

PROSPECTUS



TNT N.V.

(Incorporated in the Netherlands as a public company with limited liability, having its corporate seat in Amsterdam, the Netherlands)

£450,000,000 7.50% Bonds due 2018

Issue price: 99.33 per cent.

The effective yield to maturity of the £450,000,000 7.50% Bonds due 2018 (the **Bonds**) is 7.598% per annum at the issue price.

Interest on the Bonds will accrue at the rate of 7.50% per annum from, and including, 14 August 2008 (the **Issue Date**) to, but excluding, 14 August 2018, subject as more fully described in Condition 4(c) (Step Up in a Change of Control Period), to possible adjustment in the event of a Change of Control (as defined below). Interest on the Bonds will be payable annually in arrears commencing on 14 August 2009 without withholding or deduction for or on account of Dutch withholding taxes, unless the withholding or deduction of such Dutch withholding taxes is required by law. See '*Terms and Conditions of the Bonds – Taxation*'.

Unless previously redeemed or purchased and subsequently cancelled, each Bond will be redeemed at its principal amount on 14 August 2018. The Bonds are subject to redemption in whole, but not in part, at their principal amount together with accrued interest, if any, at the option of the Issuer at any time in the event of certain changes affecting taxes of the Netherlands. See '*Terms and Conditions of the Bonds – Taxation*'.

The Bonds may be redeemed at the option of the holders of the Bonds (the **Bondholders**) upon a Change of Control that is followed by certain ratings downgrades as set forth in '*Terms and Conditions of the Bonds – Redemption and Purchase*'.

Application has been made for the Bonds to be listed on Euronext Amsterdam by NYSE Euronext (**Euronext Amsterdam**), which expression shall, where the context so permits, include Euronext Amsterdam N.V.). Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

The Bonds are expected to be assigned, on issue, a rating of “BBB+“ by Standard & Poor's Ratings Services (**S&P**) and a rating of A3 by Moody's Investors Service Limited (**Moody's**). The current ratings of the Issuer are as follows: S&P: “BBB+“ long-term/”A-2” short-term, Outlook – Stable; Moody's: “A3“ long-term/”Prime-2” short-term, Outlook – Stable. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating organisation.

The Bonds will initially be represented by a temporary global bond (the **Temporary Global Bond**) in bearer form, without interest coupons, which is expected to be deposited with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (**Euroclear Netherlands**) on or about the Issue Date. The Temporary Global Bond will be exchangeable for interests in a permanent global bond (the **Permanent Global Bond**) in bearer form, without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. No definitive Bonds will be issued except in certain limited circumstances set out in the Permanent Global Bond.

An investment in the Bonds involves certain risks. Prospective investors should have regard to the factors described under the heading "Risk Factors" on page 5.

Managers

BNP PARIBAS

HSBC

The date of this Prospectus is 12 August 2008

This Prospectus comprises a prospectus for the purposes of Article 5 of Directive 2003/71/EC (the Prospectus Directive) and has been approved as such by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the **AFM**).

TNT N.V. (the **Issuer**) accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In connection with the issue and offering of the Bonds, no person has been authorised to give any information or to make any representation other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Managers (as described under "*Subscription and Sale*", below).

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Prospectus should be read and construed on the basis that such documents are incorporated and form part of the Prospectus.

The Managers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the offering of the Bonds. No Manager accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the offering of the Bonds or their distribution.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds should be considered as a recommendation by the Issuer or any of the Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Bonds.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Offering of the Bonds is correct as of any time subsequent to the date indicated in the document containing the same. The Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention. The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Bonds and on distribution of this document, see "*Subscription and Sale*" below.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available

thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Bonds in the United States and the United Kingdom, see "*Subscription and Sale*".

In connection with the issue of the Bonds, BNP Paribas as Stabilising Manager (or persons acting on behalf of it as Stabilising Manager) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that BNP Paribas as Stabilising Manager (or persons acting on behalf of BNP Paribas as Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by BNP Paribas as Stabilising Manager (or persons acting on behalf of BNP Paribas as Stabilising Manager) in accordance with all applicable laws and rules.

Certain statements contained in this Prospectus are forward-looking statements. Forward-looking statements generally can be identified by the use of terms such as "may", "will", "expect", "intend", "anticipate", "believe", "estimate", "continue" or similar terms. 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 which are outside of the Company's control and are not possible to predict and which may cause actual results to differ materially from any future results expressed or implied in the forward-looking statements. These forward-looking statements are based on current expectations, estimates, forecasts, projections about the industries in which the Company operates, management's beliefs and assumptions made by management about future events. Prospective investors are cautioned not to put undue reliance on these forward-looking statements, which only speak as of the date of this Prospectus and are neither predictions nor guarantees of future events or circumstances. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this Prospectus or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Terms defined in the Terms and Conditions of the Bonds and not otherwise defined in this Prospectus have the same meaning herein.

All references in this document to **Euro**, **euro(s)** and **€** are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended and references to **pounds**, **sterling** and **£** are to the currency of the United Kingdom of Great Britain and Northern Ireland.

In this Prospectus, **we**, **our**, **us**, **TNT**, the **Company** or the **Group** refers to TNT N.V. and its consolidated subsidiaries (unless the context requires otherwise).

CONTENTS

Clause	Page
RISK FACTORS.....	5
DOCUMENTS INCORPORATED BY REFERENCE	12
TERMS AND CONDITIONS OF THE BONDS	13
USE OF PROCEEDS.....	22
DESCRIPTION OF THE ISSUER	23
DUTCH TAXATION.....	30
SUBSCRIPTION AND SALE	33
GENERAL INFORMATION.....	35

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Bonds are described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under the Bonds

Any of the following risks could have a material adverse effect on TNT's financial position, results of operations, liquidity and the actual outcome of matters to which the forward-looking statements contained in this Prospectus refer. The risks described below are not the only risks that TNT is facing. There may be additional risks to the ones described below of which TNT is currently unaware. There may also be risks that TNT now believes are immaterial, but which may ultimately have a material adverse effect as described above. For further information on forward-looking statements see the notice on forward-looking statements on page 3 of this Prospectus. For further information on the risks which TNT is facing, please refer to the Key Risks section of our Annual Report for 2007 (the **Annual Report**).

The increasing substitution of alternatives for TNT's Mail division could reduce the revenues and profitability of TNT's Mail division and adversely affect TNT's revenues and profitability

TNT's Mail division is an integral part of TNT's total business and during 2007 represented 38.4% of its group operating revenues and 52.5% of its group operating income. TNT's Mail division delivers information such as letters and bank statements as well as printed matter such as direct mail and periodicals. Technologies such as e-mail and internet (e.g. electronic banking) can be used to send or make available such information faster and, in many cases, at a lower price than traditional mail services. Due to increased substitution, among other factors, traditional mail volumes in the Netherlands have decreased in recent years, and TNT expects this downward trend in mail volumes to continue in the coming years. An increase in the use of these substitute technologies would likely result in a further decrease in the use of TNT's traditional mail services. If substitution continues on a large scale, it could adversely affect the volumes, revenues and profitability of TNT's Mail division and the Company as a whole.

Minimum wage legislation in Germany for the Postal sector could adversely affect TNT's ability to grow its Mail business outside the Netherlands

On 21 January 2008, two subsidiaries of TNT Post Germany instituted preliminary legal proceedings with the Administrative Court (*Verwaltungsgericht*) in Berlin to obtain an injunctive relief (*einstweiligen Anordnung*) to suspend the generally binding minimum wage in the postal services sector as adopted by the Federal Ministry of Labour and Social Affairs on 28 December 2007. TNT has taken the position that this minimum wage is unconstitutional.

In view of fair competition in the postal market, the generally binding validity of the minimum wage agreement of the employers' association for postal services is unacceptable to TNT Post since it

would seriously jeopardise the liberalisation of the German mail market and TNT's ability to build a sustainable profitable business. Similar barriers in national mail markets elsewhere could severely hamper TNT's successful implementation of its strategy in the European mail market.

The further liberalisation of the Dutch and EU postal markets could adversely affect TNT's revenues and profitability

The process of liberalisation of the postal market within the Netherlands, which began in the late 1980s, is continuing. This presents a number of risks to TNT's Mail division. Pursuant to the EU Postal Directive, as of 1 January 2006 the restriction that reserved the provision of letters up to 100 grammes exclusively to TNT (the reserved postal services) was reduced to 50 grammes. On 13 April 2006, the Dutch government decided to fully liberalise the postal market in the Netherlands in 2008 on the condition that there is a "level playing field" with the British and German postal markets. The Dutch government also agreed upon the proposal for a new Dutch Postal Act. The proposal for a new Dutch Postal Act followed the vision of the Dutch Minister of Economic Affairs on the postal market in the Netherlands, which was published in 2004. This new Dutch Postal Act addresses a number of issues that are directly relevant to TNT's business, including price controls and the scope of the mandatory postal services. On 5 June 2007 the Dutch Second Chamber of Parliament adopted the new Dutch Postal Act. The act will have to be approved by the Dutch First Chamber of Parliament before it enters into force. The enactment date is dependent on the condition of a level playing field in real terms with the postal markets of Germany and the United Kingdom. In December 2007, the Dutch Minister of Economic Affairs made use of a so-called 'emergency-brake procedure' when liberalisation as of 1 January 2008 was postponed for at least three months. The Minister based his decision on two arguments: First, the lack of clarity about the level playing field with Germany relating to (i) the effects of the introduction of a minimum wage in the German postal sector which are still unknown and (ii) the exemption which Deutsche Post enjoys with regard to VAT which remains a barrier to competition, both of which are still subject to debate in German politics. Second, in the Netherlands, new postal operators and the trade unions have been given more time to reach an agreement on employment conditions. This agreement is considered relevant as both the Dutch Parliament and the trade unions like to assure minimum wage conditions for the employees of the new operators.

As it stands now, the new Dutch Postal Act still has to be approved by the Dutch First Chamber of Parliament before it enters into force. The Dutch Second Chamber of Parliament has asked the Dutch Minister of Economic Affairs to use every power available to support actions leading to the possibility of full liberalisation as per 1 January 2009. The Minister has promised to inform Dutch Parliament before 1 October 2008.

The process of liberalisation including the new Dutch Postal Act may adversely affect TNT's business, revenues and profitability. Full Dutch liberalisation may, for example, mean a loss of market share for TNT. Also, the lack of clarity about the timing of the enactment of the new Dutch Postal Act may detrimentally affect TNT's ability to negotiate with its customers about its pricing and service levels. Furthermore, a possible expanded role for the Supervisory Authority for Post and Telecommunications in the Netherlands (OPTA), in controlling TNT's price determination for competitors might also have an adverse effect on TNT's competitive position.

Recently the European Parliament adopted a political compromise of the European Council of Ministers to amend the EU Postal Directive (Directive 97/67/EC as amended by Directive 2002/39/EC). The European Parliament had confirmed liberalisation as of January 2011. Derogation is given to 11 Member States to open up their market as of January 2013. The model that is now confirmed by the European Parliament and the European Council of Ministers abolishes the reserved area as a financing mechanism for mandatory postal services, such as the exclusive or special rights for the establishment and provision of postal services, but allows for a wide variety of other methods, such as tendering, public funds and compensation funds. The model also leaves the Member States

with the discretionary powers to decide upon the scope of the mandatory postal services. The implementation of the new EU Postal Directive may adversely affect TNT's European Mail Networks business. For example, if the new EU Postal Directive provides for insufficient guarantees, Member States can abuse national Universal Service Obligations (USO) regulation to protect their national operators. TNT's Mail division could therefore be adversely affected by the incorporation of the EU Postal Directive into national postal legislation as well as by non-postal national legislation that might in practice affect the emergence of competition in the postal market. An example of this is the introduction of an artificially high minimum wage in the German postal sector that could effectively function as a barrier to competition.

Unfavourable decisions of competition authorities concerning joint ventures, acquisitions or divestments could restrict TNT's growth, strategic progress, profitability and ability to compete in the market for TNT's services

As a part of TNT's strategy "Focus on Networks", from time to time TNT seeks alliances with or acquires shares in companies that complement its strategy, or TNT divests part of its business. Any approval of a joint venture, an acquisition or a divestment of shares or a business by competition authorities may contain certain restrictions or conditions with respect to the intended transaction.

TNT may not be able to implement a transaction as contemplated in compliance with any restrictions or conditions imposed by the Directorate General of Competition (DG Competition) of the European Commission or national competition authorities, and these restrictions or conditions may negatively affect TNT's revenues and profitability. If TNT is unable to implement a foreseen transaction under the restrictions or conditions applicable, or if the intended transaction is prohibited, the Company may be unable to develop alternative approaches. This would have an adverse effect on TNT's ability to focus on the its core business.

A sustained economic downturn could adversely affect TNT's business and financial condition

Developments and trends in the world economy may have a material adverse effect on TNT's financial condition and/or results of operations. Because the Express delivery business has high fixed costs and greatly depends on high volume to recover such costs, a global economic downturn could have a material adverse effect on the results of TNT's Express delivery business, and this would adversely affect the results of TNT as a whole. In addition, a continued economic downturn could lead to TNT's customers asking for price reductions that could adversely affect margins. A slow economy may also result in a continued decline in demand for direct mail in the Netherlands.

A downgrade in TNT's credit rating may increase its financing costs and harm its ability to finance its operations and acquisitions, which could negatively affect TNT's revenues and profitability

A downgrade in TNT's credit rating may negatively affect the Company's ability to obtain funds from financial institutions, retail investors and banks and increase financing costs by increasing the interest rates of TNT's outstanding debt or the interest rates at which TNT is able to re-finance existing debt or incur new debt.

On 29 August 2007, S&P lowered its corporate credit ratings on TNT to "BBB+" long-term / "A2" short-term with stable outlook from "A-" long-term / "A-2" short-term with a negative outlook (such ratings having been issued by S&P on 10 March 2006). On 7 December 2007 S&P published an update and on 19 June 2008 a full report. The rating continued to be "BBB+" long-term/"A-2" short term with stable outlook.

On 9 July 2008, Moody's issued a full rating report wherein it confirmed the ratings of TNT N.V and its senior unsecured debt as "A3" and the CP rating of TNT Finance B.V., a 100% owned and

guaranteed finance subsidiary of TNT, as Prime-2. Since that confirmation the Moody's outlook for the Company's ratings has been stable.

TNT faces risks related to health epidemics and other outbreaks of contagious diseases, including avian influenza, or avian flu, and SARS

TNT's business could be adversely affected by the effects of avian influenza, SARS or another epidemic or outbreak. Since 2005, the World Health Organisation and other health monitoring bodies have reported outbreaks of a highly pathogenic avian influenza, caused by the H5N1 virus, in certain regions of Asia and Europe and there have been reports on the occurrences of avian influenza in various parts of China, Indonesia, Thailand and other South-east Asian countries, including some confirmed human cases. An outbreak of avian influenza in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries. Additionally, any recurrence of SARS, a highly contagious form of atypical pneumonia, similar to the occurrence in 2003 which affected China, Hong Kong, Taiwan, Singapore, Vietnam and certain other South-east Asian countries, would also have similar adverse effects. These outbreaks of contagious diseases, and other adverse public health developments would have a material adverse effect on TNT's business operations. This could include affecting adversely TNT's ability to ship consignments or otherwise make deliveries of products originating in affected countries, as well as temporary closure of TNT offices or other facilities. Such closures or travel or shipment restrictions would severely disrupt TNT's business operations and adversely affect the group's financial condition and results of operations. TNT has implemented measures to develop written preventive procedures and contingency plans to mitigate any future outbreak of avian influenza, SARS or any other epidemic but the impact of any outbreak is difficult to gauge and these plans may not be fully effective.

A downturn in capital markets may decrease the value of investments made in these markets for TNT's pension schemes and a decline in interest rates may increase the fair value of TNT's pension liabilities, which in turn could require significant additional funding by TNT

TNT's main Dutch 'defined benefit pension scheme' has total assets of over €4 billion, some of which are funded by investments held in equities with a view to benefiting from capital appreciation. The value of these securities may be volatile and a downturn in the capital markets could significantly reduce the value of these assets. In addition, a decline in interest rates may increase the fair value of TNT's pension liabilities. Should the coverage ratio of assets divided by liabilities fall below the minimum funding requirements prescribed by De Nederlandsche Bank (DNB), into which the Independent Supervisory Authority for Pensions and Insurance was merged during 2004, TNT will be required to increase contributions to the funds. If the assets were to lose a substantial amount of their value or if, as a result of a decline in interest rates, TNT's liabilities would substantially increase, or both, TNT might be required to make large payments into the funds, which would adversely affect liquidity over a number of years.

The multinational nature of TNT's business could expose TNT to uncertainty in effective tax planning and regulatory reviews and audits

Multinational groups of the size of TNT are exposed to varying degrees of uncertainty related to tax planning and regulatory reviews and audits. TNT accounts for its income taxes on the basis of its own internal analyses, supported by external advice. TNT continually monitors its global tax position, and whenever uncertainties arise, TNT assesses the potential consequences and either accrues the liability or discloses a contingent liability in its financial statements, depending on the strength of the company's position and the resulting risk of loss. TNT's profitability and cash flows may for example be affected by a difference in the tax position based on its internal analyses and the eventual tax settlement of that position based on a regulatory review or tax audit.

Factors which are material for the purpose of assessing the market risks associated with the Bonds

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Risks related to the Bonds generally

Set out below is a brief description of the material risks relating to the Bonds generally:

Modification

The conditions of the Bonds contain provisions for calling meetings of the Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

EU Savings Directive

If, following implementation of EC Council Directive 2003/48/EC on taxation of savings income, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The conditions of the Bonds are based on Dutch law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of this Prospectus.

Denominations involve integral multiples: definitive Bonds

The Bonds have denominations consisting of a minimum of £50,000 plus one or more higher integral multiples of £1,000. It is possible that the Bonds may be traded in amounts that are not integral multiples of £50,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than £50,000 in his account with the relevant clearing system at the relevant time may not receive a definitive Bond in respect of such holding (should definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that its holding amounts to £50,000.

If definitive Bonds are issued, holders should be aware that definitive Bonds which have a denomination that is not an integral multiple of £50,000 may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Bonds.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in pounds sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a different currency or currency unit (the **Investor's Currency**). These include the risk that exchange rates may significantly change (including changes due to devaluation of the pound sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the pound sterling would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Bonds and (3) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the AFM shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the publicly available audited financial statements of the Issuer for the years ended 31 December 2006 and 31 December 2007 as included in the Issuer's annual reports for years ended 31 December 2006 on pages 101 up to and including 178 and 31 December 2007 on pages 61 up to and including 126, respectively;
- (b) the publicly available unaudited financial statement the Issuer's for the first quarter and second quarter of the year ending 31 December 2008, as included in the Issuer's press releases dated 28 April 2008 on pages 10 up to and including 16 and 28 July 2008 on pages 11 up to and including 17, respectively; and
- (c) the articles of association of the Issuer.

TERMS AND CONDITIONS OF THE BONDS

The £450,000,000 7.50% Bonds due 2018 issued by TNT N.V. (the **Bonds**, which expression shall, where the context so permits, include the Global Bonds (as defined below) and any further Bonds issued pursuant to Condition 12 and forming a single series with the Bonds) are issued under a fiscal and paying agency agreement dated 14 August 2008 (the **Fiscal Agency Agreement**) between the Issuer, the initial fiscal agent (in that capacity and including any successor fiscal agent, the **Fiscal Agent**) and the Dutch paying agent (such paying agent, any additional or successor paying agent and the Fiscal Agent collectively the **Paying Agents**) named in Condition 5. These Terms and Conditions include summaries of, and are subject to, the provisions of the Fiscal Agency Agreement. Copies of the Fiscal Agency Agreement are available for inspection by Bondholders (as defined below) (and the holders of the related interest coupons, if any, (the **Couponholders** and the **Coupons** respectively)) at the specified office of each of the Paying Agents. The Bondholders (and the Couponholders, if any) are entitled to the benefit of, are bound by, and are deemed to have notice of, all of the provisions of the Fiscal Agency Agreement.

1. FORM, DENOMINATION AND TITLE

The Bonds shall be represented by a temporary global bearer bond (the **Temporary Global Bond**) without interest coupons, which shall be exchanged for a permanent global bearer bond (the **Permanent Global Bond** and together with the Temporary Global Bond, the **Global Bonds**) not earlier than forty days after 14 August 2008 in accordance with its terms. The Global Bonds shall be deposited with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (**Euroclear Netherlands**). No definitive bonds will be issued except in certain limited circumstances set out in the Permanent Global Bond.

The Bonds are in denominations of £50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000.

Except as otherwise provided by law, title to the Bonds (and to the Coupons, if any) will pass by delivery.

Except as otherwise ordered by a court of competent jurisdiction or as otherwise required by law, the Issuer and any Paying Agent may, as long as the Bonds are represented by a Global Bond, (a) for the purpose of payment of principal and interest on the Bonds, treat the bearer of a Global Bond as the holder of the Bonds, and (b) for all other purposes treat any person who is for the time being shown as the holder of a particular nominal amount of Bonds in the records of Euroclear Netherlands or a participant (*aangesloten instelling*) within the meaning of the Dutch Act on Giro Transfers of Securities (*Wet giraal effectenverkeer*) (in which regard any certificate or other document issued by Euroclear Netherlands or such participant shall be conclusive and binding except in the case of manifest error) as the holder of such nominal amount of Bonds (and, if definitive Bonds have been issued, treat the bearer of such Bond or a Coupon as its absolute owner for all purposes (whether or not such Bond or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof)) (and **Bondholder** shall have the corresponding meanings).

2. STATUS AND NEGATIVE PLEDGE

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for obligations preferred by mandatory provisions of law).

So long as any Bond remains outstanding (as defined in the Fiscal Agency Agreement), the Issuer will not, and the Issuer shall procure that none of its Material Subsidiaries will, create or permit to subsist any mortgage, charge, pledge, lien or other encumbrance upon the whole or any part of its present or future undertakings, assets or revenues to secure any Relevant Indebtedness without at the same time or prior thereto securing the Bonds equally and rateably therewith or providing such other security for the Bonds as may be approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of the Bondholders.

In these Terms and Conditions:

- (a) **Material Subsidiary** means any subsidiary, direct or indirect, of the Issuer whose turnover, tangible net worth or net profits before interest and tax (in each case attributable to the Issuer), based upon the latest audited consolidated financial statements of the Issuer, represent at least 10% of the consolidated turnover, tangible net worth or consolidated net profits before interest and tax of the Issuer and its consolidated subsidiaries. A report of the external auditors of the Issuer that in their opinion a subsidiary is not a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.
- (b) **Relevant Indebtedness** means:
 - (i) any indebtedness of the Issuer or any Material Subsidiary which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market); and
 - (ii) any guarantee or indemnity of the Issuer or any Material Subsidiary in respect of any such indebtedness of any of the Issuer's subsidiaries.

3. INTEREST

The Bonds bear interest from 14 August 2008 at the rate of 7.50% per annum, subject as provided in Condition 4(c), payable annually in arrears on 14 August of each year, commencing on 14 August 2009 (each such date an **Interest Payment Date**). Interest shall cease to accrue on the Bonds from the due date for redemption thereof unless, upon due presentation of a Bond, payment of the principal thereof is improperly withheld or refused or unless default is otherwise made in respect of such payment. In such event, interest on that Bond shall only cease to accrue from the date on which, upon due presentation of the Bond, payment of the principal thereof is made or, if earlier, from the seventh day after the Fiscal Agent has given notice to the Bondholders in accordance with Condition 11 that the necessary funds for such payment are available at the offices of the Fiscal Agent.

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined in Condition 4(c) below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

4. REDEMPTION AND PURCHASE

(a) General

Unless previously purchased and cancelled as provided below, the Bonds shall be redeemed at their principal amount on 14 August 2018. The Bonds may not be redeemed prior to that date, without prejudice to Conditions 6 and 8.

The Issuer may at any time purchase Bonds in the open market or otherwise at any price. At the discretion of the Issuer, it may require the Fiscal Agent to procure that the Bonds so purchased are cancelled (provided that, in the case of a definitive Bond, the Bond is surrendered to the Fiscal Agent with all unmatured Coupons appertaining thereto attached thereto).

(b) Redemption on a Change of Control

If there occurs a Change of Control (as defined below) and within the Change of Control Period (as defined below) a Rating Downgrade (as defined below) in respect of that Change of Control occurs (together called a **Put Event**), the holder of each Bond will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the Optional Redemption Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

If a Put Event has occurred, the Issuer shall within 21 days after the end of the Change of Control Period give notice (a **Put Event Notice**) to the Bondholders in accordance with Condition 11 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 4(b).

To exercise the option to require redemption or, as the case may be, purchase of a Bond under this Condition 4(b) in relation to a Change of Control, the holder of that Bond must, if that Bond is in definitive form and held outside Euroclear Netherlands, deliver such Bond, on any business day in the city of the specified office of the relevant Paying Agent, falling within the period (the **Put Period**) of 45 days after a Put Event Notice is given, to such Paying Agent, as well as a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Put Notice**) and in which the holder may specify a bank account to which payment is to be made under this Condition 4(b).

If this Bond is represented by a Global Bond or is in definitive form and held through Euroclear Netherlands then in order to exercise the right to require redemption or, as the case may be, purchase of a Bond under this Condition 4 (b), the holder of the Bond must, within the Put Period, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear Netherlands (which may include notice being given on his instruction by Euroclear Netherlands or any common depositary for it to a Paying Agent by electronic means) in a form acceptable to Euroclear Netherlands from time to time and, if this Bond is represented by a Global Bond, at the same time present or procure the presentation of the relevant Global Bond to a Paying Agent for notation accordingly.

The Paying Agent to which such Bond and Put Notice are delivered will issue to the Bondholder concerned a non-transferable receipt (a **Receipt**) in respect of the Bonds so delivered or, in the case of a Global Bond or Bond in definitive form held through Euroclear Netherlands, notice received. Payment by the Paying Agents in respect of any Bonds so delivered shall be made either to the bank account duly specified in the relevant Put Notice on the Optional Redemption Date or, if no account was so specified, by cheque on or after the Optional Redemption Date, in each case against presentation and surrender of such Receipt at the specified office of any Paying Agent. A Put Notice once given shall be irrevocable.

A **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the Board of Management or Supervisory Board of the Issuer) that any person or persons ('Relevant Person(s)') acting in concert or any person or persons acting on behalf of any such Relevant Person(s), at any time directly or indirectly acquire(s) or come(s) to own (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of shareholders of the Issuer.

Change of Control Period means the period commencing on the earlier of (i) the date of the first public announcement of the Change of Control having occurred; and (ii) the date of the earliest Relevant Potential Change of Control Announcement (if any) and ending 180 days after the public announcement of the Change of Control having occurred (or such longer period for which the Bonds or the Issuer are under consideration (such consideration having been announced publicly within the period ending 180 days after the public announcement of the Change of Control having occurred) for rating review or, as the case may be, rating by a Rating Agency).

The **Optional Redemption Date** is the seventh day after the last day of the Put Period.

Rating Agency means Moody's Investor Service Limited or Standard and Poor's Rating Services, a division of McGraw-Hill Companies, Inc. and their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer.

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control:

(i) if within the Change of Control Period any rating previously assigned to the Issuer or any Bonds by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) (if the rating assigned to the Bonds by any Rating Agency shall be below an investment grade rating (as described above)) lowered one full rating category (for example, from BB+ to BB by S&P or such lower or equivalent rating), or

(ii) if at the time of the Change of Control there is no rating assigned to the Bonds or the Issuer and no Rating Agency assigns during the Change of Control Period an investment grade credit rating (as described above) to the Bonds.

Relevant Potential Change of Control Announcement means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser thereto relating to a potential Change of Control where, within 180 days of the date of such announcement or statement, there is a public announcement of a Change of Control having occurred.

All Bonds which are redeemed or purchased and cancelled in accordance with this Condition 4 may not be reissued or resold.

(c) Step Up in a Change of Control Period

If (i) there occurs a public announcement of a Change of Control and within the Change of Control Period a Step Up Rating Change is announced by a Rating Agency or (ii) a Step Down Rating Change is announced by a Rating Agency, the rate of interest payable on the Bonds (the **Rate of Interest**) will be subject to adjustment from time to time as follows:

(A) if in the Interest Period ending on the date immediately prior to an Interest Payment Date:

(a) any Rating Agency has announced a Step Up Rating Change during a Change of Control Period, the Rate of Interest shall be adjusted such that for each full rating category below BBB+/Baa1 (or equivalent) which is assigned by that Rating Agency to the Bonds, the Rate of Interest in respect of the Interest Period commencing on such Interest Payment Date will increase above the Initial Interest Rate by 0.25 per cent. per full rating category per Rating Agency, provided that the public announcement of the Change of Control having occurred is made prior to such Interest Payment Date.

For the avoidance of doubt, should a Rating Agency announce one or more Step Up Rating Changes during a Change of Control Period that results in the rating assigned to the Bonds by such Rating Agency being a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse), no further increase in the Rate of Interest above the Initial Interest Rate plus 0.50 per cent. shall occur in respect of a Step Up Rating Change announced by such Rating Agency during such Change of Control Period.

Accordingly, if (i) a Rating Agency, during a Change of Control Period, announces a Step Up Rating Change that results in a rating of BBB-/Baa3 (or equivalent) or worse, or withdraws its rating for the Bonds, or (ii) at the time of a Change of Control there is no rating assigned to the Bonds or the Issuer by a Rating Agency and such Rating Agency does not assign during the relevant Change of Control Period an investment grade credit rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to the Bonds, the Rate of Interest shall be the Initial Interest Rate plus 0.50 per cent. If (i) two Rating Agencies, during a Change of Control Period, announce a Step Up Rating Change that results in a rating of BBB-/Baa3 (or equivalent) or worse, or withdraw their respective ratings for the Bonds or (ii) at the time of a Change of Control there is no rating assigned to the Bonds or the Issuer by two Rating Agencies and such Rating Agencies do not assign during the relevant Change of Control Period an investment grade credit rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to the Bonds or (iii) one Rating Agency, during a Change of Control Period, announces a Step Up Rating Change that results in a rating of BBB-/Baa3 (or equivalent) or worse and another Rating Agency, during such Change of Control Period, withdraws its rating for the Bonds or at the time of a Change of Control does not assign a rating to the Bonds or the Issuer and such Rating Agency does not assign during the relevant Change of Control Period an investment grade credit rating (as described aforesaid) to the Bonds, the Rate of Interest shall be the Initial Interest Rate plus 1.00 per cent; and

- (b) either Rating Agency has announced a Step Down Rating Change which change remains in effect on such Interest Payment Date, the Rate of Interest shall be adjusted such that for each full rating category (which must be at least BBB-/Baa3 (or equivalent)) above the rating which is assigned by that Rating Agency to the Bonds immediately prior to the announced Step Down Rating Change, the Rate of Interest in respect of the Interest Period commencing on such Interest Payment Date will decrease by 0.25 per cent. per full rating category per Rating Agency until the Rate of Interest equals the Initial Interest Rate (and for the avoidance of doubt, the Rate of Interest shall never be less than the Initial Interest Rate).
- (B) If in any Interest Period (i) one or more Step Down Rating Changes occurs and/or (ii) during the Change of Control Period in which a public announcement of a Change of Control having occurred is made, one or more Step Up Rating Changes occurs, the Rate of Interest applicable to the next following Interest Period shall be determined based on changes as at the end of such Interest Period.

Notwithstanding any other provision of this Condition 4(c), there shall be no adjustment in the Rate of Interest on the basis of any rating assigned to the Bonds by any rating agency other than on a basis solicited by or on behalf of the Issuer even if at the relevant time such rating is the only rating then assigned to the Bonds.

There shall be no limit on the number of times that adjustments to the Rate of Interest may be made pursuant to this Condition 4(c) during the term of the Bonds provided always that at no time during the term of the Bonds will the Rate of Interest be less than the Initial Interest Rate or more than the Initial Interest Rate plus 1.00 per cent. per annum.

The Issuer will cause the occurrence of an event giving rise to an adjustment in the Rate of Interest pursuant to this Condition 4(c) to be notified to the Fiscal Agent and notice thereof to be given to the

Bondholders in accordance with Condition 11 as soon as possible after the occurrence of the relevant event but in no event later than the fourth Amsterdam Banking Day thereafter.

In these Conditions:

Amsterdam Banking Day means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for business in Amsterdam.

Initial Interest Rate means 7.50 per cent. per annum.

Interest Period means the period commencing on and including one Interest Payment Date (or in the case of the first such period, commencing on and including the Issue Date) and ending on but excluding the immediately following Interest Payment Date.

Step Down Rating Change means an increase in the, or confirmation of a higher, rating of the Bonds.

Step Up Rating Change means a decrease in the, or confirmation of a lower, rating of the Bonds.

5. PAYMENTS

Payment of principal of and interest on the Bonds shall be made against presentation and, in the case of principal, surrender of the relevant Bond (or, to the extent that definitive Bonds have been issued, in case of interest due on an Interest Payment Date, against presentation and surrender of the relevant Coupon) at the specified office of the Fiscal Agent (or, in the case of a definitive Bond or Coupon, a Paying Agent). The Fiscal Agent shall make a record on the Global Bond of each payment made on the Bonds, distinguishing between payments of principal and payments of interest and such record shall be conclusive evidence that the relevant payment has been made.

All payments shall be subject in all cases to any applicable fiscal or other laws and regulations, without prejudice to Condition 6.

If the date for payment of principal of or interest on the Bonds is not a day on which banks are open for business in the place of presentation of the relevant Bond (or Coupon, as the case may be), the Bondholder (or Couponholder as the case may be) shall not be entitled to payment until the next following such day. A Bondholder (or Couponholder) shall not be entitled to any interest or other payment in respect of any such delay.

The initial Fiscal Agent and Principal Paying Agent is Citibank N.A., London branch at its office at 21st Floor, Citigroup Centre 2, 33 Canada Square, Canary Wharf, London E14 5LB, United Kingdom. Citibank International plc, acting through its offices at Hoge Mosten 2, 4822 NH Breda, the Netherlands will act as the Dutch Paying Agent. The Issuer may at any time terminate the appointment of any Paying Agent or appoint another Fiscal Agent or additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Paying Agent having a specified office in a city in a Member State of the European Union which, as long as the Bonds are listed on Euronext Amsterdam, shall be Amsterdam and (ii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such termination or appointment and of any changes in the specified offices of a Paying Agent shall be given to the Bondholders in accordance with Condition 11.

6. TAXATION

All payments of, or in respect of, principal of and interest on the Bonds by or on behalf of the Issuer shall be made without withholding of or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands or any authority therein or thereof having the power to tax (**Withholding Taxes**), unless the withholding or deduction of such Withholding Taxes is required by law. In that event, the Issuer shall pay such additional amounts as shall be necessary in order that the net amounts received by the Bondholders (or Couponholders, as the case may be) after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable had no such withholding or deduction been required, except that no such additional amounts shall be payable in relation to any payment in respect of any Bond or Coupon:

- (a) presented for payment by or on behalf of a Bondholder who is liable to such Withholding Taxes in respect of such Bond or Coupon by reason of his having some connection with the Netherlands other than the mere holding of the Bond or Coupon; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (c) presented for payment by or on behalf of a Bondholder who would be able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union; or
- (d) presented for payment by, or on behalf of, a holder who would be able to avoid such withholding or deduction in whole or part by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or reduction of the withholding or reduction but fails to do so; or
- (e) presented for payment more than thirty days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day.

As used herein, the **Relevant Date** means the date on which such payment first becomes due.

If, as a result of any change in, or amendment to, the laws or regulations prevailing in the Netherlands, which change or amendment becomes effective on or after 14 August 2008, or as a result of any application or interpretation of such laws or regulations not generally known or generally accepted before that date, Withholding Taxes are or will be leviable on payments of principal or interest in respect of the Bonds which cannot be avoided and, by reason of the obligation to pay additional amounts, such Withholding Taxes are to be borne by the Issuer, the Issuer may, at any time, redeem the Bonds in whole (but not in part) at their principal amount together with interest accrued to the date fixed for redemption, on giving not less than thirty days' notice. No such notice of redemption shall be given earlier than ninety days prior to the earliest date on which the Issuer would be obliged to withhold or pay Withholding Taxes were a payment in respect of the Bonds then made. Any such notice shall be given by publication in accordance with Condition 11. It shall be irrevocable, shall specify the date fixed for redemption and shall set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

7. PRESCRIPTION

Claims against the Issuer for payment of principal and interest on any Bonds (or Coupons, if any) shall be prescribed and become void unless made within five years from the date on which such payment first becomes due.

8. EVENTS OF DEFAULT

In any of the following events (**Events of Default**) any Bondholder may by written notice to each of the Issuer and the Fiscal Agent at its specified office declare his Bond or Bonds immediately due and payable, and thereupon any such Bond shall immediately, without further notice being required, become due and repayable at its principal amount together with interest accrued to the date of repayment, unless, prior to the giving of such notice, all Events of Default shall have been cured:

- (i) The Issuer fails to pay any amount of principal of or interest on any Bond when due and such failure continues for a period of fourteen days.
- (ii) The Issuer fails to perform or observe any other obligations in respect of any Bond and such failure continues for a period of twenty-one days after receipt by the Issuer and the Fiscal Agent of written notice of default by a Bondholder.
- (iii) The Issuer or a Material Subsidiary has filed for bankruptcy or been declared bankrupt, or it has filed for suspension of payments, or it has become subject to, or filed for, any other similar situation or has lost the free management or disposal of its property in any other way, the foregoing irrespective of whether that situation is irrevocable, or an order is made or effective resolution is passed for the winding up or liquidation of the Issuer or a Material Subsidiary, or the Issuer or a Material Subsidiary admits that it cannot pay its debts generally as they become due or compromises, or proposes to compromise, with its creditors generally, or an executory attachment or similar measure is made on any substantial part of the assets of the Issuer or an interlocutory attachment or similar measure is made thereon and, in either case, is not cancelled or withdrawn within thirty days after the making thereof.
- (iv) The Issuer or a Material Subsidiary fails in the due repayment of borrowed money which exceeds Euro 25,000,000 or its equivalent in any other currency and such failure continues for a period of thirty days after the occurrence of such failure, or the Issuer fails to honour a guarantee or indemnity in respect of borrowed money in excess of Euro 25,000,000 or its equivalent in any other currency and such failure continues for a period of thirty days after such failure has occurred.

9. SUBSTITUTION

The Issuer may, without any further consent or co-operation from the Bondholders (or Couponholders, if any), at any time, by way of transfer of its legal relationship under the Bonds (and the Coupons, if any) substitute any wholly-owned subsidiary, direct or indirect, of the Issuer (the **Substituted Debtor**) as the holder of all of the Issuer's rights and obligations under the Bonds (and the Coupons, if any) provided that no payment of principal of or interest on any Bond is overdue and further provided that the Substituted Debtor may make all payments of, or in respect of, principal of and interest on the Bonds without withholding of or deduction for Withholding Taxes (as defined in Condition 6) imposed or levied by or on behalf of the country where the Substituted Debtor has its domicile or tax residence, or any authority therein or thereof having the power to tax.

Upon substitution pursuant to this Condition, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substituted Debtor and any reference to the

Netherlands shall from then on be deemed to refer to the country where the Substituted Debtor has its domicile or tax residence.

Notice of any substitution pursuant to this Condition shall be given to the Bondholders in accordance with Condition 11.

The Issuer hereby irrevocably and unconditionally guarantees to the Bondholders that the Substituted Debtor shall pay all amounts of principal of and interest on the Bonds when due and accordingly undertakes to pay, upon the Issuer failing to pay any amount of principal of or interest on any Bond, the relevant amount to the relevant Bondholder(s). In the event of substitution, this guarantee ceasing to be the valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, shall constitute an Event of Default.

10. MEETINGS OF BONDHOLDERS AND MODIFICATION

Pursuant to the Fiscal Agency Agreement the Issuer may at any time convene a meeting of Bondholders to consider any matter affecting their interests, including modification by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of these Terms and Conditions. The provisions regarding meetings of Bondholders are contained in schedule 3 to the Fiscal Agency Agreement.

11. NOTICES

All notices to the Bondholders shall be validly given if published in a daily newspaper of wide circulation in the Netherlands and, as long as the Bonds are listed on Euronext Amsterdam, in the Daily Official List of Euronext Amsterdam N.V. (*Officiële Prijscoûrant*), provided that if timely publication in any such newspaper shall not be practicable, publication may take place in any other newspaper or newspapers as the Fiscal Agent shall deem necessary to give fair and reasonable notice to the Bondholders. Any such notice shall be deemed to have been given on the date of publication or, if published more than once, on the date of the first publication.

12. FURTHER ISSUES

The Issuer may, at its sole discretion, from time to time issue further bonds or other securities having the same terms and conditions as the Bonds in all respects, or in all respects except for the first payments of interest thereon, and so that such further bonds or other securities shall be consolidated and form a single series with the Bonds. In that case, in these Terms and Conditions, unless the context otherwise requires, the expression **Bonds** shall include any such further bonds or securities.

13. GOVERNING LAW AND JURISDICTION

The Fiscal Agency Agreement and the Bonds (and the Coupons, if any) are governed by the laws of the Netherlands. All disputes arising out of or in connection with the Fiscal Agency Agreement or the Bonds (or the Coupons, if any) shall be submitted to the exclusive jurisdiction of the competent courts in Amsterdam, the Netherlands, and their appellate courts.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds will be applied by the Issuer for its general corporate purposes.

DESCRIPTION OF THE ISSUER

Group business description

TNT N.V. (the **Issuer**; and, where the context so permits, together with all its group companies (*groepsmaatschappijen*) as defined in Article 2:24b of the Dutch Civil Code, **TNT**, the **Company** or the **Group**) is a public limited liability company and was incorporated under the laws of the Netherlands on 29 December 1997 under the name TNT Post Group N.V. TNT was formed in connection with the transaction pursuant to which the company currently known as Royal KPN N.V. demerged its mail, express and logistics businesses with retroactive effect to 1 January 1998. The statutory name changed to TPG N.V. on 6 August 2001 and to TNT N.V. on 11 April 2005.

The Issuer is domiciled in the Netherlands and operates under the laws of the Netherlands. The Issuer's subsidiaries, where applicable, operate under the laws of the various jurisdictions in which they carry on business.

TNT provides businesses and consumers worldwide with an extensive range of services for their express delivery and mail needs. TNT's services involve the collection, storage, sorting, transport and distribution of a wide variety of items for its customers within specific timeframes, and related data and document management services. The Issuer's corporate purpose described in Article 4 of the Company's articles of association, provides the basis for these activities.

The history of the Company goes back to 1799, when Dutch postal services were organized into a single national state enterprise. That enterprise formed the basis for the operations of the subsidiary Royal TNT Post B.V. In turn, the roots of the express business stretch back for 60 years when the Company's time-sensitive door-to-door delivery services started as Thomas Nationwide Transport (TNT) in Australia in 1946. Over time TNT has evolved from being the public postal company in the Netherlands to the international group providing express delivery and mail services the Company is today.

The Company manages its business through two divisions: Express and Mail. The Managing Directors of both divisions are members of the Board of Management of the Issuer. The Express division is managed pre-dominantly through regionally classified business units. In managing the Mail division, the Company recognizes four different areas: Mail Netherlands, European Mail Networks, Cross-border Mail, and Data and Document Management.

Most of the Express business is held through TNT Express Holdings B.V. Most of the Mail division is held through Koninklijke TNT Post B.V. The following table sets forth, as at 31 December 2007, the name and jurisdiction of incorporation of the Issuer's significant subsidiaries.

Company	Country	Equity Interest
Koninklijke TNT Post B.V.	Netherlands	100%
TNT Express Holdings B.V.	Netherlands	100%
TNT Express Worldwide N.V.	Netherlands	100%
TNT Finance B.V.	Netherlands	100%
TNT Head Office B.V.	Netherlands	100%
TNT Holdings (Deutschland) GmbH	Germany	100%
TNT Holdings (UK) Ltd.	United Kingdom	100%
TNT Holdings B.V.	Netherlands	100%
TNT UK Ltd.	United Kingdom	100%

Since 20 November 2006, the State of the Netherlands no longer holds shares in the Issuer. On that date the State sold all of its ordinary shares in the Issuer, representing approximately 10.9% of the outstanding ordinary share capital at the time. Previously, on 17 November 2006, the State of the Netherlands transferred the one special share in the Issuer to it for free.

TNT N.V. is the parent company of the Group and has its corporate seat in Amsterdam, the Netherlands and is registered in the trade register of the chamber of commerce and industries for Amsterdam under number 27168968. The Company's registered office address is Neptunusstraat 41-63, 2132 JA, Hoofddorp, the Netherlands. The Company's telephone number is +31 20 500 6000. The Company's internet address is <http://group.tnt.com/>.

Business Overview

TNT is in the business of transferring goods and documents around the world tailored to its customers' requirements with a focus on time- and/or day-certain pick up and delivery. It is TNT's business to deliver the "business" of its customers at the right time and at the right place.

TNT picks up, transports, sorts, handles, stores and delivers documents, packets, parcels, and freight by combining physical infrastructures such as depots and trucks, electronic infrastructures such as billing and track-and-trace systems, and commercial infrastructures and using these effectively to attract and retain customers.

Group strategy

Focus on Networks strategy

TNT's strategy is to focus on providing delivery services by expertly managing delivery networks. Thus, TNT calls its strategy Focus on Networks. This strategy was first presented in December 2005, contains manageable execution risks, and is based on TNT's core strengths, with the objective of achieving profitable growth.

In the first phase of its Focus on Networks strategy, TNT concentrated on transforming its foundations by exiting its logistics and freight management activities, concentrating on Mail and Express networks and optimising its capital structure. With the start of the second phase ("Grow and Build Value") in December 2007, the emphasis is now on further strengthening both the core of the portfolio (Mail Netherlands and Express Europe) and the emerging platforms such as European Mail Networks, parcels and Express emerging businesses.

TNT manages a portfolio of networks with different speed characteristics, ranging from same-day to some day, and different weight characteristics, ranging from letters to heavy parcels and pallets. TNT's Express business focuses on transferring documents, parcels and pallets that require time- or day-certain delivery, whilst TNT's Mail division focuses on transferring documents with day uncertain delivery. Due to the further optimisation of its network strategy, TNT introduced in 2007 the segment "Other networks" in which TNT reports its Innight business, the Company's special overnight express service.

TNT's networks are in different development phases and offer a variety of growth opportunities. TNT's most mature business is its Mail network in the Netherlands, where TNT actively seeks to maintain its market leadership in a declining market with increasing competition. TNT's Express networks in Asia, in particular in India, China and South-east Asia, and in selective other emerging markets, such as Brazil, are at the other end of the spectrum and are among the least mature networks in its portfolio. In these geographies TNT can shape the market, strongly grow its networks and attain market leadership. In Europe, TNT continues to grow its Express and Mail networks by building on

its existing strong position. TNT aims to accelerate growth in its networks organically, as well as through selected acquisitions.

The combination of Express and Mail networks in TNT's current portfolio has several strategic advantages. TNT believes the combination of business-to-business and business-to-consumer deliveries, for which it has unique expertise in its Express and Mail divisions respectively, becomes increasingly relevant in an era where e-related deliveries are growing exponentially and megacities, which require complex high density citizen services, will emerge. TNT also believes that over time, certain operational and strategic synergies can be achieved across its portfolio, for example in linehaul activities. Having both Express and Mail in its portfolio gives TNT unique cross-selling opportunities. And finally, the fact that Express and Mail require comparable management capabilities, such as network design, execution and planning, customer focus, market segmentation and brand awareness, allows TNT to optimise management and competence development across the Company.

The principal markets in which the Express division is active are Europe and Asia. The Express division is expanding its network in emerging markets such as Brazil, China and India. The principal market in which the Mail division of TNT is active, is Western Europe, with a focus on the Netherlands, Germany, United Kingdom and Italy.

Mail strategy

In Mail, TNT's strategic intent in the first phase of the Focus on Networks strategy was twofold: to actively maintain its market share in its home market, the Netherlands, and to capture growth opportunities outside its home market where TNT is faced with continuing competitive pressure and substitution. TNT believes that without new commercial and cost initiatives a volume decline of up to 40% by 2015 compared to 2006 is likely to result.

In the first phase of the Focus on Networks strategy, successfully completed at the end of 2007, TNT's Mail division prepared itself for the full liberalisation of the Dutch mail market, whilst outside the Netherlands platforms were established to become the number one challenger to incumbent European mail operators. In the second phase of the Focus on Networks strategy Mail Netherlands will further detail and execute the cost and commercial initiatives and continue to monitor, evaluate and respond to regulatory developments. Outside the Netherlands the Mail division will focus on optimising and growing market positions and realising growth in profitability.

At the end of 2006, TNT launched a number of initiatives along two tracks: commercial initiatives to limit volume decline to 30% by 2015 compared to 2006 and cost initiatives to save €300 million of annual costs. In 2007, TNT accounted for restructuring costs of €110 million for the efficiency projects that its Mail division started in 2008 to standardise the collection, preparation, and delivery of mail as much as possible. TNT is now in the process of negotiating with trade unions to enable expeditious implementation of the latter. In that context, TNT and the trade unions on 24 May 2008 reached an agreement in principle on new one-year collective labour agreements in constructive negotiations. All trade unions have signed the collective labour agreement for TNT and the collective labour agreement in respect of Saturday delivery staff only. The collective labour agreement for mail deliverers will be signed at a later date.

At the same time, TNT has made substantial progress in growing its Mail activities outside the Netherlands. TNT has continued to significantly expand its regional networks in Germany and the United Kingdom. TNT believes the combination of cost and commercial initiatives in the Netherlands and growth initiatives outside the Netherlands will contribute to Mail being able to continue to deliver a strong cash flow going forward. However, barriers to competition (such as value added tax (VAT) exemption, hidden state subsidies, and, as recently adopted in Germany, a generally binding minimum wage) may hamper TNT's ambition to grow its Mail activities outside the Netherlands.

Express strategy

In Express, TNT's strategic intent in the first phase of the Focus on Networks strategy was fourfold: to strengthen its leading position in Europe in national and intra-European flows, to build uplift capacity from China to fuel its European network and establish an intra-China network, to build the number one position in rest-of-the-world selected emerging markets and to expand its position in the broader market by offering special services. Underpinning TNT's Express networks is a strong focus on key customer interfacing processes, by understanding customer needs, winning and keeping profitable customers, delivering excellent customer service and delivering on time and in perfect condition. In all four strategic intent areas TNT made strong progress in 2007.

TNT has continued to strengthen its position in Europe by, amongst others, finalising the integration of Trespertrans S.L. (TG+), a Spanish company acquired in 2006, and capturing high growth in Eastern Europe. In China, TNT is integrating Hoau Group of China (Hoau) to build a strong domestic network in that country, and it has implemented its own Boeing 747 freighter service between China and Europe to capture the strong growth in this intercontinental flow. TNT has acquired domestic networks in India and Brazil and extended the reach of its South-east Asian road network. Lastly, TNT has expanded its position in special services by further growth in its same-day business and continued fast growth in time-critical freight.

TNT's Express division has thus created a strong platform by executing the four strategic intents mentioned above. In the second phase of the Focus on Networks strategy the emphasis will be on network optimisation to further strengthen leading positions of the Express division, to strengthen the Europe-Asia connectivity and to transform the newly-acquired domestic platforms in China, India and Brazil into integral international Express operations.

Recent Developments

TNT recently completed various share buyback programs as part of the objective of TNT to re-gear its balance sheet under the "Focus on Networks" strategy to reflect the more predictable cash flow profile of the Group. TNT's current capital structure is based on and managed along, amongst others, to maintain a credit rating at investment grade around "BBB+" level. A €1 billion share buy back program was started on 6 December 2005 and was successfully completed in April 2006, and most of the proceeds from the disposal of its logistics business were returned to the Issuer's shareholders through another €1 billion share buy back program which was completed on 23 January 2007. On 26 February 2007, TNT announced a €400 million share buy back program, in which the proceeds from the disposal of its freight management business were returned. The program was completed successfully on 12 September 2007. On 30 July 2007, a further share buy back program of €500 million was announced, which was successfully completed on 30 June 2008.

On 30 August 2007, TNT launched the "Planet Me" program, which is its strategy to improve transparency on the Company's carbon footprint, to drastically reduce CO₂ emissions from the Company's operations and to stimulate its 159,000 employees to do the same in their private lives. The "Planet Me" program has a three-pronged approach: Firstly, TNT is installing a certified system to measure, report and manage its CO₂ emissions. Secondly, the Company is implementing CO₂ reduction initiatives in its eight most important operational areas: aviation, buildings, business travel, company cars, partnering with customers, operational fleet, procurement, and investments. Thirdly, the program stimulates employees to use less energy at home and on the road.

The Company has successfully expanded in key markets like China, India and Brazil. TNT continues to explore the opportunity to expand the strategy by developing a standard parcels service and broader focused network services.

In 2007, the Issuer delisted from the New York Stock Exchange (NYSE). TNT had established that the benefits of U.S. registration and a NYSE listing had declined over time and expects it can fully

satisfy its current and future capital requirements based on its financial standing, without having a cross listing on the NYSE and Euronext Amsterdam. TNT has also taken into account the regulatory, legal, reporting and governance complexity and costs of complying with these two registrations. By operation of law, the deregistration became effective on 16 September 2007.

Management structure

The Issuer is managed by a Board of Management, which is supervised by a Supervisory Board. The members of the Board of Management and Supervisory Board of the Issuer are:

Members of the Board of Management of the Issuer

M.P. (Peter) Bakker (1961)

Chief Executive Officer

Peter Bakker has been chief executive officer (CEO) since 1 November 2001. He joined Royal TNT 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 TNT Post in 1996 and became a member of the Board of Management of TNT Post in 1997.

C.H. (Henk) van Dalen (1952)

Chief Financial Officer

Henk van Dalen has been chief financial officer (CFO) since 1 April 2006 and a member of the Board of Management since 20 April 2006. He started his career at DSM N.V. in 1976 where he held various positions. From 2000 until March 2006 Mr. Van Dalen was a member of the board of management and CFO of DSM N.V.

H.M. (Harry) 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 Royal TNT Post (then called PTT Post) in 1991 as managing director of its then Media Service business unit and became a member of its Board of Management in 1997.

M.C. (Marie-Christine) 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 the acquisition of Jet Services in 1999 by TNT, Mrs. Lombard joined the Company as the managing director of the domestic express business and from March 2001 until 1 January 2004 was managing director of TNT's international express business in France.

None of the members of the Board of Management performs activities outside TNT which are significant with respect to TNT.

Members of the Supervisory Board of the Issuer

J.H.M. (Jan) Hommen (1943)

Mr. Hommen has been chairman of the Supervisory Board since April 2005. He was appointed as a member of the Supervisory Board on 28 June 1998; Mr. Hommen will resign from the Supervisory Board at the annual general meeting of shareholders in 2009, when his current term as member of the Supervisory Board expires. He is chairman of the supervisory boards of ING Group N.V., Reed Elsevier N.V. and the Academic Hospital of Maastricht. He is a member of the supervisory board of Campina B.V. and chairman of the board of directors of TiasNimbas Business School of Tilburg University.

R.J.N. (Robert) Abrahamsen (1938)

Mr. Abrahamsen was appointed as a member of the Supervisory Board on 9 May 2000. His current term expires in 2012. Mr. Abrahamsen is chairman of the supervisory boards of Optimix Vermogensbeheer N.V. and Trans Link Systems. Mr. Abrahamsen is a member of the supervisory boards of Fluor Daniel B.V., PON Holdings B.V., Havenbedrijf Rotterdam B.V., ANP, Madurodam B.V., Royal BAM Group, Vitens N.V. and Bank Nederlandse Gemeenten.

V. (Victor) Halberstadt (1939)

Mr. Halberstadt was appointed as a member of the Supervisory Board on 28 June 1998. His current term expires in 2010. Mr. Halberstadt is professor of public finance at Leiden University, international advisor of Goldman Sachs Group Inc., non-executive director of PA Holdings Ltd. and a non-executive director of RHJ International. Furthermore, he is a member of the supervisory board of Concertgebouw N.V.

M. (Mary) Harris (1966)

Mrs. Harris was appointed as a member of the Supervisory Board on 20 April 2007. Her current term expires in 2011. Mrs. Harris is non-executive director at J Sainsbury plc.

G. (Giovanna) Kampouri Monnas (1955)

Ms. Kampouri Monnas was appointed as a member of the Supervisory Board on 7 April 2005. Her current term expires in 2009. Ms. Kampouri Monnas is a member of the supervisory board of Randstad Holding N.V. and member of the board of directors of Puig SL.

R. (Roger) King (1940)

Mr. King was appointed as a member of the Supervisory Board on 20 April 2006. His current term expires in 2010. Mr. King is non-executive director of Arrow Electronics, Inc. (USA) and Orient Overseas International Limited (Hong Kong). He is a standing committee member of the Chinese People's Consultative Conference of Zhijiang Provincial Committee and serves on various business and community committees. Mr. King is Adjunct Professor at Hong Kong University of Science and Technology.

P.C. (Piet) Klaver (1945)

Mr. Klaver was appointed as a member of the Supervisory Board on 11 April 2008. His current term expires in 2012. Mr. Klaver is chairman of the supervisory boards of the Utrecht School of Arts and Dekker Hout Groep B.V. He is chairman of the board of African Parks Foundation. Furthermore he is a member of the supervisory boards of Jaarbeurs Holding B.V., ING Group N.V., SHV Holdings N.V. and Dura Vermeer Groep N.V.

W. (Wim) Kok (1938)

Mr. Kok was appointed as a member of the Supervisory Board on 1 April 2003. His current term expires in 2011. Mr. Kok is a non-executive director of Royal Dutch Shell plc and member of the supervisory boards of ING Group N.V. and KLM Royal Dutch Airlines N.V.

S. (Shemaya) Levy (1947)

Mr. Levy was appointed as a member of the Supervisory Board on 7 April 2005. His current term expires in 2009. Mr. Levy is a member of the supervisory boards of Nissan, Renault Spain, Safran, Segula Technologies and AEGON N.V.

G.J. (Gerard) Ruizendaal (1958)

Mr. Ruizendaal was appointed as a member of the Supervisory Board on 11 April 2008. His current term expires in 2012. Mr. Ruizendaal is a member of the Group Management Committee of Royal Philips Electronics N.V. responsible for Group Strategy and Business Development and held various positions at Philips amongst others Group Controller.

Additional Supervisory Board Information

Name	Nationality	Appointed	Term expires	Committee membership
J.H.M. Hommen	Dutch	June 1998	2009	Nominations, Remuneration
R.J.N. Abrahamsen	Dutch	May 2000	2012	Audit, Nominations
V. Halberstadt	Dutch	June 1998	2011	Nominations, Public Affairs
M. Harris	British	April 2007	2011	Audit
G. Kampouri Monnas	Greek	April 2005	2009	Audit, Public Affairs
R. King	American	April 2006	2010	Remuneration
P.C. Klaver	Dutch	April 2008	2012	Public Affairs, Remuneration
W. Kok	Dutch	April 2003	2011	Nominations, Public Affairs
S. Levy	French	April 2005	2009	Remuneration
G.J. Ruizendaal	Dutch	April 2008	2012	Audit

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

There are no potential conflicts of interest between any duties owed by the members of the Board of Management or Supervisory Board to the Issuer and any private interests or other duties which such persons may have.

Material Contracts

TNT has not entered into any material contracts which are not in the ordinary course of TNT's business, and which could result in any group member being under an obligation or entitlement that is material to TNT's ability to meet its obligations to the Bondholders.

Major shareholders

To the extent known by TNT, the Company does not have any major shareholder who directly or indirectly owns or controls the Company.

DUTCH TAXATION

General

The following summary describes the principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Bonds, but does not purport to be a comprehensive description of all Dutch tax considerations thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Bonds. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning attributed to such terms and expressions shall be the meaning to be attributed to the equivalent concepts under Dutch tax law.

This summary is based on the tax legislation, published case law, treaties, regulations and published policy, in force as of the date of this Prospectus, though it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch tax consequences for:

- (i) holders of Bonds holding a substantial interest (*aanmerkelijk belang*) in the Issuer. Generally speaking, a holder of Bonds holds a substantial interest in the Issuer, if such holder of Bonds, alone or, where such holder is an individual, together with his or her partner (*partner*) or certain other related persons, directly or indirectly, holds (i) an interest of 5 percent or more of the total issued capital of the Issuer or of 5 percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (ii) investment institutions (*fiscale beleggingsinstellingen*); and
- (iii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Dutch corporate income tax;

Withholding tax

All payments made by the Issuer under the Bonds may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Corporate and individual income tax

- (a) Residents of the Netherlands

If a holder is resident or deemed to be resident of the Netherlands for Dutch tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of its enterprise to which the Bonds are attributable, income derived from the Bonds and gains realised upon the redemption, settlement or disposal of the Bonds are generally taxable in the Netherlands (up to a maximum rate of 25.5%).

If an individual holder is resident or deemed to be resident of the Netherlands for Dutch tax purposes (including the individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Bonds and gains realised upon the redemption, settlement or disposal of the Bonds are taxable at the progressive rates of the Netherlands income tax act 2001 (up to a maximum rate of 52%), if:

- (i) the holder has an enterprise or an interest in an enterprise, to which enterprise the Bonds are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Bonds that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Bonds, taxable income with regard to the Bonds must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. At present, this deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Bonds less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Bonds will be included as an asset in the individual's yield basis. The deemed return on income from savings and investments of 4% will be taxed at a rate of 30 per cent.

(b) Non-residents of the Netherlands

If a holder is not a resident nor deemed to be a resident of the Netherlands for Dutch tax purposes (nor has opted to be taxed as a resident of the Netherlands), such holder is not taxable in respect of income derived from the Bonds and gains realised upon the settlement, redemption or disposal of the Bonds, unless:

- (i) the holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the Bonds are attributable; or
- (ii) the holder is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Bonds are attributable; or
- (iii) the holder is an individual and such income or gains qualify as income from miscellaneous activities in the Netherlands, which include the performance of activities in the Netherlands with respect to the Bonds that exceed regular, active portfolio management.

If the holder is a corporate entity, that corporate entity is subject to a maximum corporate income tax rate of 25.5%. If the holder is an individual, that holder is subject to a maximum individual income tax rate of 52%.

Gift and Inheritance taxes

(a) Residents of the Netherlands

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Bonds by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax at the time of the gift or his or her death.

A holder of the Dutch nationality is deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance taxes, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. A holder of any other nationality is deemed to be a resident of

the Netherlands for the purposes of Dutch gift and inheritance tax if he or she has been resident in the Netherlands at any time during the twelve months preceding the time of the gift. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

(b) Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Bonds by way of gift by or as a result of the death of a holder that is neither a resident nor deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax, unless:

- (i) such holder at the time of the gift, or at the time of his or her death, has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or a permanent representative, the Bonds are (deemed to be) attributable; or
- (ii) the Bonds are (deemed to be) attributable to the assets of an enterprise that is effectively managed in the Netherlands and the donor or the deceased is entitled, other than by way of securities or through an employment contract, to a share in the profits of that enterprise, at the time of the gift or at the time of his or her death; or
- (iii) in the case of a gift of the Bonds by a holder who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, while at the time of his or her death being a resident or deemed to be a resident of the Netherlands.

Value added tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Bonds or in respect of the cash payment made under the Bonds, or in respect of a transfer of Bonds.

Other taxes and duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Bonds.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Also with effect from 1 July 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

SUBSCRIPTION AND SALE

BNP Paribas and HSBC Bank plc (the **Managers**) have, pursuant to a subscription agreement (the **Subscription Agreement**) dated 12 August 2008, jointly and severally agreed to subscribe or procure subscribers for the Bonds at the issue price of 99.33 per cent. of the principal amount of the Bonds, less total commissions of 0.20 per cent. of the principal amount of the Bonds. The Issuer will also reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

Republic of France

Each of the Managers and the Issuer has acknowledged that the Bonds are being issued outside the Republic of France and, accordingly each of the Managers and the Issuer has represented and agreed

that, in connection with their initial distribution, (i) it has not offered or sold or caused to be offered or sold and will not offer or sell or cause to be offered or sold, directly or indirectly, any Bonds to the public (*appel public à l'épargne*) in the Republic of France and (ii) offers and sales of Bonds in the Republic of France will be made to qualified investors (*investisseurs qualifiés*) to the exclusion of any individual who is a qualified investor, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code monétaire et financier.

This Prospectus has not been admitted to the clearance procedures of the Autorité des marchés financiers.

In addition, each of the Managers and the Issuer has represented and agreed that, it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, this Prospectus or any other offering material relating to the Bonds other than to those investors (if any) to whom offers and sales of the Bonds in the Republic of France may be made as described above in this section entitled “Republic of France”.

General

No action has been taken by the Issuer or any of the Managers that would, or is intended to, permit a public offer of the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Manager has undertaken that it will not, directly or indirectly, offer or sell any Bonds or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

GENERAL INFORMATION

General

The issue of £450,000,000 7.50% Bonds due 2018 by the Issuer, the terms and conditions of which are set forth in this Prospectus, has been duly authorised by resolutions of the Board of Management and Supervisory Board of the Issuer, adopted on 7 July 2008 and 25 July 2008 respectively.

Issue Date

The issue date of the Bonds is 14 August 2008.

Listing

Application has been made for the Bonds to be listed on Euronext Amsterdam.

Clearing

The Bonds have been accepted for clearance through Euroclear Netherlands with the Common Code 038243284 and the ISIN Code NL0006380537.

The address of Euroclear Netherlands (*Euroclear Nederland*) is Damrak 70, 1012 LM Amsterdam.

Yield to maturity

The effective yield to maturity of the Bonds is 7.598% per annum at the issue price.

Costs of the issue of the Bonds

The costs to the Issuer in connection with the issue of the Bonds will amount to approximately Euro 1,000,000.

Responsibility

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Litigation

The Company is not involved in, nor are there pending, or to the best of the knowledge and belief of the Issuer, threatened, any litigation, arbitration or administrative proceedings which may have, or have had during the past 12 months, a significant effect on the Company's financial position or profitability. The Issuer has provided for all probable liabilities relating to the normal course of business.

No significant change

There has been no significant change in the financial or trading position of the Company since 31 December 2007 and there has been no material adverse change in the financial position or prospects of the Company since 31 December 2007.

Auditors

The auditors of the Issuer are PricewaterhouseCoopers Accountants N.V. (**PwC**). The individual auditors of PwC are members of the Netherlands Institute for Registeraccountants ('NIVRA'). PwC have audited the financial statements of the Issuer, prepared in accordance with IFRS as adopted by the European Union for each of the two financial years ended 31 December 2007 and 31 December 2006 and issued unqualified reports for each of these years. The auditors of the Issuer have no material interest in the Issuer. The business address of PwC is Thomas R. Malthusstraat 5, 1066 JR Amsterdam, the Netherlands.

The reports of the auditors of the Issuer are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors who have authorised the contents of that part of this Prospectus.

Documents Available

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available free of charge from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being so long as any of the Bonds remains outstanding:

- (a) an English translation of the most recent articles of association of the Issuer;
- (b) the annual reports of the Issuer for the two most recent financial years and the most recently available published consolidated interim (semi-annual) financial statements of the Issuer (in English);
- (c) the Fiscal Agency Agreement; and
- (d) a copy of this Prospectus.

Managers transacting with the Issuer

Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

Interest material to the offer

Save for the commissions described under "*Subscription and Sale*" and any fees payable to the Managers, no person involved in the issue of the Bonds has an interest, including conflicting ones, material to the offer.

Commercial Register and Company address

The Issuer is registered in the trade register of the chamber of commerce and industries for Amsterdam under number 27168968.

The Issuer's company address is at Neptunusstraat 41-63, 2132 JA Hoofddorp, the Netherlands, telephone +31 (0)20 500 6000, fax +31 (0)20 500 7000.

The Corporate website of the Issuer on the Internet can be accessed at: <http://group.tnt.com/>.

Information on the Issuer's website does not form part of this Prospectus and may not be relied upon in connection with any decision to invest in the Bonds.

REGISTERED OFFICE OF THE ISSUER

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