VOLATILE MARKETS IMPACT TNT IN Q3

News / Airlines

The economic **volatility** in Brazil, China and Australia affected **TNT's** performance in the third quarter of this year.

In the Dutch courier firm's trading update, it also explains the management team are focused on "executing the company's three to five-year tunraround and transformation strategy Outlook" outlined in February.

FedEx has bid $4.8 billion to take over TNT and the European Commission is looking into the deal and set to give recommendations by the end of 2015.

TNT says in the update: "During the third quarter, TNT made progress in implementing Outlook and continued to achieve underlying revenue growth. Customer satisfaction increased further, fuelled by service improvements and new services. However, the economic volatility in Brazil, China and Australia weighed onTNT's performance in these parts of the world.

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“In its Domestics segment, TNT faced competitive pressures in Australia, compounded by the drop in commodity markets, and the ongoing costs of modernising the company’s Australian infrastructure. The Domestics segment’s performance was also affected by substantially lower margins in TNT’s French operations.”

TNT notes it is on track to invest about 300 million euros in its transport and it infrastructure in 2015. The main investments will be completed by the end of 2016. TNT anticipates third quarter operating income will be materially lower than the same period last year. It expects to achieve year-on-year improvements from 2016 onwards. TNT will elaborate on its third quarter performance on 26 October 2015.

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