
ORANGE

ON THE

INSIDE

This annual overview includes a summary of the information presented in the official 2005 annual report of TNT N.V. (TNT). A Dutch translation of this document is also available. Information contained in this overview and the annual report can also be found

on our website at group.tnt.com. For additional copies of the annual report, e-mail a request to annualreport@tnt.com, fax a request to +31 26 319 5221 or send a request to TNT Investor Relations.

2005 IN BRIEF

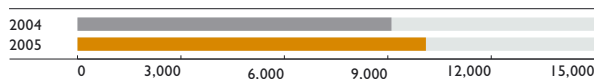
04 January	TNT supports disaster relief efforts in Asia
05 January	TNT completes repurchase of 20.7 million shares from the State of the Netherlands
10 March	ABN AMRO Bank N.V., BNP Paribas, HSBC Bank plc and The Royal Bank of Scotland plc (the Mandated Lead Arrangers and Bookrunners) complete €1 billion Multicurrency Revolving Credit Facility for TNT N.V.
30 June	Wilson Logistics re-brands into TNT Freight Management
15 July	TNT acquires print and mailing house Euro Mail B.V.
18 July	Digital billing via internet banking on horizon
15 August	TNT Express adds five new routes to Middle East Road Network
08 September	TNT industry leader in Dow Jones Sustainability Index

13 September	TNT to work together with Dutch ministry on piloting soot filters
19 September	TNT and CFO agree on departure
22 September	Independent tax investigations initiated
31 October	Japan Post and TNT join forces
31 October	TNT links China to Europe with two Boeing 747-400ERFs
14 November	TNT and Cosco enter strategic partnership to jointly develop China and Asia Pacific logistics business
6 December	TNT announces refined strategy <ul style="list-style-type: none"> • focus on networks, • sale of all non-network logistics activities, • €1 billion share buy back programme.
6 December	TNT announces the acquisition of TG+ in Spain and the intended acquisition of Hoau in China

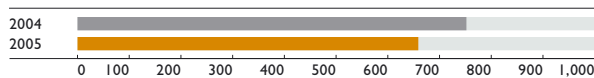
TNT AT A GLANCE

Financial dashboard¹

Revenues (€ million)



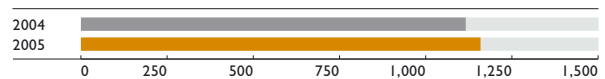
Profit for the shareholders (€ million)



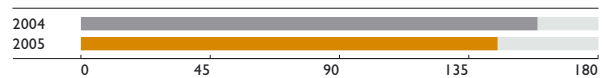
Operating margin (%)



Operating income (€ million)



Earnings per diluted share (€ cents)



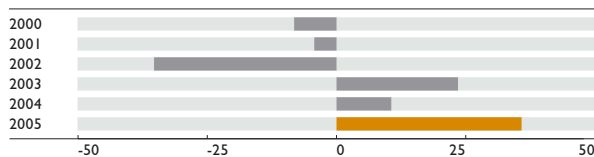
Cash from operating activities (€ million)



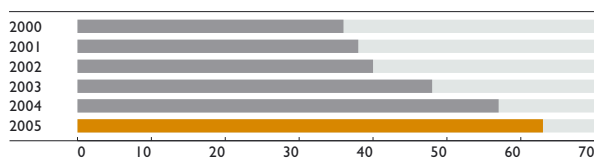
¹ Excluding discontinued Logistics business.

Information for shareholders

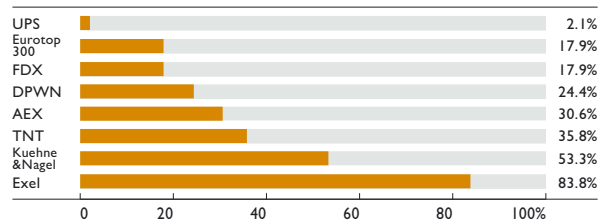
TNT shareholder return 2000-2005 (%)



Dividend per share (€ cents)



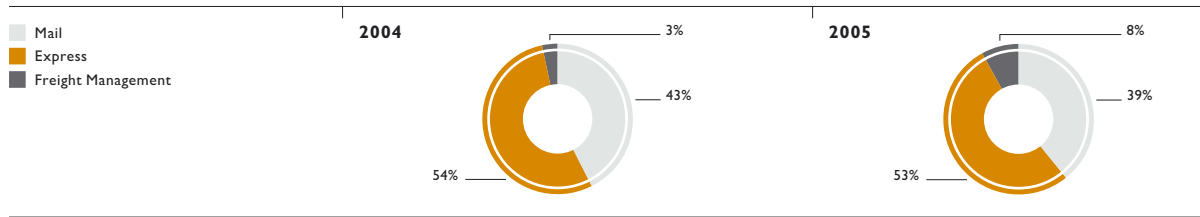
Total shareholder returns in 2005



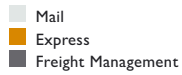
Source: Bloomberg Professional (own currency based)

On 12 December 2005 Exel was taken over by Deutsche Post World Net.

DIVISION OF REVENUES PER REPORTABLE SEGMENT



TNT AROUND THE WORLD

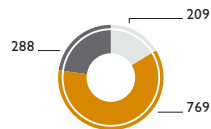


USA and Canada

Net sales (total €135 million)



Employees (total 1,266)

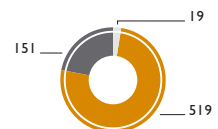


South and Middle America

Net sales (total €86 million)



Employees (total 689)

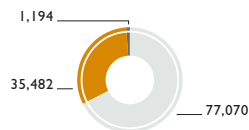


Europe and the Russian Federation

Net sales (total €8,730 million)

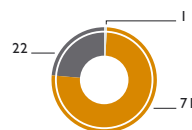


Employees (total 113,746)

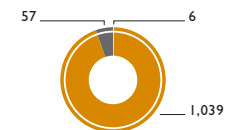


Africa and the Middle East

Net sales (total €94 million)



Employees (total 1,102)

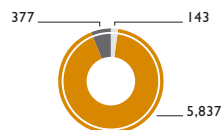


Asia

Net sales (total €522 million)

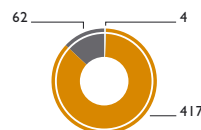


Employees (total 6,357)

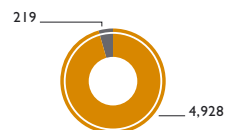


Australia and the Pacific

Net sales (total €483 million)



Employees (total 5,147)



LETTER FROM THE CEO

Strategy refinement:

- focus on networks,
- sale of logistics, and
- €1 billion share buy back programme.



Board of Management, from left to right: Jan Haars, Dave Kulik, Peter Bakker, Harry Koorstra and Marie-Christine Lombard

Dear shareholders,

Last year – 2005 - was an important year for TNT. Following a strategic review that started end 2004, we decided to focus on what we do better than anyone else: expertly managing transportation networks for providing delivery services. This focus on networks is founded on three fundamental pillars:

- a network-based business is attractive intrinsically because greater volume leads to lower costs and service enhancements for our customers,
- we at TNT have a superior network performance based on strong management capabilities, the best network infrastructure in Europe and an intense focus on customer service, and
- we at TNT will be in the position to leverage our portfolio of Mail and Express networks to take advantage of the increasing numbers of customers who are using multiple products.

We believe that this focus will result in faster growth and a higher yield for our shareholders. The refined strategy we announced in December 2005 means we move forward as a Mail and Express company, with company-owned operations in 60 countries around the world and activities in more than 200 countries. It also means we will exit the logistics business. As the first mail company to roll out mail networks abroad and the first express operator to establish an integrated road and air network in Europe, we have established a firm track record of being first movers in setting up delivery networks. Our networks provide unrivalled service quality to our customers, and have provided industry-leading profit margins for our shareholders. Our focus strategy will make us build on that track record to strive to become the first pan-European mail company. After becoming the number one express company in Europe, in the next few years we will focus on achieving the same in key emerging markets, like Brazil, Russia, India and China.

In our mission statement, we mention four main groups of stakeholders: customers, employees, shareholders and the world. We structure our annual review by looking at what we were able to do for these groups.

Our Customers

As for any company, TNT's success lies first and foremost in the satisfaction of our clients. That is why we started our first global customer satisfaction survey in 2005, involving a random sample of customers from each of our operations. The results of this satisfaction survey show that 89% of our customers were satisfied. At the same time, the average number of our loyal, active weekly trading customers increased by more than 100,000. The bulk of this increase was in Express, where work continues to make customer care a key selling point. In a move from a customer-focused to a customer-centric approach, TNT Express focuses on delighting its customers, because this will lead to doing more business with current customers as well as being more often recommended by them to other potential customers.

Our TNT Mail networks in the United Kingdom and Germany gained important new customers as well. We achieved high revenue growth in these areas in 2005, for the second year more than compensating for a drop in domestic mail volume in the Netherlands. Customers are clearly appreciating an alternative to the national mail operator services in these countries. TNT Mail now has operations and is growing in five other European countries, positioning us effectively on the road towards our strategic objective of becoming the first pan-European mail company.

In 2005, we started a re-branding process, bringing our entire company under the banner of the TNT brand. As our Mail division's activities continue to expand in Europe, this single brand will generate marketing synergies as well as an unequivocal face towards our clients.

We remain committed to increasing the value and service options we offer our customers. Last year we expanded our express road networks in Eastern Europe, the Middle East and China, while launching a new road network in South-east Asia. We are also preparing to add two Boeing 747s to our air fleet in 2006 and 2007, which will connect our European and Chinese networks.

Our new focus on network management has led us to the planned sale of our contract logistics activities before the end of 2006, excluding our Freight Management and Innight operations, which remain with TNT. In conformity with the new IFRS accounting standards we have adopted for this annual report, this decision means that we report on non-network Logistics as "discontinued operations". We will do everything we can to prevent the sale from having negative consequences for our customers. We will continue to serve them well, and we are sure that they will benefit from working with a company with logistics as its core business once the sale is completed, which we expect to take place before the end of 2006.

Our Employees

The title of this year's annual report is Orange on the inside. We have researched the unique characteristics of the TNT brand, talking

to customers, suppliers and employees, and we found a personality grouped around the qualities of *can-do*, *in-touch* and *ordinary people*. The employees portrayed in this annual report have all in some way demonstrated these characteristics and all have a story that tells how they, like thousands of their colleagues around the world, live the TNT brand personally. It flows through their veins. In short, they are truly "orange on the inside".

The satisfaction of our customers is achieved through the dedication of our employees, by their willingness and ability to go the extra mile and to do whatever is necessary to exceed our customers' expectations. We consider this so important that we have tied the engagement of our employees into our senior management's remuneration scheme. We will be starting a global engagement study in 2006.

In all likelihood, this year will also be the year in which we say farewell to 37,000 Logistics colleagues. We owe them sincere thanks, as they have helped to make this company what it is. For myself and on behalf of all their TNT Mail and Express colleagues, I would like to express our profound appreciation for their contribution and wish them all the best in the future.

Our shareholders

Last year was also eventful from our shareholders' point of view. In January, we completed the repurchasing of 13.1 million ordinary shares from the State of the Netherlands. The subsequent sale in July of another 43.4 million shares by the State reduced its shareholding in TNT to some 10%.

In the summer, it became clear that the performance of our French Logistics business had again deteriorated. We announced the intended sale of all our non-contract logistics activities in France at the time of the publication of our half-year results. This sale was recently completed. More than 95% of the employees involved have retained their jobs with that business after the sale.

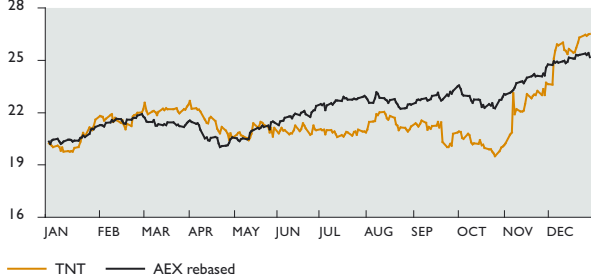
In September, our Supervisory Board Audit Committee took the lead in our tax investigations analyses. All these investigations placed an enormous burden on our company, its management and our Supervisory Board. We are pleased that the integrity investigations are concluded and that the integrity of present or past members of our Board of Management and current senior staff, reporting to our Board of Management, is not in doubt.

In this annual report, we provide clear disclosure of the risks to which our company could be exposed as a result of a range of tax matters. Currently we have concluded no liability exists beyond what we had already accrued for. Also no assessment by any tax authority related to the matter under investigation has been received. A contingent liability of between €150 and €550 million has been disclosed as part of our annual accounts. It has taken a great deal of time to analyse these issues, and their complexity prevented us from estimating their potential impact as soon as we would have liked.

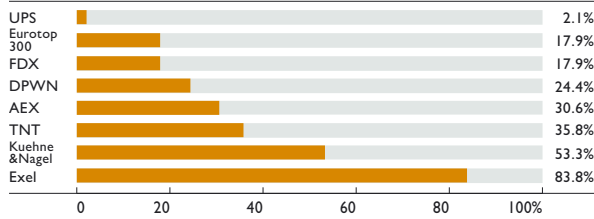
We publicised our refined focus strategy in December. I have already discussed the operational consequences of this refined strategy, but the €1 billion share buy-back programme we announced at the same

time is likely to be of special interest to our shareholders. We will continue to look for the best capital structure and our aim is to offer attractive returns to our shareholders. The refined strategy was well received by the financial market, as demonstrated by the 36% increase in our share price at year-end. This means that over the course of 2005, TNT's total shareholder return was up 35.8% from the previous year, well over the AEX average.

Our relative performance to the Euronext Amsterdam (AEX) at closing prices during 2005 (AEX index rebased to our company).



Total shareholder returns in 2005



Source: Bloomberg Professional (own currency based)

On 12 December 2005 Exel was taken over by Deutsche Post World Net

In 2006 we will also focus on becoming fully Sarbanes-Oxley 404 compliant in 2006. While implementing this set of strict governance rules is far from routine, it will enable us to document and prove our governance is in order.

Our world

You will have noticed our firm conviction that we do not exist just to generate profits and benefit our customers, employees and shareholders. We also wish to operate responsibly in the world in which we live. When we reviewed the results of our stakeholder dialogues, it was clear that one of the key concerns regarding TNT lies in the impact our activities have on the environment. This has led us to launch a new initiative, *Driving Clean*, through which we intend to reduce the harmful emissions of our vehicles. We are currently investigating the possibility of retrofitting our current fleet with soot filters, while in the future we intend to only purchase vehicles that conform with Euro 5, years before this environmental standard becomes a legal requirement in 2009.

In September, our efforts in social responsibility led to TNT's entering the Dow Jones Sustainability Index. We were proud to see that in our first year in this index, which lists the best performing sustainability oriented companies in each industry, we were ranked as industry leader. This is a fine basis and offers encouragement for

further improving our social responsibility performance. We are also proud to publish our second social responsibility report on the same day as our annual report.

We completed a third successful year with our partnership with the United Nation World Food Programme (WFP). Our experience with disaster logistics, developed over the years through our work with WFP, enabled us to react quickly when the tsunami struck Asia end-2004 and continuing well into 2005. Our first people were on-scene in the worst-hit area Banda Aceh within a matter of days. In the end, we were involved in relief operations in ten disaster-struck countries. We were also able to offer assistance in the aftermath of the earthquake in Pakistan.

Looking forward

As we go forward as a Mail and Express company, our focus will be to leverage our skills in managing delivery networks. In December 2005, we revised TNT Mail's (European Mail Networks) long-term growth target to €1.7 billion at a 10% margin by 2012, and our mid-term growth expectation for TNT Express to 10 to 15% annually. We will do everything we can to meet these goals, together with optimising our capital structure.

On behalf of the Board of Management, I would like to thank all our stakeholders, customers, employees and shareholders for their ongoing support.

Kind regards,

Peter Bakker, CEO

MISSION AND STRATEGY

Our mission is to exceed customers' expectations in the transfer of their goods and documents around the world. We seek to deliver value to our customers by providing the most reliable and efficient solutions in distribution and network management. We seek to lead the industry by:

- instilling pride in our people,
- creating value for our shareholders, and
- sharing responsibility for our world.

In December 2005, we announced a refined strategy to focus on what we do best: providing delivery services by expertly managing delivery networks. This refined strategy is focused and decisive; we believe it contains manageable execution risks and is based on our core strength. The objective is to achieve profitable growth. Three key elements guide the way forward:

- focus on our core capability: providing delivery services by expertly managing a portfolio of networks, in particular delivery networks, in mail (both in the Netherlands and a number of other core European markets), express, and network logistics in Europe and Asia, where we believe our competitive advantage can be sustained and enhanced, and shareholder value can be created. We aim to accelerate growth in the networks organically as well as through selected acquisitions. In addition to our home market in Europe, further growth is targeted from Asia via development of a cross-border road network in South-east Asia and expansion of domestic road networks in China and India. In the future, we intend to expand the strategy by developing a European standard parcels service offering,
- exit most of our logistics activities, as these do not fit with our core capability of managing networks. Logistics characteristics are quite different from the network businesses of express and mail. Contract logistics is a business that demands high project management skills for each contract, rather than for the business as a whole. Solutions are generally unique to each customer. Over the last few years, margins in the contract logistics industry have continued to decline. Creating a sustainable competitive cost advantage is not easy. Given that TNT has not yet been able to reach the break-even point relative to the cost of capital, we intend to exit the largest part of the logistics division (non-network logistics, accounting for €3.6 billion of revenues in 2005). We plan to retain the network logistics businesses, consisting of freight management and innight services, and to integrate them into the express division, and
- our strong and predictable cash flow from the network strategy should allow us to optimise our capital structure whilst maintaining sufficient headroom for future growth opportunities. The long term capital strategy is to maintain our investment grade credit rating. As a result we are executing an open-market €1 billion share buy back programme (amounting to approximately 42.6 million shares) announced and started on 6 December 2005 and, subject to unforeseen events, we have the intention to use the cash proceeds from the sale of our discontinued logistics operations to make further share repurchases, pay dividends or invest in compelling value creating opportunities.

Based on our refined strategy we will now manage our business through two divisions: Mail and Express, with the Express division including both our Express and our Freight Management businesses. The parts of our former Logistics division that we intend to exit are reported as discontinued operations/assets held for sale. Optimisation of our organisation will be considered during 2006.

REBRANDING

To highlight the increasing internationalisation of our company, we changed the statutory name of our company to TNT N.V. On 7 April 2005, our annual general meeting of shareholders approved this change, and the name change came into effect on 11 April 2005. We intend to operate globally under the TNT brand for all our activities in the course of 2006. Operating under one brand increases the recognition of our group worldwide and allows for more efficient communication on the services we provide.

In the Netherlands, we currently offer our postal services mainly under the brand TPG Post. We recently started changing this to TNT Post. Royal TPG Post B.V. will officially change its name to Royal TNT Post B.V. in the autumn of 2006. We have been granted the right to affix the designation "Royal" to our subsidiary TNT Post B.V. after the name change. We presently offer postal services in eight European countries, partly under the name TNT. Starting in 2006, all our international postal activities will be rebranded to TNT. The change of our name is being accompanied by a change of colour to orange for the remainder of the group.

OUR COMMITMENT TO COMMUNITY

Governance

We are committed to good corporate governance. We have embraced the spirit of corporate governance reform, which resulted in our ranking as the company with the best compliance with the Dutch corporate governance code according to the Dutch Investor's Association (VEB) on 9 December 2005. We have procedures and policies covering whistleblowing, auditor independence and U.S. Sarbanes-Oxley Act of 2002 (the Sarbanes-Oxley Act) compliance, under the supervision of our audit committee.

Social and environmental impact

We strive to improve the social and environmental impact of our business on communities around the world. We aspire to help people realise their potential and to meet the needs of the current generation, without producing a poorer world for future generations.

Corporate philanthropy

We have established a strategic partnership with the United Nations World Food Programme (WFP), in which we share resources and know-how in the fight against hunger.

Environment

We are committed to protecting the environment. This includes promoting the reduction of emissions through efficient route planning, the use of cleaner alternative fuels and the replacement of road vehicles and aircraft by cleaner versions. In 2005, we again increased the coverage of ISO 14001 certified environmental

management systems and entered the Dow Jones Sustainability Index as leader of the industrial transportation industry. We report our progress in our annual corporate social responsibility report, which can be viewed on our website, group.tnt.com.

Reputation

We seek to maintain transparency. This was recognised in 2004 by TNT winning the prestigious Henri Sijthoff prize for the best annual report in the Netherlands. We also won the award for the best

corporate website, issued by the Dutch leading financial newspaper in 2004. Our 2004 annual report furthermore ranked 9th in the yearly global annual report ranking as prepared by e.com and was voted one of the best edited and designed Dutch annual reports by the Graphic Culture Foundation. According to webranking 2005, published by the Financial Times, the TNT website ranked as best corporate website in Europe in 2005. Furthermore, we ranked first in our sector for investor relations in the 2005 Thomson Extel pan-European survey.

As of and for the year ended at 31 December

GROUP FINANCIAL REVIEW

	2005		2004 ¹
	US\$	€	€
Segmental operating revenues ²			
Mail	4,718	3,984	3,892
Express	6,317	5,334	4,923
Freight management	934	789	279
Non-allocated and intercompany	(2)	(2)	12
Total operating revenues ³	11,967	10,105	9,106
Depreciation, amortisation and impairments	379	320	303
Total operating income	1,372	1,159	1,116
as % of total operating revenues	11.5	11.5	12.3
Profit/(loss) from discontinued operations	(131)	(111)	31
Profit attributable to the shareholders	780	659	752
Capital expenditure on property, plant and equipment	276	233	225

(in € millions, except percentages) (table copied from our 2005 annual report and form 20F)

¹ Comparative figures have been adjusted to reflect the transfer of Innight services from our discontinued Logistics business to Express in 2005.

² For Net sales by geographic area see note 33 to our consolidated financial statements.

³ Includes net sales and other operating revenues. See note 16 and 17 to our consolidated financial statements.

In 2005, we had total operating revenues of €10,105 million. Our Mail division accounted for 39.4% of our group operating revenues and 67.0% of our group operating income. Our Express division consists of two segments: Express and Freight Management. The

Express business accounted for 52.8% of our group operating revenues and 40.9% of our group operating income and the Freight Management business accounted for 7.8% of our group operating revenues and 0.9% of our group operating income.

Year ended at 31 December

Operating revenues by segment	2005		variance %	2004 ¹
	US\$	€		€
Mail	4,718	3,984	2.4	3,892
Express	6,317	5,334	8.3	4,923
Freight management	934	789	182.8	279
Non-allocated and intercompany	(2)	(2)	(116.7)	12
Total operating revenues	11,967	10,105	11.0	9,106

(in millions, except percentages) (table copied from our 2005 annual report and form 20F)

¹ Comparative figures have been adjusted to reflect the transfer of Innight services from our discontinued Logistics business to Express in 2005.

Year ended at 31 December

Operating income by segment	2005		variance %	2004 ¹
	US\$	€		€
Mail	920	777	(3.6)	806
Express	561	474	26.4	375
Freight management	13	11		6
Non-allocated	(122)	(103)	(45.1)	(71)
Total operating income	1,372	1,159	3.9	1,116

(in millions, except percentages) (table copied from our 2005 annual report and form 20F)

¹ Comparative figures have been adjusted to reflect the transfer of Innight services from our discontinued Logistics business to Express in 2005.

GROUP OVERVIEW

Total operating revenues increased by 11.0% in 2005 compared to 2004. Operating income increased by 3.9%, mainly due to an increase in our Express business.

In our Mail business, operating revenues increased by 2.4% in 2005, mainly due to substantial addressed volume growth in European Mail Networks, partly offset by the continued decrease in addressed Mail Netherlands volumes (-3.1%). These volumes continued to decline resulting from competition and substitution. Our Mail business in the Netherlands is focused on service quality and margin to defend its market position. Operating income of our Mail business decreased by 3.6%. This decrease is mainly due to a structural cost increase in salaries and social security contributions in Mail Netherlands, partly offset by continued progress in improving productivity and cost control in Mail Netherlands and expansion of European Mail Networks.

Our Express business achieved 8.3% higher operating revenues compared to 2004, mainly due to continued growth in its international businesses. Express operating income increased by 26.4%, primarily due to good volume growth, particularly in the international business across all customer segments, good cost control, including increased utilisation of the European networks, and continued yield improvements.

The operating revenues and operating income of our Freight Management business for 2005 regard the full year and are therefore not comparable to 2004, which only includes the financial results realised after the date of the acquisition of the Freight Management business in August 2004. Our Freight Management operating revenues grew in all regions. Growth in air and ocean volumes contributed positively to operating revenues.

MAIL

In 2005, our Mail business earned revenues of €3,984 million, a 2.4% increase compared to 2004. Mail accounted for 39.4% of our group operating revenues and 67.0% of our group operating income.

In 2005, through our Mail Netherlands business line, we delivered on average approximately 17 million addressed postal items per day, six days a week, to approximately 7.6 million households and businesses, and collected, sorted and delivered approximately 5.1 billion addressed items of mail (excluding inbound international items).

The actual volume decline was 3.1% in 2005 compared to 2004. The underlying decline of volumes adjusted for a comparable number of working days per year was 2.0%. There has been an average annual decline of 1.8% since 2000. The decline was due in part to substitution of electronic media, accelerated by competition. We expect a further decline in addressed mail over the next few years due to the increasing use of electronic mail, electronic bill presentment, reduced frequency of bank statements, competition and other factors.

We have maintained our profitability because of our customer focus and a set of cost restructuring measures that are being implemented with great rigour. Through our customer focus we are able to illustrate the effectiveness of post as a communications medium, realise optimal total chain costs for our customers, develop new innovative services and realise high service quality standards. The ability to offer data and document management services is also a competitive factor. In 2001, we formulated our cost flexibility programme with works council discussions and initial pilots aiming at €320 million of savings on an annualised basis by 2012, compared to our cost levels in 2001. In 2004, we updated this cost flexibility programme with an overhead master plan, and we now expect to achieve annualised cost savings by 2012 of approximately €370 million. In 2005, we achieved aggregate cost savings of €234 million, which was €89 million more than we realised in 2004.

In the last few years we have replaced manually arranging the mail according to street and house number with sorting machines ("sequence sorting machines") for small letter mail items, in accordance with our cost flexibility programme. The project started in 2003. The last of the 286 sequence sorting machines was rolled out in October 2005, and the project was finished in November 2005, as planned.

In 2003, we also introduced the position of mail deliverer: part-time mail deliverer positions that provide the same quality for customers at lower cost and with greater flexibility for the individual and the company. The new mail deliverer positions are particularly attractive to individuals who want to work limited hours but still have the security of a permanent position and pension. At the end of 2005, a total of approximately 7,100 new employees have joined TPG Post as part-time deliverers, and the number continues to grow. Through natural attrition, up to a total of 9,000 full-time equivalent mailman positions is expected to be replaced by part-time mail deliverer positions by the year 2012. By then an additional 5,000 mailman positions will become redundant. We believe that the cost flexibility programme will help us maintain the high quality of service our customers have come to expect, while also maintaining our margins. In 2004 a plan (as part of our existing master plans) was announced to redesign the management structure of the operational activities of our collection, sorting, transport and distribution. This new structure became effective on 1 January 2006.

European Mail Networks

Through our European Mail Networks business line, we are building a position to offer our customers a full service concept for mail, based upon high quality of service and wide coverage in addressed and unaddressed delivery. In addition, we offer a portfolio of mail-related services to reinforce our distribution activities. We have a presence now in Austria, Belgium, the Czech Republic, Germany, Italy, the Netherlands, Slovakia and the United Kingdom.

In 2005 the main focus was on expanding addressed activities in the key markets of Germany and the United Kingdom.

In Germany, one of the key mail markets in Europe, we expanded our regional distribution networks to strengthen our position in nationwide addressed delivery. We will not build a nationwide network, but we will focus on high density areas, either through greenfield operations under the brand name TNT Post Regioservice (Hamburg, Düsseldorf and Frankfurt) or via acquisitions (assets of Rheinkurier GmbH, Köln). The aim is to be active in all key areas in Germany with our own regional distribution. With this we can secure the nationwide product offering of our 71% subsidiary EP Europost AG & CO KG., which successfully gained new customers and more than doubled revenues in 2005. The geographical coverage for the distribution of letter mail is close to 90% of Germany. This has been achieved by EP Europost through partnerships with regional distribution companies, of which TNT Post Regioservice is one.

Being the second largest mail market in Europe, the United Kingdom is a key market for us. In the United Kingdom we have contracted with Royal Mail for downstream access which allows us to offer customers an alternative in the postal market. This arrangement was highly successful in 2005, as we gained many important contracts. At the same time we are setting up sorting facilities to be able to offer customers a broader portfolio of services. Our ultimate goal is to provide customers with an end-to-end solution. We intend to start pilots for that in pre-selected areas. The cooperation with the Express Dairies milkmen in the United Kingdom was terminated in the fourth quarter due to lower than expected coverage of this particular network. When entering in the UK mail market the brand name TNT gave us a first-mover advantage by reducing the time to market significantly.

EXPRESS

In 2005, our Express division earned revenues of €6,109 million. The Express division accounted for 60.6% of our group operating revenues and 41.8% of our group operating income.

In 2005, despite mixed worldwide economic conditions, including particularly weak economies in our key domestic European markets, our express business produced a strong performance driven by our international businesses, offering the right products, disciplined pricing management and an efficient sales process.

The primary factors behind our express business profit improvements in 2005 were strong international volumes supported by a more balanced customer portfolio, growth in our global accounts, continued positive revenue quality yield, improved network optimisation and careful cost management. Revenue quality yield is one of our key measures and it is calculated as (1) the average of the percentage change in revenue per consignment compared to the previous year and (2) the percentage change in revenue per kilogramme compared to the previous year. Our employees furthered our mission through strict adherence to our commercial policy, a focus on serving business-to-business customers and consistent expresswide deployment of our uniform best practice processes.

In January 2006, we completed the acquisition of TG+, which is the third largest industrial parcel operator in Spain, and which has

revenues of around €100 million. In total this network employs approximately 2,600 people (about 960 directly employed by TG+) and operates 57 depots (22 directly owned by TG+) throughout the country, which add up to approximately 135,000 square meters, with more than 900 pick-up and deliveries drivers, and a fleet of 140 linehaul trucks connecting the depot network. We believe that TG+ will expand and strengthen our domestic express business and fuel our international express business in Spain, a strategic and fifth largest market in Europe with high growth potential. At the same time, we believe TG+ will further drive growth of our leading position in the premium express delivery market in Europe by providing better coverage in Spain.

We are actively looking into further business opportunities and potential acquisitions to expand our express operations in Europe and Asia. As announced on 6 December 2005, we are in advanced negotiations for the acquisition of Hoau, China's leading domestic freight and parcel operator.

Express Europe

We have a more extensive express delivery road network in Europe than any of our competitors. We continue to enhance our European air and road networks to be able to offer the most reliable service to our customers. With respect to our European network, we added Palermo and Cagliari as new airport connections in September and October 2005, respectively, but closed Naples and Turin in April and July 2005, respectively. We further expanded our already dense network coverage by introducing new co-load airport connections in Skopje, Belgrade and Sarajevo during 2005.

Following our announcement in 2004 of our plan to introduce a further five Boeing 737-300 aircraft to our European air network, we introduced two aircraft in each of 2004 and 2005 and a further one will be added in 2006. The five aircraft, leased for five years from GE Capital Aviation Services, will replace chartered aircraft currently operating in our express air network. We also entered into another agreement in June 2005 with GE Capital Aviation Services for two additional leased Boeing 737s. These aircraft are due for delivery in 2006.

Express Rest of the World

The Express Rest of the World business provides door-to-door express delivery of documents, parcels and freight worldwide in all areas outside Europe and from these areas to Europe. We also are building our position in Asia and have further improved service levels between Europe and Asia. Our worldwide coverage extends to more than 200 countries.

In China, we have built an extensive network consisting of 25 company-owned locations and 50 agency franchises which together serve over 600 cities. We intend to differentiate from other major integrators by developing and capitalising an extensive road network in China. The network is planned to be significantly enhanced in 2006 as we are in advanced negotiations for the acquisition of Hoau, China's largest privately owned transportation network offering comprehensive road coverage among 1,100 locations in China.

We have announced plans to increase our uplift capacity between China and Europe through the addition of two Boeing 747 aircraft that are due to be delivered in December 2006 and June 2007 respectively. Each new aircraft to be delivered by Boeing will provide 100 tonnes of capacity and will facilitate our strong growth in the region.

Freight Management

In August 2004, our global freight management capabilities were established through our acquisition of Wilson, a freight management business comprising primarily air and sea freight transportation. Freight management is an attractive standalone business which has economic resilience. In general, freight management operators do not own assets to provide transportation services because they acquire cargo space from airline and shipping firms. The asset-light profile of freight management provides flexibility to adjust to changes in volumes. We expect that the addition of freight management capabilities and expertise will enable us to offer our knowledge, skills and value added activities to a larger potential customer base while at the same time providing existing customers with a broader service offering.

The acquisition of Wilson was a major step in becoming a global freight management company. Wilson was rebranded into TNT Freight Management as of 1 July 2005. The global network operates from 130 offices in 28 countries with a significant presence in the Nordic region. We plan to continue to grow our freight management capabilities organically and increase the density of our operations in the Americas and Asia. The retention rate following the acquisition of Wilson is very high and the turnover rate in operational management was negligible.

BOARD OF MANAGEMENT

M.P. Bakker (1961)

CEO

Peter Bakker has been chief executive officer (CEO) since 1 November 2001. He joined Royal TPG Post (then called PTT Post) in 1991 and was appointed financial director of its parcels business unit in 1993. He was appointed financial control director of TPG Post in 1996 and became a member of the Board of Management of TPG Post in 1997. Since the demerger of TPG N.V. from Koninklijke PTT Nederland N.V. until his appointment as CEO, he was chief financial officer and a member of the TPG Board of Management. Before joining TPG Post, Mr. Bakker worked for TS Seeds Holdings. Shares owned: 18,565.

J.G. Haars (1951)

CFO

Jan Haars has been chief financial officer (CFO) and a member of the Board of Management since 1 August 2002. Mr. Haars succeeded Mr. Bakker, who was appointed chief executive officer of TPG from 1 November 2001. Before joining the company, Mr. Haars worked for ABN AMRO Bank N.V., Thyssen Bornemisza Group, Royal Boskalis Westminster N.V., Rabobank Nederland and most recently he worked for Unilever N.V., as worldwide group treasurer. On 19 September 2005, TNT announced that the company and Mr. Haars had amicably agreed upon his resignation as statutory director and CFO. Mr. Haars will resign as per 31 March 2006. Shares owned: 15,784.

H.M. Koorstra (1951)

Group managing director Mail

Harry Koorstra has been group managing director Mail and a member of the Board of Management since 1 July 2000. He joined TPG Post in 1991 as managing director of its then Media Service business unit and became a member of its Board of Management in 1997. Before joining the company, Mr. Koorstra worked for 15 years at the Netherlands' largest publisher, VNU N.V., most recently as general director of its Admedia/VNU Magazine Group. Shares owned: 15,924.

D.G. Kulik (1948)

Group managing director Logistics

David Kulik has been group managing director Logistics and member of the Board of Management since 1 September 2003. As group managing director logistics he is responsible for all our global logistics activities. Mr. Kulik joined us in 2000 as managing director of TNT Logistics North America. Before joining the company, Mr. Kulik was president and chief executive officer of CTI Logistix Inc. since 1994. He had been employed by the parent company CSX Corporation since 1988. Mr. Kulik will resign as member of our Board of Management upon the sale of Logistics. Shares owned: 11,059.

M.C. Lombard (1958)

Group managing director Express

Marie-Christine Lombard has been group managing director Express and a member of the Board of Management since 1 January 2004. She joined Jet Services in France in 1993. Upon our acquisition of Jet Services in 1999, Mrs. Lombard joined TPG as the managing director of the domestic express business and from March 2001 until 1 January 2004 was managing director of our International Express business in France. Shares owned: 4,597.

The business address of all members of the Board of Management is TNT N.V., Neptunusstraat 41-63, Hoofddorp, 2132 JA, the Netherlands.

Mr. Bakker is a member of the advisory board of ABN AMRO Bank N.V. and a member of the board of Foundation Moving the World. Mr. Koorstra is a member of the supervisory board of Hermans Holding B.V. He is also member of the executive committee and general board of the Confederation of Netherlands Industry and Employers (VNO NCW). Mr. Kulik is a member of the business advisory board of the University of North Florida (part of the university system owned and operated by the State of Florida).

The members of our Board of Management have no board positions other than those reflected above.

On 6 December 2005 we announced the intended sale of logistics. Mr. Kulik will resign as member of the Board of Management upon the sale of Logistics.

On 16 December 2005 we announced the intended appointment by the Supervisory Board of Mr. H. van Dalen (1952) as CFO and member of our Board of Management. Mr. Van Dalen is currently a member of the managing board and CFO of Royal DSM N.V. Mr. Van

Dalen will assume the position of acting CFO as of 1 April 2006 until the annual general meeting of shareholders to be held on 20 April 2006 has been informed of the intended appointment.

The total number of ordinary shares held by members of the Board of Management is 65,929, amounting to approximately 0.01% of the outstanding share capital.



Published by

TNT N.V.
P.O. Box 13000
1100 KG Amsterdam
The Netherlands

T +31 20 500 6000 (General)
+31 20 500 6241 (Investor Relations)
F +31 20 500 7000

group.tnt.com

Chamber of Commerce Amsterdam
Reg. no. 27168968

Warning about forward-looking statements

Some statements in this document are "forward-looking statements" within the meaning of U.S. federal securities laws. We intend that these statements be covered by the safe harbors created under these laws. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which we operate and management's beliefs and assumptions about future events. Forward-looking statements include, without limitation, statements concerning our financial position and business strategy, our future results of operations, the impact of regulatory initiatives on our operations, our share of new and existing markets, general industry and macro-economic growth rates and our performance relative to these growth rates. In addition to the assumptions specifically mentioned in this document, important factors that could cause actual results to differ materially from those expressed or implied include, but are not limited to, the results and the timing of the conclusion of our tax investigations and our discussions or disagreements with other tax authorities and the other factors discussed in our annual report on Form 20-F and our other reports filed with the US Securities and Exchange Commission. Given these uncertainties, no assurance can be given as to our future results and achievements. You are cautioned not to put undue reliance on these forward-looking statements, which only speak as of the date of this document and are neither predictions nor guarantees of future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.