport
Why Liège?

- Excellent geographic situation
- Excellent connectivity by road
- Night flights unlimited
- Regional and uncongested airport
- Suitable environmental strategy
- Airport oriented “freight vs passengers”
- Great opportunities for expansion (land)
- Strong Governmental support and commitments

- Labour market catchment area
- Intermodality is a reality: AIR-RAIL-ROAD-RIVER
- Located at the heart of the EU market, from Liège we are able to access +/- 60% of this market within 4 hours drive
Liege Airport is an ideal location for TNT

Future Freighter High Speed Train Terminal

TNT Facilities
## TNT’s mainline fleet

<table>
<thead>
<tr>
<th>Payload</th>
<th>Aircraft Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>117.0 tons</td>
<td>4 Boeing 747-400ERF in service</td>
</tr>
<tr>
<td>47.0 tons</td>
<td>4 Boeing 767-200/300 in service</td>
</tr>
<tr>
<td>43.0 tons</td>
<td>2 Airbus 300 in service</td>
</tr>
<tr>
<td>25.0 tons</td>
<td>4 Boeing 757 in service</td>
</tr>
<tr>
<td>16.5 tons</td>
<td>13 Boeing 737-300/400 in service (including 3 QC)</td>
</tr>
<tr>
<td>11.0 tons</td>
<td>20 BritishAerospace-200/300 in service (including 2 QC)</td>
</tr>
</tbody>
</table>

Introduction of three B777 (July, September and November 2011)
3 Boeing 777-200 Long Range Freighters are into revenue service this year...

- Fuel efficient aircraft with great economics
- Environmentally friendly aircraft (Noise and CO² emissions)
The B777 is Quiet Wide Body Aircraft...

- Max TakeOff Weight
- Runway 23L / Liege Airport
- NADP1 (ICAO-A) profile
- 85 dBA noise contours
TNT Operates A Comprehensive Air Network from Liège, Belgium

provides shortest door-to-door delivery transit times in Europe
TNT’s Global Air Network

- Serving directly 438 cities worldwide
- Operating 19,500 sectors per week
- Trading with over 200 IATA carriers
- 80% operated by the Top 50 airlines
- Operating daily (or min 5x/week)
Global footprint of Road networks to be linked by a Global Air Network...
Intercontinental Direct Express (IDE) offers a flexible and optimally controlled intercontinental end-to-end solution

- Various ship modes: air, sea (-air) and road
- Consolidation in TNT's European IDE centre in Duiven
- End-to-end service & control
- Fastest lead times in the market
- Direct freight will be pre-alerted and book-slot will be arranged by IDE officer
- No requirement for inventory & warehouses
- Reduce working capital – inventory financing, accounts receivables
A range of Express products combined with value adding services

- **Speed**
  - Sameday
  - Time certain/Next day
  - Day certain/Expedited
  - Day uncertain/Standard

- **Documents**
  - Services Office

- **Parcels**
  - Trade Distribution Centre

- **Freight/pallets**
  - Production Factory

- **Weight**
  - > 1 kg
  - 30 kg
  - 1,000 kg

- **Services**
  - Sameday premium
  - In-night
  - Direct Express
  - Premium Express
  - Fashion
  - Archiving
  - Storapart
  - Air freight
  - Road freight
  - Sea freight
  - IDE
  - Economy Express
  - Premium Express

Confidential
## TNT’s Standard Products Offering

<table>
<thead>
<tr>
<th>Service</th>
<th>Express</th>
<th>Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:00</td>
<td>• Guaranteed delivery next morning before 9 am</td>
<td>• Industry first time guaranteed economical delivery before 12 on defined day (2, 3 or 4 days)</td>
</tr>
<tr>
<td>10:00</td>
<td>• Guaranteed delivery next morning before 10 am</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Much wider coverage than 9</td>
<td></td>
</tr>
<tr>
<td>12:00</td>
<td>• Guaranteed delivery next morning before 12</td>
<td>• Economical delivery on defined day (2, 3 or 4 days) before close of business</td>
</tr>
<tr>
<td>Next day</td>
<td>• Next day delivery before close of business</td>
<td></td>
</tr>
</tbody>
</table>
TNT addresses much of the Industries through vertical markets.

Typical brand names...

- Automotive
  - VOLVO
  - DAIMLERCHRYSLER
  - GM

- Industrial
  - BOSCH
  - SANDVIK
  - United Technologies
  - ABB

- Computing & Semicon
  - acer
  - CISCO
  - HEWLETT PACKARD

- Telecom
  - NOKIA
  - ERICSSON
  - vodafone
  - Motorola

- Electronics
  - tyco
  - SIEMENS
  - SONY
  - GE

- Healthcare
  - Johnson & Johnson
  - QUINTILES
  - COVANCE
  - Medtronic

- Lifestyle
  - GIORGIO ARMANI
  - NIKE
  - Ermenegildo Zegna
  - PPR
Express strategy

Major Trends

Blurring Boundaries
- Customers are looking for efficient solutions and value-added service
- Non-guaranteed players are upgrading their service level

Emerging Markets
- Continued growth of international trade
- Strong domestic growth in emerging markets

E-commerce
- Ongoing digitisation of the economy
- Leading to strong growth in B2C parcels

Sustainability
- Driven by customers and governments
- Necessity to reduce carbon emissions & local air pollution

TNT actions

- Expanding into value-added services
- Offering economic options, expand in deferred segment

- Expanding intercontinental air connectivity with Europe
- Building local & regional networks in emerging markets

- Expanding into B2C solutions
- Providing internet-based sales channel to reach out to our customers

- Improving CO₂ efficiency: 40% by 2020
- Launching CO₂ customer services
External recognition

- Clinton Global Initiative Corporate Citizenship award
- 13th in Fortune’s Global Ranking of Top Companies for Leaders
- Dutch award for best annual report Henri Sijthoff prize
- One of only 43 companies worldwide with a maximum score on corporate governance as measured by GovernanceMetrics International
- Institutional Investor award 2009 and IR Magazine Award 2009
TNT Airways is a Belgian licensed airline with EU majority ownership and effective control (recurring issues outside EU)

Night Flights are essential requirements to enable express delivery services

Aviation Security are constantly evolving and extremely difficult to cope

Cargo demands full liberalization and lifting of all trade barriers. Airline is a business like another

Express Freight is a very demanding business (compared to Pax)

The economy has become very unpredictable with Customer behavior rapid and constant changes (leading to constant short term adjustment, while investments are all long term)
Thank You...