

14

Additional information



Festive atmosphere, Puerto Rico

Major shareholders and related party transactions

GENERAL

To our knowledge, no person, except for the State of the Netherlands, owns 5% or more our shares and there are no arrangements the operation of which might result in a change in our control.

The table below sets forth, as of 22 February 2005, the persons known by us to own more than 5% of the indicated class of shares:

5% owners of TPG stock per: 20-feb-05			
Title of class	Identity of person or group	Number owned	%
Ordinary shares	The State of the Netherlands	89,373,810	18.6%
Special share	The State of the Netherlands	1	100%

In addition, as of 22 February 2005, we held 25,679,942 shares of our ordinary shares.

We may not vote shares we hold in our own capital.

For information as to the portion of each class of shares held in the United States and the number of record holders in the United States, see page 184 - "Stock exchange and share price information".

THE OWNERSHIP INTERESTS OF THE STATE OF THE NETHERLANDS

Overview

An effectively operating postal system is of great importance to Dutch society for various reasons, including economic, strategic and national security reasons, and is therefore of general interest to the State of the Netherlands. For certain important postal services we are the exclusive holder of the postal concession granted by the State (see chapter 13 - "Regulatory Environment"). As a result, we are crucial to the maintenance of an effectively operating postal system in the Netherlands.

In addition to being a significant holder of ordinary shares, the State has influence on us and our affairs through corporate governance mechanisms, its ownership of the special share and a longer-term equity interest.

See also chapter 10 - "Risk factors".

Pending changes to relation with the State

In view of the State's reconsideration of its relationship with us, the State and we agreed in March 2001 to amendments to the agreements that govern that relationship. Following these amendments, which were implemented in the middle of 2002, the Minister of Transport, Public Works and Water Management no longer has the right to appoint three members of the Supervisory Board, and the State no longer has an option to acquire preference shares A from us.

The Commission of the European Union sent the State a formal request to give up the special share the State holds in us (described below). The State has reacted that it has no intention of giving up its special share in our company. The State is, however, considering the possibility of transferring the postal concession from TPG N.V. to Royal TPG Post B.V., our subsidiary for postal services and limiting the applicability of the rights attached to the special share to apply only to that subsidiary. On 17 December 2003 the Commission has announced its intention to bring the matter before the European Court of Justice to compel the State to give up the special rights conferred by the special share, although it has not yet done so.

Special Share

The State holds a special share that gives it the right to approve decisions that lead to fundamental changes in our group structure. The State has committed itself to exercising the rights attached to the special share only to safeguard the general interest in having an efficiently operating postal system in the Netherlands and also to protect its financial interest as a shareholder. The State may not exercise its special share to protect us from unwanted shareholder influence. The State may not transfer or encumber the special share without the approval of our Board of Management and Supervisory Board. Ownership of the special share gives the State the right to approve certain actions, see for these actions note 26 of the consolidated financial statements on page 143.

MEMORANDUM AND ARTICLES OF ASSOCIATION

Following is a brief description of certain provisions of our articles of association dated 1 September 2004, pertaining to the rights and restrictions applicable to our ordinary shares. This description does not purport to be complete and is qualified in its entirety by reference to our articles of association, book 2 of the Dutch Civil Code and other Dutch laws. Copies of our articles of association are available on our website and upon request from us. The articles of association are filed with the Securities and Exchange Commission in the United States.

General

Pursuant to the Enabling Act as currently in force, we are subject to the Dutch full "large" company regime. Under these rules, we are required to adopt a two-tier system of corporate governance, comprising a board of management and a supervisory board. Under these rules, subject to statutory exceptions, the supervisory board, rather than the general meeting of shareholders,

- has the right to make a recommendation for the nomination of members of the supervisory board for appointment by the general meeting of shareholders,
- appoints and dismisses members of the board of management,
- adopts the annual accounts, and
- must approve certain resolutions by the board of management.

We have our corporate seat in Amsterdam, the Netherlands. We are registered in the Commercial Register at Amsterdam under number 27168968.

Corporate purpose

Article 4 of our articles of association provides that our business activity shall be, among other things:

- to conduct holding activities in enterprises that, among other things, operate in the field of the transportation, distribution and delivery of letters, messages, parcels and goods, as well as storing, converting and transmitting of information, the management and disposal of information, the providing of logistics services and the providing of money transactions,
- to permit our subsidiaries to carry out the concessions or licenses granted by the government for the activities described above, and
- to conduct other holding and financing activities.

Share capital

Under our articles of association, our authorised share capital amounts to €1,152 million nominal value. Our authorised share capital consists of:

- 1,200,000,000 ordinary shares,
- 1 special share, and
- 1,199,999,999 preference shares B.

Each of the above shares has a par value of € 0.48.

As of the date of this annual report 480,259,522 ordinary shares were issued, including 25,679,942 shares held by us, and one special share and no preference shares B issued.

The State of the Netherlands is the holder of the special share. See for further information on the special share and the preference shares B page 143.

Our ordinary shares are issued in bearer or registered form, at the option of the holder. Ordinary shares in bearer form may be converted into registered form, and vice versa, at any time without charge.

The foundation for the protection of TPG and preference shares B

The Foundation for the Protection of TPG was formed to care for our interests, the enterprises connected with us and all interested parties, such as shareholders and employees, by, among other things, preventing as much as possible influences which would threaten our continuity, independence and identity contrary to such interests. The Foundation is an independent legal entity and is not owned or controlled by any other legal person.

Our articles of association provide for protective preference shares B that can be issued to the Foundation for the Protection of TPG. The preference shares B have a nominal put value of €0.48 and have the same voting rights as our ordinary shares. There are currently no preference shares B issued, although the Foundation and we have entered into agreements for the placement to or acquisition by the Foundation of preference shares B under certain circumstances. These agreements have been entered into to prevent or delay or complicate attempts at an unsolicited take-over, including transactions in which shareholders might otherwise receive a premium for their shares over then current market prices. The preference shares B may only be issued to serve these interests.

Under these agreements we have a put option to place a number of our preference shares B, not exceeding our total issued share capital before such issue (or, subject to prior approval by the general meeting of shareholders, such larger number as

the Foundation and we may agree) with the Foundation for the Protection of TPG, subject to the Foundation's ability to pay the purchase price. The Foundation has recently renewed its credit facility agreements to be able to pay the purchase price. In addition, the Foundation has a call option to acquire a number of preference shares B not exceeding the total issued amount of ordinary shares and the special share, minus one and minus any shares already issued to the Foundation.

The exercise price with respect to each of the options is the nominal value of €0.48 per preference share B, although upon exercise only €0.12 per preference share B is required to be paid. The additional €0.36 per preference share B would not be required to be paid by the Foundation until we made a call for payment by resolution of our Board of Management, which resolution would be subject to the approval of the Supervisory Board.

Beginning two years after the date of issuance of any preference shares B to the Foundation, the Foundation would have the right to demand that we propose to our general meeting of shareholders that those preference shares B be cancelled and the paid up amount returned to the Foundation. This would occur upon approval of the general meeting of shareholders. The Foundation could make this demand earlier if it had received a demand for the repayment of the funds under the credit arrangement it has arranged in order to make payments on the preference shares B.

The independent members of the board of the Foundation are J. den Hoed RA (chairman), S.C. Kortmann and R. Pieterse. There is one vacancy. With the members of the board of the Foundation, we share the view that the foundation is independent in the sense referred to in Appendix X of the Listing Rules of Euronext Amsterdam.

The preference shares B are our only anti-takeover measure as described in Annex X of the Euronext Listing Rules. In the event of a takeover attempt which by our Board of Management and the Supervisory Board is not considered to be in the interest of the company, the business connected with it and all appropriate interests associated with the company, we may initiate such actions as we may deem appropriate within the boundaries of Dutch law to preserve the long term interests of the company, the business connected with it and all appropriate interests associated with the company.

Issuance of ordinary shares

We may issue ordinary shares and grant rights to subscribe for shares, including options and warrants, pursuant to a resolution of the Board of Management, subject to the approval of the Supervisory Board and the State as holder of the special share. Under our articles of association, up to 719,740,478 ordinary shares remained available for issuance. On 7 April 2004, the annual general meeting of shareholders granted the Board of Management the authority to issue these ordinary shares. This authority will terminate on 7 October 2005. The general meeting of shareholders can, in accordance with our articles of association, extend this authority for a period not exceeding five years or extend this authority by amending our articles of association to that effect. If no such extension is given, the issuance of ordinary shares or rights to subscribe for shares

requires a resolution of the general meeting of shareholders, upon a proposal of the Board of Management approved by the Supervisory Board. The resolution of the general meeting also requires the approval of the State as holder of the special share.

RIGHTS ATTACHED TO EACH CLASS OF SHARES

Voting rights and general meetings of shareholders

We are required to hold a general meeting of shareholders within five months after the end of each financial year, among other things, to adopt the annual accounts. Other general meetings of shareholders are held as often as the Board of Management or the Supervisory Board deem necessary, subject to applicable provisions of Dutch law. One or more shareholders representing at least 10.0% of our issued share capital may, upon their request, be authorised by the president of the district court to call a general meeting of shareholders. The president will only give this authorisation if these shareholders have requested our Board of Management and our Supervisory Board in writing to call a general meeting, stating their proposed agenda in detail, and our Board of Management and our Supervisory Board have not taken steps to ensure that a general meeting can be held within six months after their request. General meetings are convened by 15 days' prior notice published in a nationally distributed daily newspaper. There are no quorum requirements applicable to general meetings. General meetings of shareholders may only be held in Amsterdam, The Hague, Hoofddorp or in the municipality of Haarlemmermeer (Schiphol).

One or more shareholders holding shares representing at least 1% of our issued capital or representing according to the Official Pricelist of Euronext N.V. a value of €50 million have the right to request the Board of Management or the Supervisory Board to place items on the agenda of the general meeting of shareholders. These requests have to be honoured by the Board of Management or the Supervisory Board provided that important company interests do not dictate otherwise.

Each shareholder has the right to attend general meetings of shareholders, either in person or by written or electronic proxy, to address the meeting and to exercise voting rights, subject to the provisions of our articles of association. Holders of shares in registered form must notify us in writing of their intention to attend, in each case by the date specified in the notice of the meeting, which date may not in any event be earlier than seven days prior to the date of the meeting. Each of the shares in our capital carries the right to cast one vote. Unless otherwise required by law or our articles of association, resolutions are passed by a simple majority of votes cast.

A resolution of the general meeting of shareholders to amend our articles of association or to merge or to demerge or to dissolve may only be adopted upon a proposal of the Board of Management that has been approved by the Supervisory Board. The holder of the special share must approve the resolutions of the general meeting as described on page 170 under "Ownership interests of the State of the Netherlands".

The general meeting of shareholders has to adopt the remuneration policy for the Board of Management. The remuneration itself is determined by the Supervisory Board.

Dividend rights

Our articles of association provide that within five months after the end of our financial year, the Board of Management must prepare financial statements accompanied by an annual report, which must then be adopted by the general meeting of shareholders. The general meeting of shareholders can extend this period by a maximum of six months on account of special circumstances.

We pay dividends on profits or by exception out of the distributable part of our shareholders' equity as shown in our financial statements. We may not pay dividends if the payment would reduce shareholders' equity below the sum of the paid-up capital and any reserves required by Dutch law or our articles of association. Subject to certain exceptions, if a loss is sustained in any year, we may not distribute dividends for that year and we may not pay dividends in subsequent years until the loss has been compensated for out of subsequent years' profits.

We first have to pay dividends on the special share equal to 7% of its par value each year. If preference shares B have been issued and there are remaining profits available for dividends, we then have to pay dividends on the paid-up portion of the par value of such shares, at a rate of one point above the average 12-monthly EURIBOR (EURO Interbank Offered Rate)—weighted to reflect the number of days for which the payment is made—over the financial year to which the distribution relates.

After payment of dividends on the special share and the preference shares B, the Board of Management may then determine, with the approval of the Supervisory Board, to appropriate part of the remaining profit to reserves. The profit remaining after appropriation to reserves is at the disposal of the annual general meeting of shareholders.

The Board of Management may pass a resolution that has been approved by the Supervisory board and the holder of the special share that any dividend on ordinary shares be paid, at the holder's option, wholly or partly in our ordinary shares rather than in cash. The State, in its capacity as holder of the special share, has agreed with us that it will give any such approval within a period of two business days after a written request from us. The State will give this approval without prejudice to the option, if such option is made available to holders of ordinary shares, of the State in its capacity as holder of ordinary shares to choose between a dividend paid in cash or in ordinary shares.

Pursuant and subject to the Dutch civil code, the Board of Management may, with the prior approval of the Supervisory Board and subject to Dutch statutory provisions, distribute one or more interim dividends.

Shares we hold in our own capital shall not be the computation of the profit distribution, unless the Board of Management resolves otherwise, which resolution is subject to the approval of the Supervisory Board.

Our policy on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend) at the time of determination and in the event of any change and the resolution to determine

and distribute dividends shall be dealt with to pay dividend and explained as a separate agenda item at the annual general shareholders' meeting. The policy on additions to reserves and on dividends can be viewed at our website.

Liquidation rights

In the event of our dissolution and liquidation, the assets remaining after payment of all debts and liquidation expenses are to be distributed in the following order of preference: first, to the holders of the special share and all outstanding preference shares B, plus accumulated dividends for preceding years which have not yet been paid, the nominal value of the shares; and second, to holders of the ordinary shares pro rata to their holdings.

Acquisition by us of our own shares

We may acquire our own shares, subject to the requirements of Dutch law and our articles of association, if:

- our shareholders' equity less the payment required to make the acquisition does not fall below the sum of paid-up capital and any reserves required by Dutch law or the articles of association, and
- after the share acquisition, we would not hold shares with an aggregate par value exceeding one-tenth of our issued share capital.

Shares held by us in our own capital may not be voted.

An acquisition by us of our shares may be effected by the Board of Management, subject to the approval of the Supervisory Board and, if the acquisition amounts to more than 1% of the issued ordinary shares, the approval of the holder of the special share. We may only acquire shares in our own capital if the annual general meeting of shareholders has granted the Board of Management the authorisation to effect such acquisitions. Such an authorisation may apply for a maximum period of 18 months and must specify the number of shares that may be acquired, the manner in which shares may be acquired and the price limits within which shares may be acquired. The current authorisation expires on 7 October 2005. Under this authorisation, the maximum number of shares that can be acquired cannot exceed the maximum amount authorised by law (currently 10%) of the issued ordinary shares at the time of the acquisition, for a price per ordinary share not exceeding the average of the closing prices as published in the Official Price List of Euronext Amsterdam N.V. for the five trading days prior to the day of acquisition, plus 10% of such average. This authorisation is not required for the acquisition by us of our shares for the purpose of transferring those shares to our employees pursuant to any arrangements applicable to such employees.

Redemption provision

None of our ordinary shares is subject to any redemption provisions.

Sinking fund provision

None of our ordinary shares is subject to any sinking fund provisions under our articles of association or as a matter of Dutch law.

Liability to further calls or assessments

All of our outstanding shares are fully paid and non-assessable

Discriminating provisions

There are no discriminating provisions against any of our shareholders as a result of owning a number of substantial shares.

Pre-emptive rights

Except for issuances of ordinary shares for non-cash consideration and issuances to our employees, holders of ordinary shares have pro rata pre-emptive rights to subscribe for new issuances of ordinary shares in proportion to their shareholdings. These rights may be restricted or excluded by a resolution of the Board of Management, subject to the approval of the Supervisory Board and the holder of the special share. The State, in its capacity as holder of ordinary shares and the special share, has agreed with us that it will vote in favour of any proposal submitted annually to the annual general meeting of shareholders by the Board of Management to extend the authority of the Board of Management to restrict or exclude the pre-emptive rights of holders of ordinary shares. Holders of ADSs may not be able to exercise pre-emptive rights granted to holders of ordinary shares.

Reduction of capital

Upon a proposal of the Board of Management, which proposal must be approved by the Supervisory Board, the general meeting of shareholders may reduce outstanding share capital by cancelling shares or by reducing the nominal value of shares subject to the provisions of the articles of association.

The Board of Management has submitted a proposal to our annual general meeting expected to take place on 7 April 2005 to cancel the 20.7 million shares purchased from the State of the Netherlands as announced on 28 September 2004. See further chapter 12.

Release from liabilities (Kwijting)

At each annual general meeting of shareholders, our shareholders are, after the approval of the annual accounts, requested to adopt a separate resolution releasing the members of the Board of Management and the members of the Supervisory Board from actual or potential liabilities in connection with the execution of their duties during the financial year. The release from liability obtained by the Board of Management and the Supervisory Board is limited to the facts reflected in the financial statements or otherwise disclosed to the general meeting of shareholders prior to the approval of the financial statements. However, the scope of a release from liability is subject to limitations by virtue of the law.

AMENDMENTS OF THE ARTICLES OF ASSOCIATION, LEGAL MERGER AND DISSOLUTION

A resolution of the general meeting of shareholders to amend the articles of association (including with respect to changing the rights of holders of our ordinary shares), to merge or demerge within the meaning of Part 7, Book 2 of the Dutch civil code or to dissolve us may only be adopted on a motion of our Board of Management that is approved by our Supervisory Board. Proposals to amend the provisions of the articles of association described on page 170 - "Ownership interests of the State of the Netherlands" need the prior approval of the holder of the special share.

Large company regime

Pursuant to the Enabling Act as currently in force, we are subject to the full “large” company regime, as amended by the recent amendment of 1 October 2004.

In March 2001, the State expressed the intention to introduce legislation to amend the Enabling Act, with the effect that the large company regime as provided for in section 6 (afdeling 6) part 4 of book 2 of the Dutch civil code would apply to us as it applies to all other large companies. This means that, under certain circumstances, the rules for large companies may no longer apply to us in full or in part. Such legislation has not been introduced yet.

Under Dutch law, the powers vested in a supervisory board vary, according to whether a company is subject to (i) the full “large” company regime, (ii) the partially exempt “large” company regime, or (iii) the fully exempt “large” company regime. If a company is subject to the full “large” company regime, the company must have a two-tier management structure, including a supervisory board with broadened powers. The supervisory board appoints its own members. The supervisory board has the power to appoint and remove members of the board of management. The decision of the supervisory board to remove a member of the board of management can only be taken after the general meeting of shareholders has been consulted on the intended dismissal. In addition, the supervisory board has the power to adopt the annual accounts after which the general meeting of shareholders may approve them. Certain resolutions of the board of management are subject to the approval of the supervisory board. If a company is partially exempt from the large company regime, certain of these broadened powers remain vested in the supervisory board. However, shareholders have the power to appoint and dismiss members of the board of management and adopt the annual accounts. If a company is fully exempt from the large company regime, no statutory powers are vested in the supervisory board.

Proposed amendments to our articles of association

Our Board of Management will submit a proposal to the annual general meeting of shareholders expected to be held on 7 April 2005, to amend our articles of association in order to bring them further in line with the act on amendment of Book 2 of the Dutch Civil Code, in respect of the amendment of the so-called ‘large company rules’ (‘Wijziging van Boek 2 van het Burgerlijk Wetboek in verband met de aanpassing van de structuurregeling’) that entered into force as per 1 October 2004. Furthermore it is proposed to change the statutory name TPG N.V. into TNT N.V. Finally, some technical amendments are proposed.

IN RESPECT OF AMENDMENT OF THE ‘LARGE COMPANY RULES’

- Approval general meeting

Pursuant to article 25 paragraph 1 as it will be amended, certain resolutions of the Board of Management shall be subject to the approval of the general meeting. This regards resolutions entailing a significant change in the identity or character of TPG or its business, as referred to in Section 2:107a of the Dutch Civil Code.

- Appointment, suspension and dismissal of members of the Supervisory Board

Under the new provisions of the large company regime, the members of the Supervisory Board are appointed by the annual shareholders meeting following nomination by the Supervisory Board. Both the annual shareholders meeting and the central works council may make recommendations and must be informed about this right as well as of the profile of vacancies. Nominations by the Supervisory Board must be reasoned against the Supervisory Board profile. The Supervisory Board profile which will be made available and must be discussed with the annual shareholders meeting and the central works council at the time of determination and in the event of any change.

The central works council has a special right of recommendation for one-third of the total number of Supervisory Board members. The only circumstances in which the Supervisory Board may decide not to put a person on the nomination as recommended by the central works council are if the nominee is considered unsuitable to fulfil the function of a Supervisory Board member or if, upon acceptance, the Supervisory Board would not be composed properly. The Enterprise Chamber is the competent court to decide on disputes between the central works council and the Supervisory Board in this respect.

The annual shareholders meeting may reject a nomination by the Supervisory Board with a majority of votes representing one third of the outstanding capital. If the quorum is not met, a new meeting should be convened, in which case the quorum requirement is not applicable. Under the new law the annual shareholders meeting can dismiss the Supervisory Board with a majority of votes representing one third of the outstanding share capital.

The transitional arrangement of the new law obligates the Supervisory Board to grant the special right of recommendation to the central works council on every second vacancy until one third of the Supervisory Board members has been appointed accordingly.

- Adoption of the financial statements.

The difference between the adoption and approval of the financial statements no longer exists. The financial statements shall be adopted by the general meeting and no longer by the Supervisory Board. This shall be included in article 34 paragraph 4 and article 38 paragraph 2 (b).

Restriction on non-Dutch shareholders’ rights

Under our articles of association there are no limitations on the rights on Dutch, non-resident or foreign shareholders to hold or exercise voting rights in respect of our securities, and we are not aware of any such restrictions under Dutch corporate law.

Change in control provisions

None of our shares is subject to any change in control provision.

Exchange controls

There are no legislative or other legal provisions currently in force in the Netherlands or arising under the articles of association restricting remittance to holders of our securities not resident in the Netherlands. Cash dividends payable in euro on our ordinary shares may be officially transferred from the Netherlands and converted into any other convertible currency.

Obligations of shareholders to disclose holdings

The Act on Disclosure of Holdings in Listed Companies 1996 (Wet Melding Zeggenschap in ter beurze genoteerde vennootschappen 1996) applies to any person who, directly or indirectly, acquires or disposes of an interest in the voting rights and/or the capital of a public limited company incorporated under Dutch law with an official listing on a stock exchange within the European Economic Area, if as a result of such acquisition or disposal. The percentage ranges referred to in the Act are 0-5, 5-10, 10-25, 25-50, 50-66.6 and over 66.6.

Failure to comply with the Act constitutes an economic offence. In addition, a civil court can issue sanctions against any person who fails to notify, or incorrectly notifies us and the Authority Financial Markets in accordance with the Act. Possible court sanctions include the suspension of voting rights with respect to the ordinary shares held by such person.

Changes in Capital

The conditions imposed by our articles of association for changes in capital are not more stringent than required under Dutch law.

Mail

Our mail division uses 546 sorting centers and distribution depots. The principal mail facilities are as follows:

Location	Owned / leased	Principal Use	Site Area
Amsterdam-Schiphol, the Netherlands	Leased	Sorting Centre (international mail)	13,125 sq.metres
Amsterdam, the Netherlands	Owned	Sorting center (letters)	48,970 sq. metres
's Hertogenbosch, the Netherlands	Owned	Sorting center (letters)	49,460 sq. metres
The Hague, the Netherlands	Owned	Sorting center (letters)	48,110 sq. metres
Nieuwegein, the Netherlands	Owned	Sorting center (letters)	57,530 sq. metres
Rotterdam, the Netherlands	Owned	Sorting center (letters)	40,240 sq. metres
Zwolle, the Netherlands	Owned	Sorting center (letters)	56,560 sq. metres
Amsterdam, the Netherlands	Owned	Sorting center (parcels)	31,460 sq. metres
Dordrecht, the Netherlands	Owned	Sorting center (parcels)	28,250 sq. metres
Zwolle, the Netherlands	Owned	Sorting center (parcels)	32,210 sq. metres
Arnhem, the Netherlands	Owned	Sorting center (registered mail)	48,920 sq. metres

No material portion of our mail properties is subject to any encumbrances.

Material contracts

On 23 June 1998, we entered into an agreement with the State of the Netherlands. The terms of this agreement were modified, subject to the approval of the Dutch Parliament, by a letter agreement dated 9 March 2001, between us and the State of the Netherlands. For a description of certain terms of this agreement (and certain proposed changes to this agreement), see page 170 – “The ownership interests of the State of the Netherlands”.

SIGNIFICANT SUBSIDIARIES

TPG N.V. is the parent company of the group. The following table sets forth, as of 22 February 2005, the name and jurisdiction of incorporation of our significant subsidiaries.

Company	Country	Equity Interest
Royal TPG Post B.V.	Netherlands	100%
TNT Express Holdings B.V.	Netherlands	100%
TNT Logistics Holdings B.V.	Netherlands	100%
TNT Holdings B.V.	Netherlands	100%
TNT Holdings Deutschland GmbH	Germany	100%

The full list containing the information referred to in Article 379 and article 414, Part 9, Book 2 of the Dutch civil code is filed at the office of the Chamber of Commerce in Amsterdam.

PROPERTY, PLANTS & EQUIPMENT

We use approximately 1,933 buildings.

Express

Our express division uses 857 depots, road and air hubs. The principal express facilities are as follows:

Location	Owned / leased	Principal Use	Site Area
Liège, Belgium	Leased	Maintenance Hangar and TNT Airways Head Office	5,700 sq. metres
Liège, Belgium	Owned	Hub and office	52,610 sq. metres
Wiesbaden, Germany	Owned	Sorting centre and road hub	65,500 sq. metres
Arnhem, the Netherlands	Owned	International road hub	98,400 sq. metres
Brussels, Belgium	Leased	Sorting centre and road hub	67,150 sq. metres

No material portion of our properties in our express division is subject to any encumbrances.

Logistics

Our logistics division uses 677 warehouses, representing 7,778,000-square metres, that are mainly leased and none of which are considered principal facilities.

No material portion of our logistics properties is subject to any encumbrances.

EMPLOYEES

For the number of employees and full time equivalents see note 17 on page 125.

Labour Relations*EUROPEAN REGION*

A significant number of our employees in Europe are presently represented by trade unions. Our labour relations in Europe have been good, and we have not experienced any material work stoppages in recent years, except for a strike in France in 1999 and a one day strike within a joint venture in Belgium in 2003. In 2004 there was a 4-day stoppage at Turin TNT Automotive Logistics and there was a 22-day stoppage in one plant due to issues related to a customer.

Wages and general working conditions in the Netherlands and the United Kingdom are the subject of centrally negotiated collective bargaining agreements. Within the limits established by these agreements, our operating companies negotiate directly with unions and other labour organisations representing our employees. Collective bargaining agreements relating to remuneration typically have a term of one or two years.

In addition to trade unions, we also consult from time to time with various local, national and European works councils. Employees generally elect the members of works councils. Some of these works councils primarily have an advisory role, but in other cases, e.g. the Netherlands, we may be required to consult with or ask approval from one or more of the works councils before proceeding with a course of action. Under Dutch law, our central works council may make non-binding recommendations for candidates to fill vacancies on our Supervisory Board. Apart from that the central works council may file objections on certain grounds against candidates to fill vacancies on our Supervisory Board. Furthermore, we are obliged to apprise the European works council of activities that affect our workforce in Europe.

OTHER REGIONS

Except for our employees in Australia and those of our logistics division in the US, our employees outside Europe are generally neither represented by trade unions nor employed pursuant to collective labour agreements. Trade unions represent less than 50% of our employees in Australia and fewer than 50% within our US logistics operations. Labour relations have been good and we have not, apart from certain labour disputes and some small (1/2 – 1 day) work stoppages in 2004 in Australia, experienced any material work stoppages in recent years.

LEGAL PROCEEDINGS

For an overview of the legal proceedings, see chapter 12, page 122.

Taxation**GENERAL**

The following is a summary of the material Dutch tax consequences of the ownership of ordinary shares or ADSs, in particular by US Shareholders (as defined below). The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase ordinary shares or ADSs, and prospective investors should consult their professional advisors as to the tax consequences of their purchase, ownership and disposition of the ordinary shares and ADSs, including the consequences under applicable federal, state, local and foreign law. In particular, the summary does not address US shareholders that do not hold the shares or ADSs as capital assets and the tax treatment of holders subject to special tax rules, such as banks, insurance companies and dealers in securities, investors liable for alternative minimum tax or investors who hold ordinary shares or ADSs as part of a straddle or a hedging or conversion transaction, some of which may be subject to special rules. This summary should not be read as extending by implication to matters not specifically discussed herein. Additional rules may apply to holders who themselves or through affiliates actually or constructively own 10% or more of the voting power or value of the ordinary shares or ADSs as determined by US Federal income tax law. The Dutch rules applying to holders of a "substantial interest" in broad terms, individuals who hold or have held directly or indirectly, either independently or jointly with certain close relatives, at least 5% of the nominal paid-up capital of any class of shares in the company are not addressed in this summary. With respect

to US shareholders, this discussion generally applies only to such holders who hold ordinary shares or ADSs as a portfolio investment. This summary does not take into account the specific circumstances of any particular US holder although such circumstances might materially affect the general tax treatment of such US holder.

For the purposes of this discussion, a “US Shareholder” is a holder of ordinary shares or ADSs that is a person who is a resident of the United States or who holds ordinary shares or ADSs as assets effectively connected with a US trade or business (“US Holders”). This discussion does not purport to be a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of ordinary shares or ADSs. For the purposes of this discussion, a “shareholder” is a shareholder that does not own a “substantial interest” or a “deemed substantial interest” in the company.

In general, for Dutch tax purposes, US holders of ADSs will be treated as the beneficial owners of the ordinary shares represented by such ADSs.

It is assumed for purposes of this summary that a US shareholder is entitled to the benefits of the 1992 Treaty (as defined below). However, US shareholders should consult with their tax advisors regarding their status under the limitation of benefits article under the 1992 Treaty. With respect to the applicable 1992 Treaty it is important to notice that during the year 2004 a new protocol to the 1992 Treaty was ratified by both the Dutch Parliament (in June 2004) and the US Senate (on 17 November 2004). From a press release issued by the US Treasury department on 23 December 2004 it appears that the protocol will be effective for taxable periods beginning on or after 1 January 2005. The provisions of the protocol relating to withholding taxes will be effective for amounts paid or credited on or after 1 February 2005.

DUTCH TAXATION

General

The following description of Dutch tax law and practice is based on laws, tax conventions, published case law and other legislation in force on 1 January 2005 with the exception of amendments subsequently introduced, possibly with retroactive effect. In this chapter a distinction is made between residents of the Netherlands and non-residents of the Netherlands. Whether an investor qualifies as a resident of the Netherlands or as a non-resident of the Netherlands is based on facts, as well as on several fictions in Dutch tax legislation. The general corporate income tax rate in 2004 was 34.5% (reduced to 31.5% as of 1 January 2005), although the first €22,689 of taxable profit is taxed at 29% (reduced to 27% as of 1 January 2005).

As gift, estate and inheritance tax still apply, these taxes are dealt with separately at the end of this section.

The descriptions of the Dutch tax laws and US Federal income tax laws and practices set forth below are based on the statutes, treaties, regulations, rulings, judicial decisions and other authorities in force and applied in practice on the date hereof, all of which are subject to change (possibly with retroactive effect) and differing interpretations.

Dutch tax on dividends

Dividends (or similar income derived from shares qualifying as such under the Dutch Dividend Tax Act 1965 (Wet op de dividendbelasting 1965), hereinafter referred to as “income”) distributed by the company are in principle subject to tax at the current rate of 25%, which should be withheld and remitted by the company to the Dutch tax authorities. Stock dividends paid out of the company’s share premium account, recognised as such for Dutch tax purposes, are not subject to dividend tax. The company has a share premium account, recognised as such for Dutch tax purposes, from which stock dividends could be paid.

2004 SITUATION

As regards US Holders the following will apply. A US holder can only claim the benefits of the tax treaty for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income signed on 18 December 1992 between the Dutch State and the United States of America, as modified by the protocol of 8 March 2004 (together, the “1992 Treaty”), if:

- the person is a resident of the United States as defined therein;
- the person’s entitlement to these benefits is not limited by the limitations on benefits provisions of article 26 of the 1992 Treaty, and
- the person can be considered to be the beneficial owner of the dividend under the Netherlands’ anti-dividend stripping rules.

Under the 1992 Treaty, dividends paid by the company to a resident of the United States, other than an exempt organisation or exempt pension trust, as described below, are generally eligible for a reduction of the 25% Dutch withholding tax to 15%, provided that the holder does not carry on an enterprise in the Netherlands through a permanent establishment, permanent representative or fixed base to which or to whom the ordinary shares or ADSs are attributable. If and to the extent the ordinary shares or ADSs are attributable to this permanent establishment or representative, Dutch withholding tax will, depending on the particulars of the case, amount to 25% or 0%. The 1992 Treaty provides for a complete exemption for dividends received by exempt pension trusts and exempt organisations, as defined in the 1992 Treaty. Except in the case of exempt organisations, this reduced dividend withholding rate can be applied for at source upon payment of the dividend; exempt organisations remain subject to the statutory withholding tax rate of 25% and are required to file for a refund of this withholding.

A US holder other than an exempt organisation, generally may claim the benefits of a reduced withholding tax rate pursuant to the 1992 Treaty by submitting a Form IB 92 USA, which includes a banker’s affidavit stating that the ordinary shares or ADSs are in the bank’s custody in the name of the applicant, or that the ordinary shares or ADSs have been exhibited to the bank as being the property of the applicant. If the Form IB 92 USA is submitted prior to the dividend payment date, the reduced withholding tax rate can be applied to the dividend. A US holder unable to claim withholding tax relief in this manner can obtain a refund of excess tax withheld by filing a Form IB 92 USA and describing the circumstances that prevented a claim for withholding tax relief at source.

Qualifying exempt organisations other than exempt pension trusts may seek a refund of the tax withheld by submitting Form IB 95 USA, which also includes a banker's affidavit.

Under the Dutch anti-dividend stripping rules a recipient of a dividend is not considered to be the beneficial owner if it is plausible that:

- the recipient paid, directly or indirectly, a consideration, in cash or in kind, in connection with the dividend distribution, and the payment forms part of a sequence of transactions,
- an individual or a company benefited, in whole or in part, directly or indirectly, from the dividend, where that individual or company is entitled to a less favourable relief from Netherlands dividend withholding tax than the recipient of the dividend distribution, and
- that individual or company directly or indirectly retains or obtains a position in the shares that is comparable to its position in similar shares before the sequence of transactions commenced.

2005 SITUATION

As described above, as of January 2005 the new Protocol of the 1992 Treaty became effective. With respect to withholding taxes the Protocol will be effective as of February 1, 2005. Under the new Protocol 0% Dutch dividend withholding tax is due on dividends provided that the shareholder owns at least 80% of the voting power. In addition, as of January 1, 2005, several changes apply to article 26, Limitation on Benefits, stipulating which shareholders can benefit from the 1992 Treaty.

Dutch personal and corporate income tax

Under the Personal Income Tax Act 2001, income is divided into three separate "boxes" each of which is governed by its own rules:

- Box I (work and private residence) includes business and employment income, income from receivables and income from assets made available to a company in which the individual holds a substantial shareholding and income from the main private residence,
- Box II (substantial interest) includes dividend income and capital gains from substantial shareholdings, and
- Box III (savings and investments) covers passive income from capital.

The three boxes operate independently of each other. This means that losses from one box can, in principle, not be offset against income from another box. The elements of income will be allocated to the spouse or partner that has received the income. Highlights of the box system are dealt with below in respect of the ordinary shares or ADSs.

PERSONAL INCOME TAX IN RESPECT OF THE ORDINARY SHARES OR ADSS

Resident individuals of the Netherlands

BOX I (WORK AND PRIVATE RESIDENCE)

An individual Dutch shareholder, who holds the ordinary shares or ADSs that can be attributed to the business assets of an enterprise which is, in whole or in part, carried on for the account of a shareholder, is liable to income tax on the income

derived from the ordinary shares or ADSs at the progressive rates of Box I, the maximum rate being 52%.

BOX II (SUBSTANTIAL INTEREST)

Income (dividends and capital gains) from substantial interests (broadly, shareholdings of at least 5%) is taxed in Box II. The tax rate amounts to 25%. Losses from a substantial interest may only be offset against income or gains from a substantial interest and not against income from Box I (work and private residence) or Box III (savings and investments). There is a possibility for a credit for losses not compensated against the income tax liability of Box II. Such tax credit is limited to 25% of the amount of the loss, and can only be claimed on condition that the holder of the substantial interest has sold all of that interest and holds no such interest in another entity. Interest related to the financing of a substantial interest is only deductible against the 25% rate. Interest on debts due from the company as well as income and gains from other assets which are made available to the company are not taxable in Box II, but in Box I. Stock dividends received/derived will not be considered to form taxable income in Box II at the moment of receipt. The purchase price of such stock dividend will in principle amount to zero.

BOX III (SAVINGS AND INVESTMENTS)

Income derived from capital (savings and investments) is taxed according to the regime of Box III. Taxable income is determined annually on the basis of a fictitious—i.e. deemed—return on capital. This deemed return has been fixed at 4% of average net capital, assets less liabilities at market value, on 1 January and 31 December of any year. In this respect, assets and liabilities relating to income from Box I and Box II are not taken into account. The taxable income is computed without regard to the actual income and capital gains received. Thus, if actual income exceeds 4%, tax will still only be levied on the basis of 4%. On the other hand, there is no reduction in tax if the actual income is less than 4%. The deemed income is taxed at 30%.

In principle, under the provisions of the Personal Income Tax Act 2001 the Dutch dividend tax can be credited, or refunded, for Netherlands residents or for a Dutch permanent establishment or permanent representative to which or to whom the underlying shares are attributable. This credit is also available against tax under Box III. However, in case of dividend stripping transactions, the dividend withholding tax cannot be credited or refunded if the recipient cannot be considered to be the beneficial owner of the dividend. See the discussion on Dutch dividend withholding tax above.

Non-resident individuals of the Netherlands

EU residents and residents of specified countries with which the Netherlands has concluded a tax treaty providing for the exchange of information may elect to be taxed according to the rules applicable to resident taxpayers. They are then taxed as if they were a resident of the Netherlands. This means that they will be taxable in respect of their worldwide income. In that case they will be able to claim relief from double taxation in respect of certain non-Dutch source income.

Income from savings and investments will be computed in the same way as for taxpayers resident in the Netherlands, on a fictitious basis.

Other non-resident individual holders of the ordinary shares or ADSs may only be taxable in the Netherlands in respect of this shareholding if these shares:

- are attributable to the business assets of a permanent establishment or permanent representative in the Netherlands,
- generate income or gains that qualify as “income from miscellaneous activities” (resultaat uit overige werkzaamheden) in the Netherlands, which include activities in the Netherlands with respect to these shares that exceed “regular, active portfolio management” (normaal, actief vermogensbeheer), or
- part of a substantial interest of the shareholder in the company and this substantial interest does not form part of the business assets of an enterprise of the shareholder.

The right of the Netherlands to levy personal income tax on dividends received by non-resident individuals may be restricted under specific provisions of applicable tax treaties.

Dutch corporate income tax

COMPANIES RESIDENT IN THE NETHERLANDS

A legal entity or a similar entity qualifying as such under Dutch tax law (an “entity”) which holds the ordinary shares or ADSs and who resides, or is deemed to reside, in the Netherlands, is, in principle, able to set off in full the dividend tax withheld against its Dutch corporate income tax due on this income. An entity resident in the Netherlands which is not subject to Dutch corporate income tax can, under certain conditions which are not stated here, request a refund of the dividend tax withheld. An entity subject to Dutch corporate income tax for which the shareholding in the company qualifies for the participation exemption pursuant to Article 13 of the Corporate Income Tax Act 1969 (Wet op de vennootschapsbelasting 1969) is entitled to an exemption from dividend tax. The participation exemption normally applies if a Dutch resident entity which is subject to corporate income tax at the ordinary rates holds an interest of at least 5% of the nominal paid-up share capital of the company. Under specific circumstances the participation exemption can also apply to interests of less than 5%.

If the ordinary shares or ADSs are held by an entity, which resides, or is deemed to reside, in the Netherlands, the income derived from the ordinary shares or ADSs is in principle subject to Dutch corporate income tax at the ordinary rates.

An entity subject to Dutch corporate income tax will not be subject to corporate income tax on income derived from the ordinary shares or ADSs if the participation exemption pursuant to Article 13 of the Corporate Income Tax Act 1969 applies with respect to the shareholding in the company.

If the ordinary shares are attributable to a permanent establishment or permanent representative in the Netherlands of a non-resident resident entity, the income distributed by the company will, in principle, be subject to corporate income tax at the rate of 34.5% (31.5% as of 1 January 2005), unless the participation exemption of Article 13 of the Corporate Income Tax Act 1969 applies with respect to the shareholding in the company. Any dividend tax withheld can generally be set off

against the Dutch corporate income tax due on this income, provided the recipient is the beneficial owner of the dividend.

The State has concluded tax treaties with Canada, the United States, Switzerland, Japan, all EU member states, Norway and a number of other countries. Most tax treaties concluded by the State provide for a reduced dividend withholding tax rate of 15% for portfolio investment.

If the shares are not attributable to a Netherlands permanent establishment or a permanent representative, dividends paid to non-resident entities which are shareholders of the company are in principle not subject to Dutch tax (other than the dividend tax mentioned above), unless the non-resident shareholder holds a substantial interest in the company and the substantial interest does not form part of the business assets of an enterprise of the shareholder. The right of the Netherlands to tax the dividends may be restricted under specific provisions of applicable tax treaties.

Personal income tax and corporate income tax on capital gains

RESIDENTS OF THE NETHERLANDS

In principle, capital gains derived from the sale of the ordinary shares or ADSs by an individual shareholder who resides, or is deemed to reside, in the Netherlands are not subject to Dutch personal income tax provided the ordinary shares or ADSs do not form part of a substantial interest or cannot be attributed to the enterprise of that individual. Capital gains realised on the disposal of ordinary shares or ADSs that form part of a substantial interest of an individual are subject to tax in Box II at the special 25% rate. If the ordinary shares or ADSs form part of the business assets of an enterprise carried on, in whole or in part, for the account of an individual, the capital gain is subject to personal income tax at the ordinary progressive rates of Box I, currently up to 52%.

If the ordinary shares or ADSs are held by a Dutch resident entity, any capital gains derived from the sale of the ordinary shares or ADSs are subject to corporate income tax at 34.5% (31.5% as of 1 January 2005), unless the shareholding in the company qualifies for the participation exemption of Article 13 of the Corporate Income Tax Act 1969.

NON-RESIDENTS OF THE NETHERLANDS

Capital gains realised by non-resident individuals who, or non-resident entities which, are shareholders of the company are in principle not subject to Dutch personal income tax or Dutch corporate income tax, provided these shareholders:

- do not hold a substantial interest in the company, or
- do not conduct a business, trade or other taxable activities, in whole or in part, through a permanent establishment or permanent representative in the Netherlands to which or to whom the ordinary shares or ADSs are attributable.

If the ordinary shares or ADSs form part of a substantial interest, the capital gain on the disposal of the ordinary shares or ADSs is, in principle, subject to tax at a rate of 25% for individuals or 34.5% (31.5% as of 1 January 2005) for entities, unless the substantial interest forms part of the business assets of an enterprise of the shareholder.

The right of the Netherlands to tax the capital gain may be restricted under specific provisions of applicable tax treaties.

Gift, estate or inheritance tax in the Netherlands

Gift tax, estate and inheritance tax is due in the Netherlands with respect to the gift or inheritance of the ordinary shares or ADSs if the donor or deceased who owned the shares:

- is or was a resident or is or was deemed to be a resident in the Netherlands, or
- has or had an enterprise or an interest in an enterprise, other than as shareholder, which in its entirety or in part carries, or carried on business in the Netherlands through a permanent establishment or permanent representative to which or to whom the ordinary shares or ADSs are or were attributable.

No gift, estate or inheritance tax arises in the Netherlands on a gift of the ordinary shares or ADSs by, or on the death of, a holder of the ordinary shares or ADSs who at the moment the gift is made is neither a resident nor deemed to be a resident of the Netherlands, provided that:

- such holder does not die within 180 days after having made a gift, while being on the moment of his death a resident or deemed resident of the Netherlands, and
- the ordinary shares or ADSs are not attributable to an enterprise which in its entirety or in part is carried on through a permanent establishment or a permanent representative in the Netherlands and which enterprise the donor or the deceased owned, or in which enterprise the donor or the deceased owned an interest, other than as a shareholder.

If the donor or the deceased is an individual who holds the Dutch nationality, he will be deemed to be resident in The Netherlands for purposes of Dutch gift and inheritance taxes if he has been resident in The Netherlands at any time during the ten years preceding the date of the gift or his death. If the donor is an individual who does not hold Netherlands nationality, or an entity, he or it will be deemed to be resident in The Netherlands for purposes of Netherlands gift tax if he or it has been resident in The Netherlands at any time during the twelve months preceding the date of the gift.

Furthermore, in exceptional circumstances, the donor or the deceased will be deemed to be resident in The Netherlands for purposes of Dutch gift and inheritance taxes if the beneficiary of the gift, or all beneficiaries under the estate jointly, as the case may be, make an election to that effect.

UNITED STATES TAXATION

The following is a summary of certain United States Federal income tax consequences of the purchase, ownership, and disposition of ordinary shares as evidenced by ADSs. This summary does not purport to be a complete analysis of all potential United States Federal income tax consequences of the purchase, ownership and disposal of ordinary shares or ADSs.

For purposes of this discussion, a “US holder” means an individual, citizen or resident of the United States for United States Federal income tax purposes, a corporation, a partnership or other entity created or organised under the laws of the United

States or any state thereof or the District of Columbia, or an estate or trust which is resident in the United States for United States Federal income tax purposes, in each case who

- is not also resident of, or ordinarily resident in the Netherlands for Dutch tax purposes,
- is not engaged in a trade or business in the Netherlands through a permanent establishment, and
- does not own, directly, indirectly or by attribution, 10% or more of the Shares of TPG (by vote or value).

This summary is of a general nature only and does not discuss all aspects of the United States and Dutch taxation that may be relevant to a particular investor. The summary deals only with ADSs held by US holders as capital assets and does not address special classes of purchasers, such as dealers in securities, a trader in securities that elects to use a mark-to-market method of accounting for its securities holdings, a person that holds ordinary shares or ADSs as part of a straddle or a hedging or conversion transaction or as part of a “synthetic security” or other integrated transaction for US federal income tax purposes, US holders whose functional currency is not the United States dollar and certain US holders (including, but not limited to, insurance companies, tax-exempt organisations, financial institutions and persons subject to the alternative minimum tax) who may be subject to special rules. If a partnership holds shares or ADSs, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership.

Owners of ADSs are urged to consult their tax advisors with respect to the tax consequences to them of the ownership and disposition of such shares in light of their particular circumstances, including the tax consequences under state, local, foreign and other tax laws, and the possible effects of changes in United States Federal or other tax laws.

In addition, this summary is based, in part, upon representations made by the depositary to us and assumes that the Deposit Agreement, and all other related agreements, will be performed in accordance with its terms. The United States Treasury Department has expressed concern that depositaries for ADSs, or other intermediaries between the holders of shares of an issuer and the issuer, may be taking actions that are inconsistent with the claiming of United States foreign tax credits by United States Holders of such receipts or shares. Accordingly, the analysis regarding the availability of a United States foreign tax credit for Dutch taxes and sourcing rules described below could be affected by ongoing and future actions that may be taken by the United States Treasury Department and/or the Internal Revenue Service.

For purposes of tax treaties and the US Internal Revenue Code of 1986, US holders that own ADSs will be treated as owning ordinary shares.

Under the 1992 Treaty, the company will generally not be subject to United States Federal income tax unless it engages in a trade or business in the United States through a permanent establishment. The company currently operates in the United States through various US subsidiaries. The company intends to conduct its business activities in a manner that will not result

in its being considered to be engaged in a trade or business or to have a permanent establishment in the United States, even though its subsidiaries are United States taxpayers.

Taxation of dividends

To the extent paid out of current or accumulated earnings and profits of the company, as determined under US Federal income tax principles (“E&P”), a distribution made with respect to ordinary shares or ADSs (including the amount of any Treaty payment, and any Dutch Withholding Tax (both as defined below)) will be includable for US Federal income tax purposes in the income of a US holder as ordinary income on the day received by the US holder, in the case of ordinary shares, or on the day received by the Depositary, in the case of ADSs and will be treated as foreign source dividend income. Distributions in excess of current and accumulated E&P of the company, will be treated as a non-taxable return of capital to the extent of the US Holder’s adjusted tax basis in the ordinary shares or ADSs and thereafter as taxable capital gain. The company has not historically maintained calculations of earnings and profits under United States federal income tax principles, although it may be required to do so in the future.

Any such dividend paid in euros will be included in the gross income of a US holder in an amount equal to the US dollar value of the euros on the date of receipt, which in the case of ADSs, is the date they are received by the depositary. If dividends received in euro are converted into US dollars on the day they are received by the depositary, the US holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

Under recently enacted tax legislation, if you are a non-corporate US holder, certain dividends paid to you on ADSs in taxable years beginning after 31 December 2002 and before 1 January 2009 will be taxable to you at the rate applicable to long-term capital gains (generally at a maximum rate of 15%). This reduced income tax rate is only applicable to dividends paid by “qualified corporations” and only with respect to shares held by a qualified US holder (i.e., an individual) for a minimum holding period (generally, 61 days during the 120-day period beginning 60 days before the ex-dividend date). Our company should be considered a qualified corporation under the new US tax legislation. Accordingly, dividends paid by us to individual US holders on shares held for the minimum holding period may be eligible for a reduced income tax rate. The reduced income tax rate is not applicable to dividends paid by a company that is a passive foreign investment company for the corporation’s taxable year in which the dividend is paid for the preceding year. Under the new US tax legislation, the reduced tax rate for qualified dividends is scheduled to expire on 31 December 2008, unless further extended by Congress. Each prospective investor should consult its own tax advisor regarding the implications of the new legislation. In the case of a corporate US holder, dividends on shares and ADSs are taxed as ordinary income and will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations.

Dividends paid will generally be subject to a withholding tax of 25% and will generally be eligible for a foreign tax credit. This amount may be reduced under the 1992 Treaty and is referred to above under “Dutch Taxation — Dutch tax on Dividends”.

If the US holder is a United States partnership, trust or estate, the foreign tax credit will be available only to the extent that the income derived by such partnership, trust or estate is subject to US tax either as the income of a US resident in its hands or in the hands of its partners or beneficiaries, as the case may be. The withholding tax may, subject to certain limitations, be offset against United States Federal taxes on foreign source income by filing Form 1116 (or Form 1118 for corporations) “Foreign Tax Credit” with the Federal income tax return. Form 1116 can be obtained by calling 1-800-TAX FORM. This tax credit will normally reduce the United States tax liability on the dividend. A US holder of ADSs or ordinary shares nonetheless will not be entitled to claim the tax credit for withholding taxes if the holding of ADSs or ordinary shares:

- is effectively connected with a permanent establishment situated in the Netherlands through which the holder carries on business in the Netherlands, or
- is effectively connected with a fixed base in the Netherlands from which the holder performs independent personal services.

Further, special rules apply if the holder:

- owns at least 10% of the ordinary shares of the company (or, in the case of a holder that is a United States corporation, controls, alone or with one or more associated corporations, at least 10% of the voting stock of the company), or
- is exempt from tax in the United States on dividends paid by the company.

A US holder may elect annually either to deduct the Dutch withholding tax (see “Dutch Taxation”) from its income or take the withholding taxes as a credit against its US Federal income tax liability, subject to US foreign tax credit limitation rules.

If and to the extent that we pay a dividend on the common shares or ADSs out of dividend income from our non-Dutch subsidiaries and are therefore entitled to a credit for Dutch tax purposes for foreign taxes attributable to such dividend income from non-Dutch subsidiaries, there is a risk that the United States Internal Revenue Service might take the position that our allowable credit for Dutch tax purposes constitutes a partial subsidy of our withholding tax obligation and that, therefore, a United States Holder would not be entitled to a foreign tax credit with respect to the amount so allowed. However, this Dutch tax credit is available only to us and does not reduce the amount of withholding tax applied against the dividends paid by us. We believe that such a position would not be correct because such Dutch credit is based primarily on the net dividend received and the United States Holder does not receive any benefit from such Dutch tax credit available to us.

Taxation of capital gains

In general, a US holder who is a resident of the United States for purposes of the Treaty and who is entitled to benefits of the 1992 Treaty under the limitations on benefits provision contained therein will not be subject to Dutch taxation on any gain derived from the sale or exchange of ADSs, except in certain instances where the US holder maintains a permanent establishment or fixed base in the Netherlands. A United States resident holder of ADSs or ordinary shares generally will be liable for United States Federal income tax on such gains to the same extent as on any other gains from sales of stock.

For US tax purposes, US holders will generally recognise gain or loss upon the sale or exchange of ADSs equal to the difference between the amount realised from the sale or exchange of the ADSs and the US holder's basis in such ADSs. In general, such gain or loss will be US source capital gain or loss. In the case of individual US holders, capital gains are subject to US Federal income tax at preferential rates if specified minimum holding periods are met and if such shares are held as a capital asset. If held for more than one year, such gain or loss will generally be long-term capital gain or loss. Long-term capital gain of a non-corporate US holder that is recognised on or after 6 May 2003 and before 1 January 2009 is generally taxed at a maximum rate of 15%.

Subject to the discussion below under "Passive foreign investment company considerations", a US holder will be liable for United States Federal income tax on gains from sales or dispositions of ADSs or ordinary shares to the same extent as on any other gains from sales or dispositions of shares.

Passive foreign investment company considerations

In general, a foreign corporation is a passive foreign investment ("PFIC") if either 75% of its gross income for a year is "passive income" or 50% of its assets during the year produce or are held for the production of "passive income". Based on the manner in which the company currently operates its business, the company does not believe that it is currently a PFIC for US Federal income tax purposes. However, the company can give no assurances that it will not at some time in the future become a PFIC. If the company were classified as a PFIC for any taxable year during which a US holder held an ADS or ordinary share, certain adverse tax consequences could apply to the US holder. A prospective purchaser of the company's ADSs should consult with their tax advisor regarding the application of the PFIC rules to their ownership of an ADS or ordinary share.

US information reporting and backup withholding

Generally, the amount of dividends paid to US holders of ADSs, the name and address of the recipient and the amount, if any, of tax withheld must be reported annually to the US Internal Revenue Service. A similar report is sent to the US holder.

A holder of ordinary shares or ADSs may be subject to United States backup withholding tax, unless such holder:

- is a corporation or other exempt recipient and, if required, demonstrates its status as such, or
- provides a United States taxpayer identification number, certifies as to no loss of exemption from backup withholding and otherwise complies with any applicable backup

withholding requirements. Holders who fail to furnish certain identifying information under the United States information reporting rules will be subject to backup withholding. Amounts withheld from payments will be allowed as a credit against such US holder's United States Federal income tax liability.

Backup withholding is not an additional tax and may be claimed as a credit against the US Federal income tax liability of a US holder or refunded, provided that the required information is furnished to the US Internal Revenue Service. The backup withholding is currently 28% but this rate is subject to change.

Persons required to establish their exempt status generally must provide such certification on IRS Form W-9 (Request for Taxpayer Identification Number and Certification) in the case of US persons and on IRS Form W-8 (Certificate of Foreign Status) in the case of non-US persons. Holders of ordinary shares should consult their tax advisors regarding the application of the information reporting and backup withholding rules, including the finalised Treasury regulations.

United States gift and estate tax

An individual US holder will be subject to United States gift and estate taxes with respect to the ADSs in the same manner and to the same extent as with respect to other types of personal property.