POSTAL NEWS
No. 29/2011

Formulated by UNI-Japan Post in cooperation with UNI-Apro, ASPEK Indonesia and SPPI

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2. **EUR 2.7 billion modernisatin funding for La Poste. Feb 23, 2011.**
3. **UPS Expands LCL Ocean Freight Throughout Asia. Feb 23, 2011.**
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1. FedEx Express adds morning delivery options in US

Wednesday, February 23rd, 2011
FedEx Express is extending its delivery service options for customers in the United States, including more early morning delivery options.
FedEx Express is extending its delivery service options for customers in the US, including more early morning delivery options.
The company announced yesterday that it is launching a FedEx First Overnight Freight service that will allow items weighing 151lbs or more to reach most areas in the US by 9am.
It is also launching a FedEx 2Day A.M. service that will over deliveries by 10.30am on a two-day delivery schedule to most areas in the US, and will also be available for return shipments.
The new services start February 28.
From that date, FedEx will also be expanding its existing FedEx First Overnight and FedEx International First services to offer shipment of most dangerous goods types. This will include shipments inbound to the US from Canada, Europe and Latin America.
"FedEx Express continues to enhance its portfolio, adding new, relevant services to meet customer needs," said T. Michael Glenn, president and CEO, FedEx Corporate Services. "Customer service is a top priority at FedEx and we are committed to providing an industry-leading suite of shipping options."
The FedEx First Overnight, which boasts a money-back guarantee, was expanded last year to include Saturday delivery.
Geared towards customers such as those in the manufacturing, banking, law and entertainment industries that need to ship highly time-sensitive packages, the service offers next business day deliveries as early as 8am.
The new FedEx First Overnight Freight service is expected to be of interest to customers with urgent manufacturing, distribution or replenishment needs, and for palletized shipments including in the industrial machinery and medical fields.

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2. EUR 2.7 billion modernisatin funding for La Poste

The board of France's La Poste's has given the go-ahead for the operator to receive EUR 2.7 billion capital investment as it prepares for the liberalisation of the postal market. The funds will be provided by the state, which will provide EUR 1.2 billion, in conjunction with its investment arm Caisse des Depots, which will provide the remaining EUR 1.5 billion in return for a 26 percent stake in the operation.
The funds will be allocated in three instalments: EUR 1.05 billion this year, EUR 1.05 billion in 2012 and EUR 600 million in 2013. La Poste operator will use the money to push ahead with its major modernisation plans as stated in its 'Ambition 2015' strategy, adopted in April 2010

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3. UPS Expands LCL Ocean Freight Throughout Asia

Thomas L. Gallagher | Feb 23, 2011 9:33PM GMT
The Journal of Commerce Online - News Story

- Freight Forwarders |
- Ports/Terminals |
- Container Shipping |
- Maritime |
- Asia

Taking bigger role as NVO for faster service from 10 Asian ports
UPS is expanding its Preferred LCL Ocean Freight Service to 10 additional Asian ports, thus taking on a bigger role as NVO.
The less than container load service provides up to 40 percent faster port-to-door delivery to the United States.
UPS just began offering the service to customers shipping to the United States from the Chinese ports of Shanghai, Shenzhen, Ningbo and Xiamen. The service will expand to origins in Busan, South Korea; and Taipei in March of this year and to Bangkok, Thailand; Ho Chi Minh City, Vietnam; Singapore; and Hong Kong in April.
LCL news from JOC:
Technology or Service?
"Amid a recovering economy, importers are seeking faster ways to get products to market while at the same time balancing transportation costs," said Jimmy Crabbe, vice president of ocean freight services at UPS. "With our Preferred LCL ocean service, we are giving customers more flexibility by offering another cost and speed option when considering air freight or ocean freight transportation."
After arriving at a West coast port, Preferred LCL ocean shipments are moved through an expedited UPS North American ground network ordinarily used for air freight shipments. This network cuts eight to 16 days of transit time off the current standard service for East coast deliveries.

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4. TNT Publishes Full Year 2010 Results

21 February 2011 - Press Release
Netherlands: With TNT having announced its decision (subject to shareholder approval) to separate its Mail and Express activities, accounting standards require TNT NV to publish its full year 2010 results and subsequent reports anticipating the demerger of Express in a new reporting structure.

The most important changes are:

* Express reported under discontinued operations (more details provided in a separate report)
* Difference in scope of Express and Mail
* Temporary adjustment due to the unwinding of certain profit pooling arrangements
* Temporary differences to Defined Benefit pension expense and actual payable pension contributions
* New segment reporting within Express and Mail

To facilitate comparison with previously presented published numbers, 'old reporting structure' will in some instances be shown.

Q4 & FULL YEAR 2010 HIGHLIGHTS

Q4 2010
DEMERGER UPDATE

* Legal and organisational restructuring completed 1 January 2011
* Key elements for demerger confirmed
* Demerger proposal ready for 25 May 2011 AGM

MAIL BUSINESS (TNT NV-MAIL)

* Underlying* revenues -0.1% to € 1,212 million (old reporting structure: -0.1% to € 1,213 million)
* Underlying* operating income € 184 million (old reporting structure: € 185 million)
* Underlying* cash EBIT € 110 million
* Addressed mail volumes in the Netherlands declined by 9.6%, adjusted for working days

EXPRESS BUSINESS (DISCONTINUED OPERATIONS)

* Underlying* revenues decreased by 0.3% to € 1,734 million (old reporting structure: +0.1% to € 1,677 million) impacted by fewer working days
* Underlying* operating income € 95 million (old reporting structure: € 107 million)
* Continued volume growth
* Yield held back by negative mix changes, exacerbated by severe weather
* Rate increases, surcharges and contract rationalisation proceeding

* Brazil impacted by integration-related claims and negative adjustments to reported operating income (€ 20 million)

FULL YEAR 2010
HIGHLIGHTS

* Mail business: 9.0% addressed volume decline; Master plan savings € 93 million
* TNT NV-Mail underlying* operating income € 580 million (2009: € 630 million)
* Net cash from operating activities at € 171 million
* Net debt € 993 million

* Express business (discontinued operations): volumes ahead of pre-crisis levels, underlying operating income 32% above 2009

DIVIDEND

* Total proposed distribution to shareholders of € 57 cents per share, pay-out ratio of 40% of normalised net income
€ 28 cents paid in August 2010 by way of interim dividend, optional in cash or shares
€ 29 cents as second interim dividend, optional in cash or shares, to be paid 11 March 2011, with an at least 2% premium for stock election
* Guidelines for both Mail and Express announced today

2011 to date

* Ratification by union members of the agreement enabling Mail to continue planned restructuring programme

* Savings target Mail confirmed to be € 430 million in the period 2010 – 2017, though more back-end loaded than initially forecast as a result of the agreement with the unions

* Divestment of mail activities in Belgium and unaddressed mail activities in Italy
* The underlying figures are detailed in the underlying reconciliation schedules on pages 7, 8, 20 and 21 of the full release.
CEO PETER BAKKER COMMENTS:

'On December 2, 2010, TNT announced the decision by its Supervisory Board and Board of Management to prepare separation of Mail and Express into two listed companies. Our strong management teams are hard at work creating independent futures. All preparations for the AGM at which the separation proposal will be put up for approval are well underway.

In Mail, the continuing volume declines require us to remain focused on cost savings to maximise cash flows. In Q4 2010, we were unfortunately faced with the first nation-wide strikes in more than 25 years. These were testing times for our customers and employees alike, particularly as the strikes were immediately followed by a few weeks of harsh winter weather. In December, an agreement with the unions was reached that was subsequently ratified by members of the unions.

This agreement allows for the full implementation of our Master plan III redesign of the postal network in the Netherlands. The years 2011 and 2012 will be the most concentrated years of the restructuring, requiring substantial cash outflow and investment. Declining volumes will not be fully offset by savings from this redesign in 2011 and 2012. However, today we announce that the (independent) Mail company will pay stable dividends from 2011 onwards.

In Express, 2010 has been the year in which volumes recovered to pre-crisis levels although the mix and pricing environment has been challenging throughout. The various yield measures announced as of Q2 have begun to show positive effects, although the harsh winter weather in Europe has caused not only additional costs but also negatively impacted Express' product mix. 2010 has been a year in which TNT's strategy in emerging markets has continued to make good progress. In China, both day-definite domestic and intercontinental growth has been good. We are disappointed with the integration related one-off costs in Brazil, but our strong market position in South America remains a true asset for the future. To realise the 2011 operating income outlook, management will focus on the continued implementation of our yield measures alongside revitalised efforts to reduce structural costs.

Between today and the general meeting of shareholders on May 25, the Board of Management will ensure a smooth transition towards the separated Mail and Express companies.

OUTLOOK 2011 MAIL BUSINESS

Mail expects addressed volume decline in 2011 in the Netherlands of 8 – 10% due to ongoing substitution and competition, in this second full year after full liberalisation. Master plan savings of € 50 – 60 million are targeted for the year. Mail's underlying cash EBIT (defined as underlying EBIT minus pension cash outflows and cash out for restructuring) is expected to be € 130 – 170 million. After separation, Mail's dividend guidelines for the next few years will include a payout around 75% of underlying net cash income, with a minimum of € 150 million per annum. In addition, shareholders will be given the dividend that Mail receives from the Express business.

The 2011 additional financial indicators relevant to underlying cash EBIT:
* Pensions: gross cash contributions for defined benefit obligations approximately € 265 million (2010: € 240 million) – the P&L impact will be adjusted at the moment of demerger
* Restructuring cash outflows: around € 80 – 90 million (2010: € 58 million)

Other 2011 additional financial indicators:
* Effective tax rate: around 25%
* Cash capex: around € 200 million
* Implementation costs Master plans: around € 70 million (2010: € 35 million)
* Net financial expense: around € 120 million
* Rebranding and additional central costs: around € 30 million

OUTLOOK 2011 EXPRESS BUSINESS

For 2011, TNT assumes a mostly stable economic environment. To counter inflationary cost pressures (including fuel) and possible mix effects, Express will focus on structural costs and cash alongside yield improvements which continue to be

a priority. For the full year, Express targets underlying revenue of € 7.3 – 7.5 billion and underlying operating income of € 400 – 420 million (operating income including the allocation of € 20 million of TNT central costs). After separation, Express' dividend guideline will include a payout of around 40% of normalised net income.

The 2011 additional financial indicators:
* Effective tax rate: around 35% (longer term 31 – 33%)
* Cash capex: around € 300 million
* Net financial expense: around € 35 million
The above excludes extra one-off costs directly related to the separation currently estimated at around € 35 million.

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