

TNT Newco Limited

Directors' report and financial statements

29 June 1996

Registered number 2604019



TNT Newco Limited

Directors' report and financial statements

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TNT Newco Limited

Directors' report

The directors present their annual report together with the audited financial statements for the year ended 29 June 1996.

Principal activities

The company acts as an intermediate holding company. The provisions held against investments have been released following a review by the directors' of the value of the investments.

Operational and financial review

The company continues to hedge its investment in PSP Sub Holdings BV, in accordance with SSAP 20.

Results and dividend

The results of the company are shown in the profit and loss account on page 4. The directors recommend that no dividend be paid.

Directors

The directors of the company during the year were as stated below:

AD Jones O.B.E.
WV Hanley
JT Yates
GF Ginty

Directors' interests

None of the directors had any interest in the shares of the company at any time during the year.

By Order of the Board


GF Ginty
Secretary

Railway Street
Ramsbottom
Bury
Lancashire
BL0 9AL

8 November 1996

TNT Newco Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



2 Cornwall Street
Birmingham B3 2DL

Report of the auditors to the members of TNT Newco Limited

We have audited the financial statements on pages 4 to 12.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 29 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

8 November 1996

TNT Newco Limited

Profit and loss account for the year ended 29 June 1996

| | <i>Note</i> | 1996 £000 | 1995 £000 |
|--|-------------|----------------------------|----------------------------|
| Release provision against investments | | 89,241 | 2,141 |
| Interest received from group companies | | 169 | - |
| Dividends received | | 7,974 | - |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | | 97,384 | 2,141 |
| Tax on profit on ordinary activities | 2 | (56) | - |
| | | <hr/> | <hr/> |
| Retained profit for the financial year | 6 | 97,328 | 2,141 |
| | | <hr/> | <hr/> |

During the current and preceding financial years the company made no material acquisitions and had no discontinued operations.

The movement on reserves is disclosed in note 6 on page 11 of these financial statements.

TNT Newco Limited

Balance sheet at 29 June 1996

| | Note | 1996 £000 | 1995 £000 |
|--|------|----------------|----------------|
| Fixed assets | | | |
| Investments | 1 | 256,443 | 182,246 |
| Current assets | | | |
| Debtors | 3 | 86,151 | 78,008 |
| Creditors: amounts falling due within one year | 4 | (74,727) | (78,008) |
| Net current assets | | | |
| Due within one year | | (66,584) | (78,008) |
| Debtors due after one year | | 78,008 | 78,008 |
| | | 11,424 | - |
| Net assets | | <u>267,867</u> | <u>182,246</u> |
| Capital and reserves | | | |
| Called up share capital | 5 | 221,155 | 221,155 |
| Profit and loss account | 6 | 46,712 | (38,909) |
| Equity shareholders' funds | | <u>267,867</u> | <u>182,246</u> |

These financial statements were approved by the board of directors on 8 November 1996 and were signed on its behalf by:

JT Yates
Director



TNT Newco Limited

Statement of total recognised gains and losses for the year ended 29 June 1996

| | 1996 £000 | 1995 £000 |
|---|---------------|---------------|
| Profit for the financial year | 97,328 | 2,141 |
| Currency translation differences on foreign currency investments | (15,044) | 18,066 |
| Foreign exchange on hedging loans | 3,337 | - |
| | <u>85,621</u> | <u>20,207</u> |

TNT Newco Limited

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards.

Investments

Investments are stated at cost less provisions for permanent diminution in value.

Taxation

The charge for taxation is based on the profit for the year and provision is made for taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. No provision for deferred taxation is made if there is reasonable evidence that such deferred taxation will not be payable in the foreseeable future.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date.

In accordance with SSAP 20, exchange gains or losses arising on the company's interests in foreign companies, net of any exchange differences arising on foreign currency borrowings which have been used to finance, or provide a hedge against the company's interests in foreign companies, have been taken to reserves.

Exemption from preparation of consolidated financial statements

The financial statements present information about the company as an individual company and not about its group.

The company is exempt under Section 228 of the Companies Act 1985 from the obligation to prepare group financial statements and deliver them to the Registrar of Companies as the results of the company and its subsidiaries are consolidated in its immediate parent company TNT Europe Limited which is incorporated in Great Britain.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary company of a UK parent.

TNT Newco Limited

Notes

(forming part of the financial statements)

1 Fixed asset investments

| | Shares in subsidiary companies £000 |
|--------------------------|--|
| Cost | |
| At beginning of year | 273,883 |
| Exchange rate adjustment | (17,440) |
| | <hr/> |
| At end of year | 256,443 |
| | <hr/> |
| Provisions | |
| At beginning of year | 91,637 |
| Released in the year | (89,241) |
| Exchange rate adjustment | (2,396) |
| | <hr/> |
| At end of year | - |
| | <hr/> |
| Net book value | |
| At 29 June 1996 | 256,443 |
| | <hr/> |
| At 1 July 1995 | 182,246 |
| | <hr/> |

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Notes (continued)

1 Fixed asset investments (continued)

The principal companies in which the company has an interest are as follows:

| Company | Country of incorporation | Principal activity | % of ordinary shares held |
|--|--------------------------|---|---------------------------|
| PSP Sub Holdings BV | The Netherlands | Holding company | 100% |
| Gelders Spetra International BV* | The Netherlands | Holding company | 100% |
| TNT Contract Logistics Netherlands BV* | The Netherlands | Logistics management | 100% |
| TNT Logistics Centre Europe BV* | The Netherlands | Logistics management | 100% |
| TNT Contract Logistics Belgium NV/SA* | Belgium | Transportation and logistics management | 100% |
| TNT Express Holdings GmbH* | Germany | Holding company | 100% |
| TNT Contract Logistik GmbH* | Germany | Logistics management and warehouse construction | 100% |
| TNT Netzwerk Logistik GmbH* | Germany | Logistics management | 100% |
| TNT Express GmbH* | Germany | Transportation | 100% |
| TNT Automotive Logistics Srl* | Italy | Logistics management | 100% |
| TNT Logistics Italia Spa* | Italy | Transportation | 100% |
| TNT Traco Spa* | Italy | Transportation | 100% |
| TNT Holdings France SA* | France | Holding company | 100% |
| TNT AGT SA* | France | Transport and logistics management | 100% |
| Logistics Europe Express SARL* | France | Transportation | 100% |
| Performance SA* | France | Logistics management | 100% |
| Performance Plus SARL* | France | Logistics management | 100% |
| TNT Liberatore SA* | France | Transportation | 100% |

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Notes (continued)

1 Fixed asset investments (continued)

| | | | |
|----------------------------------|---------------|------------------------------------|------|
| Performance International NV/SA* | Belgium | Logistics management | 100% |
| TNT Chronoservice (France) SA* | France | Transport and logistics management | 100% |
| Le Caer et Larcher SA* | France | Transportation | 100% |
| TNT Logistics Espana SA* | Spain | Logistics management | 100% |
| TNT Automotive Logistics GmbH* | Germany | Logistics management | 100% |
| TNT Automotive Logistics SA | Spain | Logistics management | 100% |
| TNT Automotive Logistics SA* | France | Logistics management | 100% |
| TNT Autologistics Limited * | Great Britain | Logistics management | 100% |
| TNT Logistics Argentina SA | Argentina | Logistics management | 100% |
| TNT Automotive Logistics AE* | Greece | Logistics management | 100% |

* Owned through intermediate parent companies.

2 Tax on profit on ordinary activities

| | 1996 £000 | 1995 £000 |
|--------------------|--------------|--------------|
| UK Corporation tax | 56 | - |

The tax charge differs from the standard 33% of profit due to the release of non-taxable provisions.

3 Debtors

| | 1996 £000 | 1995 £000 |
|----------------------------------|--------------|--------------|
| Amounts due from group companies | 86,151 | 78,008 |

Included above is £78,008,000 (1995: £78,008,000) due after one year.

TNT Newco Limited

Notes (continued)

4 Creditors: amounts falling due within one year

| | 1996 £000 | 1995 £000 |
|---------------------------------|---------------|---------------|
| Amounts owed to group companies | 73,027 | 78,008 |
| Corporation tax | 1,700 | - |
| | <u>74,727</u> | <u>78,008</u> |

5 Called up share capital

| | 1996 £000 | 1995 £000 |
|--|----------------|----------------|
| <i>Authorised:</i> | | |
| 500,000,000 ordinary shares of £1 each | <u>500,000</u> | <u>500,000</u> |
| <i>Allotted, called up and fully paid:</i> | | |
| 221,155,011 ordinary shares of £1 each | <u>221,155</u> | <u>221,155</u> |

6 Profit and loss account

| | £000 |
|------------------------------|-----------------|
| At beginning of year | (38,909) |
| Retained profit for the year | 97,328 |
| Foreign exchange movement | <u>(11,707)</u> |
| At end of year | <u>46,712</u> |

TNT Newco Limited

Notes (continued)

7 Reconciliation of movement in shareholders' funds

| | 1996 £000 | 1995 £000 |
|---|--------------|--------------|
| Profit for the financial year | 97,328 | 2,141 |
| Currency translation differences on foreign currency investments | (15,044) | 18,066 |
| Foreign exchange on hedging loans | 3,337 | - |
| | <hr/> | <hr/> |
| Issue of share capital | 85,621 | 20,207 |
| | - | 9,286 |
| | <hr/> | <hr/> |
| Opening shareholders' funds | 85,621 | 29,493 |
| | 182,246 | 152,753 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 267,867 | 182,246 |
| | <hr/> | <hr/> |

8 Parent company

The ultimate parent company is TNT Limited, a company incorporated in Australia.

The immediate parent company is TNT Europe Limited, a company incorporated in Great Britain.

A copy of the TNT Limited financial statements can be obtained from:

The Group Secretary
TNT Limited
TNT Plaza
Tower 1
Lawson Square
Redfern
Australia

A copy of the TNT Europe Limited financial statements can be obtained from:

The Company Secretary
TNT Europe Limited
Railway Street
Ramsbottom
Bury
Lancashire
BL0 9AL