POSTAL NEWS
No. 59/2011

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1. TNT Post changes its brand name to PostNL

7 April 2011 at 15:00 CET - The Hague - After receiving official approval from the General Meeting of Shareholders on 25 May, TNT Post will continue as an independent mail company from 31 May 2011 under the new name PostNL. The company is pleased and proud to be able to continue carrying the 'Royal' (Koninklijk in Dutch) designation.

The focus of PostNL is on the mail, parcel and e-commerce market in the Netherlands, Belgium, Germany, the UK and Italy. Harry Koorstra, CEO of PostNL states, "The choice of mail, parcels and e-commerce is a logical one given our activities. Consumers are increasingly ordering goods online, with the result that we are witnessing a drastic increase in our parcel delivery business, national and international. Mail, in the form of direct marketing and door-to-door advertising, is a key link in the e-commerce chain. We are also increasingly directing our efforts towards supporting e commerce, by offering ready to use webshops, for example, and by taking on the entire logistics chain for online retailers. We are helped along by our reputation as a reliable company, and by the fact that we have the largest network of outlets in the Netherlands. We see our company as an essential link between the physical and the online world. We have plenty of opportunity to develop this further and to grow along with it.
PostNL caddy "Our new name PostNL symbolises the reliability and down to earth approach of our company. This name does justice to our past, something we are very proud of. By the same token we emphasise that we are a true Dutch company, with ambitions that go beyond mail and operations that reach beyond our borders. Our three-sided logo symbolises the heart of our company, with mail, parcels and e-commerce at the core."

The colour of PostNL's new corporate identity will remain orange. The new corporate identity will be used in all Royal PostNL's communications from 31 May. The company fleet, staff wear, postal outlets and other company resources will be rebranded in stages, gradually becoming a familiar sight over the course of the year. Outside the Netherlands rebranding will be carried out at a later stage.

Press release

2. Q1 2011 Results TNT NV

2 May 2011 at 08:00 CET - Amsterdam - TNT NV has published its Q1 2011 results.

On 2 December 2010, TNT announced its decision – subject to shareholder approval – to separate its Mail and Express Businesses. As a result of this decision, accounting standards require TNT NV to publish results and subsequent reports in a reporting structure anticipating the demerger of Express.

As a consequence:

Express reported under discontinued operations
Difference in scope of Express and Mail Businesses
Temporary adjustment due to the unwinding of certain profit pooling arrangements
Temporary differences to defined benefit pension expense and actual payable pension contributions

Q1 2011 HIGHLIGHTS
MAIL BUSINESS

Underlying revenues up 3.8% to € 1,107 million
Underlying operating income € 120 million; underlying cash operating income € 76 million
Good performance on net cash from operating activities
Addressed mail volumes declined by 8.6%; revenues Mail in NL down 6.3%
Parcels on track and International improving
Clarity on new tariff regulation Universal Service Obligation

EXPRESS BUSINESS (DISCONTINUED OPERATIONS)

Underlying revenues increased by 4.4% to € 1,759 million
Underlying operating income € 49 million
Express' quarter as previously indicated in 8 April 2011 Business and Demerger Update. Immediate actions being taken on Brazil and €120 million non-cash impairment
New annualised savings targeted at € 40 - 50 million

Note: The underlying figures are at constant currency and exclude items as detailed on pages 4 and 8 of the full release.

MAIL BUSINESS 2011

Mail expects addressed volume declines in 2011 in the Netherlands of 8 – 10% due to ongoing substitution and competition, in this second year after full liberalisation. Master plan savings of € 50 – 60 million are targeted for the year. Mail's underlying cash operating income (defined as underlying operating income 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 operating income:

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

The above excludes extra one-off costs directly related to the separation currently estimated at around € 35 million. These costs are to be shared by the Mail and Express Businesses.

EXPRESS BUSINESS 2011

Based on the Q1 performance, Express has rephrased and revised its plans for 2011:

Europe & MEA revenue to grow modestly, with an underlying operating margin in line with last year (9% or slightly above)
Asia Pacific partially to recover on the back of now-improving intercontinental volumes
Americas' continuing negative performance being addressed through a full range of corrective measures
Other networks to perform in line with the prior year
Cash flow to be supported by tight cash capex and working capital management

CEO PETER BAKKER COMMENTS:

'The necessary steps towards the separation of the Mail and Express businesses have now been completed, including all required notifications and publications. The demerger will be presented to our shareholders for approval at the May 25 AGM/EGM.

We previously presented major elements of our Q1 results in our April 8 Business Update.

In Q1, the Mail Business performed in line with expectations, with an ongoing focus on cash and costs. Important clarity was achieved on April 7, when Parliament approved the new Tariff Regulation defining tariff development of the Universal Service Obligation in the Netherlands. Mail management continues to engage with the Works Council regarding the implementation of Master plan restructuring.

In Express, Europe was resilient and Aspac continued to show improved volumes in latter weeks. Management is committed to address the serious integration issues in Brazil, with a deadline of realising a turnaround no later than by the second half of 2012. Today Express management also announces new cost savings targeted at € 40 - 50 million annually.

Leading up to the general meeting of shareholders on May 25, the Boards of Management of Express and Mail will update the market in detail on the investment opportunities that both companies offer. This will happen at the Express Capital Markets Day on May 3 and the Mail Capital Markets Day on May 9, and during the roadshows following each event.'

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3. **New social security scheme for rural postal employees launched**

Mr Sachin Pilot
The Hindu Mr Sachin Pilot
New Delhi, May 3:

The Postal Department today set a new paradigm for provision of social security to its legions of rural employees by launching the Service Discharge Benefit Scheme for Gramin Dak Sevakas (GDSs).

This scheme would entitle families of GDS, who die in harness during service, to receive Rs 50,000.

Talking to Business Line here informally after the launch, the Minister of State for Communications and Information Technology, Mr Sachin Pilot, said the scheme would benefit nearly 2.7 lakh GDSs across the country who remain "critical in enabling the Postal Department to complete its obligations in rural and remote areas".

He described the GDSs as “important national assets because of their ability to deliver services to the last mile”.

Stating that the network of branch post offices has soared from around 18,000 at the time of independence to 1.3 lakh now and emerged as the only Government service available in far-flung areas, Mr Pilot said these post offices must be “leveraged to provide important social security and other G2C (government to citizens) services to citizens, especially given the high trust value attached with the Postal Network”, he noted.

Mr Pilot also said the scheme would provide life-long monthly annuity to the GDSs which would make them more motivated to serve the rural people.

He said under the scheme multiple benefits such as “time-related continuity allowance”, “maternity grant to women GDS” and similar rate dearness allowance as regular employees to GDS would be extended. He said the cover for the Group Insurance Scheme, provided to families of GDSs who die in service, has also been hiked from Rs 10,000 to Rs 50,000.

Emphasising the importance of the ability of the Postal Department to provide services in rural and remote areas which would now get reinforced by the incentives to its employees, he said the department alone has the reach and ramifications to provide essential services including banking and insurance products.

He said “the rural poor are the ones who need insurance the most and the Rural Postal Life Insurance has the potential to meet that need”.

He said the GDSs could play a crucial role here, much as they have done in the case of the wage disbursal scheme under the Mahatma Gandhi Rural Guarantee Employment Scheme (MGRGES).

He commended the role of GDSs in enabling disbursal of more than Rs 7,850 crore to the beneficiaries under the MGREGS so far.

geeyes@thehindu.co.in

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Collected by Chairul Anwar, Bandung, Indonesia.
E-mail address : chairulanwar49@operamail.com;chairulanwar49@myopera.com
uyungchairul@plasa.com.;chairulanwar49@gmail.com