First Quarter Results 2004

TPG

TPG first quarter profits surge on strong Mail and Express performances

Logistics turns the corner

Highlights:

- **Earnings from operations up by almost 12%**
  - Improved operating margins in Mail and Express
  - Logistics ahead of previous year
- **Net income up 16%**
  - Lower financing cost and effective tax rate
- **Strong free cash flow**
- **Confident outlook for 2004**

Key numbers	Q1 2004 €mil	Q1 2003 €mil	% Change
Revenues	2,985	2,917	2.3%
Earnings from operations	324	290	11.7%
EBITA	310	292	6.2%
Operating income (EBIT)	274	254	7.9%
Net income	163	140	16.4%
Free cash flow	241	281	-14.2%
Earnings per share (€ cents)	34.3	29.5	16.4%

CEO Peter Bakker:

"This was a good quarter for TPG. The Mail and Express businesses both delivered very good results, which are all the more pleasing given the difficult economic conditions which continue in the Netherlands and other key markets in Europe. Probably the most satisfying development however is that there is first evidence of a turnaround in the Logistics business. Building on this encouraging start to the year, we are confident that good improvements in earnings will be achieved in 2004."

Group overview

TPG has achieved strong first quarter earnings growth in markets which continue to be difficult. Earnings from operations climbed 11.7% (or 12.7% at constant exchange rates) on revenues which grew by 2.3% (3.3% at constant exchange rates). Strong performances by Mail and Express saw operating margins rise significantly in both businesses and, for the first time in two years, Logistics earnings were ahead of the previous year.

Net income grew by 16.4% to € 163 million (a growth of 17.9% at constant exchange rates) due to good operational performance, reductions in financing cost and an improved effective tax rate.

A free cash flow of € 241 million was generated in the quarter, the highest quarterly cash flow since the record level achieved in the first quarter of last year.

Review of operations

Mail has had a very good quarter, delivering a significant rise in operating margin despite an underlying decline in Dutch addressed mail volumes in line with recent quarters. The ability of the Mail Netherlands operation to compensate for volume declines has now been clearly demonstrated in six consecutive quarters and, in the majority of those quarters, margins have actually increased. This position will be strengthened by the extension of the Cost Flexibility programme to include an Overheads plan which has now been formally launched and will provide a further € 50 million of cost savings on an annualised basis. To supplement the robust performance in our home market, the expansion in European Mail Networks continues at a double digit pace.

Express continues to go from strength to strength. Earnings were up 29%, driven by further positive revenue quality yields and strong growth in international volumes, which boosted the operating margin from 5.0% to 6.1%. This performance should be seen in the light of continuing difficult economic conditions in key domestic markets in Europe. The product offering in Europe continues to be second to none and will be enhanced by further expansion in the new EU countries of Eastern Europe.

Logistics has delivered slightly higher earnings than last year in spite of a higher than normal level of start-up costs. The focus on the turnaround of underperforming countries as part of the Transformation through Standardisation (TtS) programme is starting to pay off with most internal targets for this quarter either being met or exceeded. All other aspects of TtS are on track and are set to deliver the promised annualised savings by the end of 2004.

Financial review

Group operating income in the quarter was € 274 million after charging non-allocated costs of € 14 million in respect of group initiatives, including € 4 million costs related to the Audit Committee investigation into certain UK tax matters conducted in the first quarter. Net financial expense fell by a third mainly as a result of lower net debt.

The effective tax rate improved to 36.5% from 37.8% in the first quarter of last year mainly due to lower non deductible goodwill amortisation and other costs.

The cash flow performance was strong. Further savings of € 47 million in working capital were made in the quarter. This contributed to the generation of a total free cash flow of € 241 million which was € 40 million lower than the first quarter of last year mainly due to higher tax payments and capital expenditure.

Prospects

Although current customer volumes do not indicate any material recovery in the key markets in which we operate, there are signs of a pick-up in certain parts of our international express business. TPG continues to be well positioned in all three divisions to benefit from any upturn that may occur.

In 2004, the Mail business must contend not only with a continued decline in Netherlands volumes but also with a tariff freeze on the concession part of its business. Nevertheless it is expected that an operating margin of between 20% and 21% can be achieved in 2004 due to the impact of significant and far reaching cost programmes.

Express is expected to continue to make good progress in the remainder of 2004 leading to further improvements in margins. An operating margin of around 7% is targeted for 2004.

For Logistics, 2004 is expected to be a year of progressive margin recovery driven by its transformation programme and the turnaround of underperforming countries. Operating margin is targeted at around 4% for 2004.

Significant events in 1st Quarter 2004

January 8	Agreement signed for lease of five Boeing 737 aircraft
January 22	Government postal vision in the Netherlands announced
February 19	New corporate strategy announced including TPG-1 and China
March 4	Renewal of Fiat Auto spare parts logistics contract in Europe announced
March 17	TPG Post won legal proceedings against tax authorities and OPTA
March 19	Publication of audited 2003 financial statements and annual report

Significant events after 1st Quarter 2004

April 5	Agreement in principle reached on return items with Sandd and Selekt Mail in the Netherlands
April 7	Access agreement signed with Royal Mail in the UK
April 22	Expansion in new EU countries announced

Group Summary €mil	Q1 2004	Q1 2003	% Change Operational	FX	Total
Revenues	2,985	2,917	3.3%	-1.0%	2.3%
Earnings from operations	324	290	12.7%	-1.0%	11.7%
EBITA	310	292	7.2%	-1.0%	6.2%
Operating income (EBIT)	274	254	7.5%	0.4%	7.9%
Net income	163	140	17.9%	-1.5%	16.4%

Divisional EBITA Summary €mil	Q1 2004	Q1 2003	% Change Operational	FX	Total
Mail	236	218	8.3%	0.0%	8.3%
Express	67	52	32.6%	-3.8%	28.8%
Logistics	21	20	10.0%	-5.0%	5.0%
Earnings from operations	324	290	12.7%	-1.0%	11.7%
Non allocated	(14)	2			
Total	310	292	7.2%	-1.0%	6.2%

Divisional Operating Income Summary	Q1 2004			Q1 2003		
€mil	EBITA	Goodwill amortisation	Operating income	EBITA	Goodwill amortisation	Operating income
Mail	236	(8)	228	218	(7)	211
Express	67	(13)	54	52	(13)	39
Logistics	21	(14)	7	20	(17)	3
Non allocated	(14)	(1)	(15)	2	(1)	1
Total	310	(36)	274	292	(38)	254

- **Strong cost control leads to increased operating margin**
- **Underlying volume decline in line with second half of 2003**
- **Double digit growth in European business continues**

Mail Summary	Q1 2004 €mil	Q1 2003 €mil	% Change
Revenues	980	999	-1.9%
EBITA	236	218	8.3%
Operating margin	**24.1%**	**21.8%**	

Mail revenues fell by 1.9% in the quarter due to lower Netherlands and Cross Border volumes, offset to some extent by further significant organic expansion of the European Mail Networks. Despite the lower volumes, earnings showed a strong 8.3% growth with earnings improving in all four lines of business. The overall operating margin climbed to 24.1% from 21.8% last year.

The margin improvement was mainly attributable to the increased flexibility of the operating cost base in the Netherlands. A further € 10 million of cost savings were achieved in the quarter from the Cost Flexibility programme.

The implementation of sequence sorting machines and employment of new style mail deliverers continues according to plan.

A reduction of € 5 million in pension costs, together with lower sickness leave and other cost efficiencies also contributed to the improvement in earnings.

The preliminary assessment of the quality of next day delivery in the Netherlands in the first quarter is above 96% and similar to last year.

Revenue Analysis	Q1 2004 €mil	Q1 2003 €mil	% Change	% Change Organic	% Change Acq	% Change FX
Mail Netherlands	678	700	-3.1%	-2.1%	-1.0%	0.0%
Cross Border	140	157	-10.8%	-9.5%	0.0%	-1.3%
European Mail Networks	109	92	18.5%	16.3%	2.2%	0.0%
Data & Document Management	53	50	6.0%	-4.0%	10.0%	0.0%
Mail	**980**	**999**	**-1.9%**	**-1.7%**	**0.0%**	**-0.2%**

Mail Netherlands revenues fell by 3.1% in the quarter of which 1.0% was due to the disposal of Geldnet in 2003. Excluding the impact of election mail volumes in the first quarter of last year, the underlying rate of decline in addressed mail volumes was 3.5% in line with recent quarters. A positive combined price and mix effect was achieved in spite of a tariff freeze in the Domestic mail business. This partially compensated for an overall 5.7% decline in addressed mail volumes including the prior year election mail impact.

The underlying rate of decline in domestic mail volumes in the quarter was 0.4%. This was helped to some extent by the timing of Christmas and New Year mail. Including prior year election mail the actual decline was 4.1%.

Addressed direct mail volumes fell by 8.3% in the quarter due to the continuing depressed economy which impacts magazines, papers and other printed matter, together with increased competitive pressure. One consequence of the current economic situation is a significant increase in the volumes of cheaper unaddressed direct mail. Taken together, the total amount of addressed and unaddressed direct mail volumes actually increased in the quarter.

Cross Border revenues in the first quarter fell by 9.5% at constant exchange rates. Competitive pressures were felt by both the TPG Post and Spring branded businesses in the quarter. In the case of Spring, contract reviews conducted as part of a continuing margin improvement programme have resulted in reduced volumes.

Significant organic growth was again achieved in **European Mail Networks** in the quarter. Total revenues grew by 18.5% with substantial expansion achieved in the UK, where revenues almost doubled, Germany, where addressed mail more than doubled, and also Italy.

Data & Document Management first quarter revenues grew by 6.0% due to the acquisition of Doc Vision in the Netherlands in April last year. Cendris business continues to be adversely impacted by the depressed economic climate in the Netherlands. Revenues in the UK and Germany on the other hand have shown good growth in the quarter, consistent with the development of European Mail Networks.

- **Earnings up an impressive 29%**
  - **positive revenue quality yields**
  - **strong growth in international volumes**
- **Profit improvements in all business units**

Express Summary	Q1 2004	Q1 2003	% Change
	€mil	€mil	
Revenues	1,094	1,037	5.5%
EBITA	67	52	28.8%
Operating margin	**6.1%**	**5.0%**	

Express revenues grew by 5.5% in the first quarter. Solid organic revenue growth of 6.1% was achieved mainly due to strong growth in international revenues with domestic revenues remaining fairly flat.

Earnings increased by 28.8% and the operating margin improved to 6.1% from 5.0% in the first quarter of last year.

All business units have continued to achieve solid year on year growth in profits, driven by positive revenue quality yields. Particularly strong performances were achieved in the Benelux, Germany, Eastern Europe, Scandinavia and Austria.

Many of the key underlying reasons for the strong growth across the division are highlighted in the Benelux business unit, where earnings and margins increased significantly in the quarter. Application of a group-wide commercial policy geared to revenue quality improvements in conjunction with successful execution of tariff increases, resulted in a considerable yield improvement in the Benelux. Furthermore, a strong focus on costs together with the standardisation of the sales process and the implementation of a robust decentralised structure, has resulted in significant cost savings and efficiency improvements.

The European air network operated at an average 69% utilisation in the quarter compared to 75% in the same quarter of last year. The lower utilisation was mainly due to the opening of four new airport connections in Florence, Naples, Bucharest and Turku.

Revenue Analysis	Q1 2004	Q1 2003	% Change	% Change		
	€mil	€mil		Organic	Acq	FX
Express Europe	894	856	4.4%	4.9%	0.1%	-0.6%
Express ROW	200	181	10.5%	11.6%	0.0%	-1.1%
Express	**1,094**	**1,037**	**5.5%**	**6.1%**	**0.1%**	**-0.7%**

Europe revenues increased by 4.4% in the first quarter. Organic revenue growth was 4.9%, fuelled by a 3.2% positive revenue quality yield improvement. Although total core consignments only increased by 0.8%, the amount of kilos carried grew by 5.2%, continuing the recent trend of strong growth in the heavier road based product.

Consignment and kilo volumes were negatively affected by the phasing of public holidays at the beginning of the year. However, both road and air volumes picked up significantly towards the end of the quarter.

The highest organic growth was obtained in the UK, Ireland, Eastern Europe, Scandinavia and Austria. Difficult economic conditions in the key domestic markets of Germany, France and Italy continue to restrict growth in the domestic express part of the business in those countries.

Strong organic growth was again achieved in the **Rest of the World** with China, South East Asia and the Middle East all showing particularly strong double digit growth.

- **Earnings ahead of previous year for first time in two years**
- **TtS programme is on track**
- **Start-ups continue to impact results**

Logistics Summary	Q1 2004 €mil	Q1 2003 €mil	% Change
Revenues	920	885	4.0%
EBITA	21	20	5.0%
Operating margin	**2.3%**	**2.3%**	

Logistics organic revenue growth in the first quarter was 6.1%. Nominal revenue growth was reduced to 4.0% as a result of an adverse foreign exchange translation impact.

Earnings were 5% higher than the first quarter of last year and the operating margin has now caught up with last year's level of 2.3% marking the end of the recent downward trend. At constant exchange rates, the rate of improvement in earnings was 10%, all of which was generated organically.

This improvement is mainly due to the success of the Transformation through Standardisation (TtS) programme and the specific focus on the turnaround of three under performing countries, France, Italy and Germany, through a mixture of cost reductions and termination of loss making contracts.

Operating margins in almost all the other business units including the UK, North America, Benelux, Australia and China improved compared to the same quarter last year due to a combination of new good margin contracts and sound cost management.

Savings of € 4 million have been made in the first quarter as a result of TtS actions. The overall TtS programme remains on track to generate annualised savings of € 40 million in 2004 in addition to the annualised savings of € 15 million already delivered in 2003. The majority of actual first quarter savings have been achieved in the areas of procurement and contract rationalisation.

Earnings continued to be negatively impacted in the quarter by higher than normal start-up costs and other non-recurring issues which together cost around € 6 million.

Revenue Analysis	Q1 2004	Q1 2003	% Change	% Change		
	€mil	€mil		Organic	Acq	FX
Logistics Europe	698	657	6.2%	6.4%	0.0%	-0.2%
Logistics North America	140	163	-14.1%	-3.7%	0.0%	-10.4%
Logistics ROW	82	65	26.2%	27.7%	0.0%	-1.5%
Logistics	**920**	**885**	**4.0%**	**6.1%**	**0.0%**	**-2.1%**

The net organic revenue growth of 6.1% in the quarter was achieved from new contracts (+10.6%) and a positive volume and price impact (+2.3%) offset by terminated contracts (- 6.8%).

New contract wins in the first quarter have an annualised revenue of € 97 million compared to € 84 million in the final quarter of last year. Contract renewals in the quarter have provided further annualised revenues of € 290 million, boosted by the renewal of the Fiat spare parts contract in Europe worth €1 billion over five years. Contract terminations had an annualised revenue of € 65 million of which around half was due to our contract rationalisation programme.

The value of the business development pipeline stands at € 1.1 billion at the end of the first quarter. The higher certainty part of the pipeline has remained stable at around € 0.2 billion.

Europe revenues grew by 6.2% in the quarter. The highest organic growth was achieved in Central and Eastern Europe, Benelux, the UK and Italy automotive through a mixture of new contracts and higher volumes. Revenues declined in France and Italy non-automotive as a result of planned contract terminations.

North America revenues fell by 14.1% mainly due to the impact of foreign exchange translation although organic growth was adversely affected by the loss of a major automotive related contract.

Rest of the World revenues increased by 26.2% driven by significant organic growth in China and Australia.

Euro Million	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002
GROUP									
Revenues	**2,985**	**3,184**	**2,829**	**2,936**	**2,917**	**3,180**	**2,805**	**2,899**	**2,898**
Earnings from operations	**324**	**320**	**211**	**299**	**290**	**382**	**222**	**305**	**298**
Non-allocated items	(14)	(5)	(9)	(7)	2	12	8	(10)	(5)
EBITA	**310**	**315**	**202**	**292**	**292**	**394**	**230**	**295**	**293**
Goodwill amortisation	(36)	(39)	(218)	(39)	(38)	(39)	(39)	(38)	(38)
Operating income (EBIT)	**274**	**276**	**(16)**	**253**	**254**	**355**	**191**	**257**	**255**
Financial income and expense	(16)	(22)	(23)	(23)	(24)	(25)	(31)	(25)	(27)
Income taxes	(94)	(148)	(49)	(84)	(87)	(115)	(60)	(81)	(85)
Results from affiliates	(1)	(1)	(1)	(3)	(1)	(1)	(1)	(3)	0
Minority results	0	0	1	0	(2)	(2)	0	(3)	0
Net income	**163**	**105**	**(88)**	**143**	**140**	**212**	**99**	**145**	**143**
Net profit on sale of non-core business	0	0	0	0	0	(14)	0	0	0
Net income from continuing operations	**163**	**105**	**(88)**	**143**	**140**	**198**	**99**	**145**	**143**
Average number of shares (mil)	475.1	475.1	475.1	475.1	475.0	475.0	475.0	475.0	475.0
Earnings per share (euro cents)	34.3	22.1	(18.5)	30.1	29.5	44.6	20.8	30.5	30.1
Net cash provided by operating activities	303	262	277	74	324	227	214	337	254
Capital expenditure on property, plant and equipment and other intangible assets	(74)	(128)	(94)	(72)	(60)	(152)	(111)	(130)	(79)
Disposals of property, plant and equipment and other intangible assets	12	12	3	14	17	23	19	16	5
Free cash flow	**241**	**146**	**186**	**16**	**281**	**98**	**122**	**223**	**180**
Number of employees	162,124	163,028	161,079	160,536	150,155	150,365	148,285	143,097	141,463
Full time equivalent employees	120,294	122,224	120,387	119,946	114,348	113,444	113,711	112,751	112,261

Euro Million	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002
MAIL									
Mail Netherlands									
Revenues	**678**	**731**	**604**	**663**	**700**	**780**	**634**	**666**	**715**
Growth %	-3.1%	-6.3%	-4.7%	-0.5%	-2.1%	-2.6%	1.6%	1.4%	3.9%
Organic	-2.1%	-5.5%	-3.4%	-1.0%	-2.1%	-2.6%	1.6%	1.4%	3.9%
Acquisition	-1.0%	-0.8%	-1.3%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Fx	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Addressed mail pieces (millions)	1,330	1,516	1,160	1,297	1,411	1,575	1,201	1,333	1,412
Growth %	-5.7%	-3.7%	-3.4%	-2.7%	-0.1%	-2.7%	-2.0%	0.4%	1.4%
Working days	64	65	65	61	64	63	65	61	64
Cross Border									
Revenues	**140**	**155**	**142**	**148**	**157**	**176**	**155**	**157**	**162**
Growth %	-10.8%	-11.9%	-8.4%	-5.7%	-3.1%	-1.1%	-1.3%	-0.6%	0.6%
Organic	-9.5%	-9.6%	-5.8%	-1.9%	1.8%	1.1%	0.6%	-1.8%	-4.5%
Acquisition	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%	3.9%
Fx	-1.3%	-2.3%	-2.6%	-3.8%	-4.9%	-2.2%	-1.9%	-2.5%	1.2%
European Mail Networks									
Revenues	**109**	**112**	**100**	**105**	**92**	**100**	**85**	**88**	**85**
Growth %	18.5%	12.0%	17.6%	19.3%	8.2%	4.2%	14.9%	12.8%	49.1%
Organic	16.3%	9.0%	14.1%	12.5%	5.9%	8.4%	-1.3%	3.2%	16.9%
Acquisition	2.2%	5.0%	5.9%	9.1%	3.5%	-4.2%	16.2%	10.1%	31.8%
Fx	0.0%	-2.0%	-2.4%	-2.3%	-1.2%	0.0%	0.0%	-0.5%	0.4%
Data & Document Management									
Revenues	**53**	**54**	**51**	**51**	**50**	**62**	**44**	**48**	**48**
Growth %	6.0%	-12.9%	15.9%	6.3%	4.2%	29.2%	-2.2%	14.3%	50.0%
Organic	-4.0%	-11.3%	-4.5%	0.1%	6.3%	6.3%	-6.6%	1.0%	8.1%
Acquisition	10.0%	0.0%	22.7%	8.3%	0.0%	25.0%	4.4%	13.3%	41.9%
Fx	0.0%	-1.6%	-2.3%	-2.1%	-2.1%	-2.1%	0.0%	0.0%	0.0%
Total Mail									
Revenues	**980**	**1,052**	**897**	**967**	**999**	**1,118**	**918**	**959**	**1,010**
Growth %	-1.9%	-5.9%	-2.3%	0.8%	-1.1%	-0.4%	2.0%	2.6%	7.7%
Organic	-1.7%	-5.2%	-2.3%	0.2%	-0.4%	-0.7%	0.7%	1.0%	3.5%
Acquisition	0.0%	-0.1%	0.8%	1.6%	0.3%	0.7%	1.6%	2.1%	4.0%
Fx	-0.2%	-0.6%	-0.8%	-1.0%	-1.0%	-0.4%	-0.3%	-0.5%	0.2%
EBITA	**236**	**227**	**163**	**212**	**218**	**247**	**144**	**195**	**218**
Operating margin	24.1%	21.6%	18.2%	21.9%	21.8%	22.1%	15.7%	20.3%	21.6%
Goodwill amortisation	(8)	(9)	(28)	(10)	(7)	(9)	(6)	(8)	(7)
Operating income (EBIT)	**228**	**218**	**135**	**202**	**211**	**238**	**138**	**187**	**211**

2002 revenues by line of business have been restated to reflect a more accurate elimination of internal transactions which commenced in 2003

Euro Million	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002
EXPRESS									
Express Europe									
Revenues	**894**	**926**	**826**	**847**	**856**	**899**	**822**	**845**	**836**
Growth %	4.4%	3.0%	0.5%	0.2%	2.4%	9.0%	10.0%	8.3%	6.8%
Organic	4.9%	6.0%	3.4%	3.8%	6.3%	8.4%	7.3%	7.7%	2.8%
Acquisition	0.1%	0.0%	0.1%	-0.2%	-0.5%	1.8%	2.8%	1.9%	3.0%
Fx	-0.6%	-3.0%	-3.0%	-3.4%	-3.4%	-1.2%	-0.1%	-1.3%	1.0%
Core consignments (mil)	34.1	36.6	31.0	33.7	33.8	35.2	30.2	33.8	32.9
Core kilos (mil)	550.3	583.2	519.5	527.3	523.3	566.4	494.3	522.5	519.8
Core revenue quality yield improvement	3.2%	3.2%	2.8%	4.5%	3.3%	4.3%	2.8%	2.4%	2.0%
Express ROW									
Revenues	**200**	**220**	**206**	**189**	**181**	**205**	**190**	**195**	**183**
Growth %	10.5%	7.3%	8.4%	-3.1%	-1.1%	5.1%	-1.0%	-1.5%	-1.6%
Organic	11.6%	12.2%	14.7%	10.3%	13.3%	14.9%	7.4%	5.0%	-4.8%
Acquisition	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.5%
Fx	-1.1%	-4.9%	-6.3%	-13.4%	-14.4%	-9.8%	-8.9%	-6.5%	2.7%
Total Express									
Revenues	**1,094**	**1,146**	**1,032**	**1,036**	**1,037**	**1,104**	**1,012**	**1,040**	**1,019**
Growth %	5.5%	3.8%	2.0%	-0.4%	1.8%	8.2%	7.8%	6.3%	5.2%
Organic	6.1%	7.2%	5.6%	5.1%	7.6%	9.4%	7.2%	7.1%	1.4%
Acquisition	0.1%	0.0%	0.1%	-0.2%	-0.4%	1.6%	2.4%	1.5%	2.5%
Fx	-0.7%	-3.4%	-3.7%	-5.3%	-5.4%	-2.8%	-1.8%	-2.3%	1.3%
Working days	63	62	65	60	63	62	65	61	62
EBITA	**67**	**111**	**47**	**66**	**52**	**107**	**37**	**61**	**41**
Operating margin	6.1%	9.7%	4.6%	6.4%	5.0%	9.7%	3.7%	5.9%	4.0%
Goodwill amortisation	(13)	(14)	(13)	(13)	(13)	(14)	(14)	(14)	(12)
Operating income (EBIT)	**54**	**97**	**34**	**53**	**39**	**93**	**23**	**47**	**29**

2002 numbers have been restated for consistency to reflect the transfer of the Innight business from Express to Logistics at the beginning of 2003

Euro Million	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003	Q4 2002	Q3 2002	Q2 2002	Q1 2002
LOGISTICS									
Logistics Europe									
Revenues	**698**	**756**	**678**	**703**	**657**	**707**	**659**	**651**	**626**
Growth %	6.2%	6.9%	2.9%	8.0%	5.0%	8.9%	13.2%	7.8%	18.6%
Organic	6.4%	9.4%	5.6%	6.3%	0.5%	4.0%	5.1%	-0.1%	6.9%
Acquisition	0.0%	-0.1%	0.0%	4.3%	7.5%	6.6%	8.8%	10.1%	10.4%
Fx	-0.2%	-2.4%	-2.7%	-2.6%	-3.0%	-1.7%	-0.7%	-2.2%	1.3%
Logistics North America									
Revenues	**140**	**147**	**154**	**166**	**163**	**168**	**155**	**192**	**190**
Growth %	-14.1%	-12.5%	-0.6%	-13.5%	-14.2%	-5.6%	-11.9%	-9.9%	-5.0%
Organic	-3.7%	1.8%	9.7%	11.5%	5.3%	6.2%	-3.4%	-1.9%	-9.5%
Acquisition	0.0%	0.0%	0.0%	-7.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Fx	-10.4%	-14.3%	-10.3%	-17.2%	-19.5%	-11.8%	-8.5%	-8.0%	4.5%
Logistics ROW									
Revenues	**82**	**94**	**77**	**75**	**65**	**72**	**68**	**65**	**57**
Growth %	26.2%	30.6%	13.2%	15.4%	14.0%	24.1%	21.4%	6.6%	14.0%
Organic	27.7%	37.5%	20.6%	41.5%	54.4%	53.4%	44.6%	18.0%	18.0%
Acquisition	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fx	-1.5%	-6.9%	-7.4%	-26.1%	-40.4%	-29.3%	-23.2%	-11.4%	-4.0%
Total Logistics									
Revenues	**920**	**997**	**909**	**944**	**885**	**947**	**882**	**908**	**873**
Growth %	4.0%	5.3%	3.1%	4.0%	1.4%	7.0%	8.4%	3.4%	12.2%
Organic	6.1%	10.3%	7.5%	9.9%	5.0%	7.6%	6.1%	0.6%	3.3%
Acquisition	0.0%	-0.1%	0.0%	1.4%	5.4%	4.9%	6.3%	6.9%	7.1%
Fx	-2.1%	-4.9%	-4.4%	-7.3%	-9.0%	-5.5%	-4.0%	-4.1%	1.8%
Revenues by sector									
Automotive	352	402	345	345	336	347	316	356	361
Tyres	49	70	50	43	58	68	58	47	46
FMCG	160	165	156	163	151	195	179	150	131
Hi-tech electronics	118	137	126	117	119	125	103	109	109
Publishing / media	59	60	65	48	56	66	57	57	56
Other	182	163	167	228	165	146	169	189	170
EBITA	**21**	**(18)**	**1**	**21**	**20**	**28**	**41**	**49**	**39**
One-off costs	0	42	24	13	0	0	0	0	0
EBITA excl one-off costs	**21**	**24**	**25**	**34**	**20**	**28**	**41**	**49**	**39**
Operating margin	2.3%	-1.8%	0.1%	2.2%	2.3%	3.0%	4.6%	5.4%	4.5%
Operating margin excl one –off costs	2.3%	2.4%	2.8%	3.6%	2.3%	3.0%	4.6%	5.4%	4.5%
Goodwill amortisation	(14)	(16)	(177)	(17)	(17)	(17)	(17)	(17)	(19)
Operating income (EBIT)	**7**	**(34)**	**(176)**	**4**	**3**	**11**	**24**	**32**	**20**

2002 numbers have been restated for consistency to reflect the transfer of the Innight business from Express to Logistics at the beginning of 2003

	Q1 2004	Q1 2003
	€mil	€mil
Net sales	**2,966**	**2,898**
Other operating revenues	19	19
Total operating revenues	**2,985**	**2,917**
Cost of materials	(127)	(136)
Work contracted out and other external expenses	(1,209)	(1,190)
Salaries and social security contributions	(1,065)	(1,030)
Depreciation, amortisation and impairments	(124)	(123)
Other operating expenses	(186)	(184)
Total operating expenses	**(2,711)**	**(2,663)**
Operating income	**274**	**254**
Interest and similar income	4	4
Interest and similar expenses	(20)	(28)
Financial income and expenses	**(16)**	**(24)**
Income before income taxes	**258**	**230**
Income taxes	(94)	(87)
Results from investments in affiliated companies	(1)	(1)
Net income before minority interests	**163**	**142**
Minority Interests	0	(2)
Net income	**163**	**140**
Net income per ordinary share and per ADS [1] (in euro cents)	34.3	29.5

[1] Based on the average amount of 475.1 million ordinary shares, including ADS (2003: 475.1 million).

Before proposed appropriation of net income

	Q1 2004 €mil	Q1 2003 €mil
Net income	**163**	**140**
Depreciation, amortisation and impairments	124	124
Changes in provisions	(5)	(16)
Changes in pension liabilities	(46)	(50)
Changes in deferred taxes	20	85
Changes in working capital:	0	0
- inventory	4	0
- accounts receivable	48	10
- other current assets	(80)	(43)
- current liabilities excl. short term financing	75	74
Net cash provided by operating activities	**303**	**324**
Acquisition of group companies	(9)	(8)
Disposals of group companies	0	0
Acquisition of affiliated companies	0	(3)
Disposals of affiliated companies	0	0
Capital expenditure on other intangibles	(12)	(8)
Disposals of intangible assets	1	3
Capital expenditure on property, plant & equipment	(62)	(52)
Disposals of property, plant and equipment	11	14
Changes in other financial fixed assets	4	(7)
Changes in minority interests	2	1
Net cash used in investing activities	**(65)**	**(60)**
Changes in shareholders' equity:		
- Dividends paid	0	0
- Other changes in shareholders' equity	1	0
Long-term liabilities acquired	5	19
Long-term liabilities repaid	(16)	(23)
Changes in short-term bank debt	(34)	(11)
Net cash provided by financing activities	**(44)**	**(15)**
Changes in cash and cash equivalents	**194**	**249**
Cash and cash equivalents at beginning of period	470	357
Exchange rate differences on cash items	3	(4)
Cash and cash equivalents from acquisition and disposal of group companies	1	(1)
Change in cash and cash equivalents	194	249
Cash and cash equivalents at end of period	**668**	**601**

Before proposed appropriation of net income

	At 31 Mar 2004 €mil	At 31 Dec 2003 €mil
ASSETS		
Fixed assets		
Goodwill	2,295	2,309
Other intangible assets	114	112
Total intangible assets	**2,409**	**2,421**
Land and buildings	981	981
Plant and equipment	487	469
Other property, plant and equipment	475	485
Construction in progress	67	74
Total property, plant and equipment	**2,010**	**2,009**
Investments in affiliated companies	77	79
Loans receivable from affiliated companies	2	2
Other loans receivable	151	158
Prepayments and accrued income	381	388
Total financial fixed assets	**611**	**627**
Total fixed assets	**5,030**	**5,057**
Current assets		
Inventory	45	49
Accounts receivable	1,961	1,977
Prepayments and accrued income	446	362
Cash and cash equivalents	668	470
Total current assets	**3,120**	**2,858**
Total assets	**8,150**	**7,915**
LIABILITIES AND GROUP EQUITY		
Group equity		
Shareholders' equity	3,149	2,969
Minority interests	17	17
Total group equity	**3,166**	**2,986**
Provisions		
Deferred tax liabilities	158	143
Retirement schemes	21	23
Restructuring	35	42
Other	92	88
Total provisions	**306**	**296**
Pension liabilities	**475**	**521**
Long-term liabilities		
Long-term debt	1,474	1,474
Accrued liabilities	178	187
Total long term liabilities	**1,652**	**1,661**
Current liabilities		
Trade accounts payable	666	687
Other current liabilities	543	540
Accrued current liabilities	1,342	1,224
Total current liabilities	**2,551**	**2,451**
Total liabilities and group equity	**8,150**	**7,915**

Free cash flow

	Q1 2004 €mil	Q1 2003 €mil
Net cash provided by operating activities	303	324
Capital expenditure on property, plant and equipment and other intangible assets	(74)	(60)
Disposals of property, plant and equipment and other intangible assets	12	17
Free cash flow	**241**	**281**

Capital expenditure on property, plant and equipment and other intangible assets

	Q1 2004 €mil	Q1 2003 €mil
Mail	22	16
Express	33	26
Logistics	19	16
Corporate	0	2
Total	**74**	**60**

Movement in shareholders' equity

	Q1 2004 €mil	Q1 2003 €mil
Opening balance	**2,969**	**2,961**
Net income for the period	163	140
Foreign exchange effects	16	(33)
Other reserves	1	0
Cash dividend	0	0
Closing balance	**3,149**	**3,068**

Net debt

	At 31 Mar 2004 €mil	At 31 Dec 2003 €mil
Short-term debt	66	69
Long-term debt	1,474	1,474
Total interest bearing debt	**1,540**	**1,543**
Cash and cash equivalents	(668)	(470)
Net debt	**872**	**1,073**

Net income

	Q1 2004 €mil	Q1 2003 €mil
Net income under Dutch GAAP	**163**	**140**
Adjustments for:		
Employment schemes and group reorganisation	(3)	(3)
Amortisation of goodwill	36	38
Other intangible asset depreciation	(1)	0
Financial instruments	(2)	(1)
Real estate sale	0	1
Depreciation on restoration of previously recognised impairments	1	1
Long term contract incentive payment	0	0
Tax effect of adjustments	(2)	1
Net Income under US GAAP	**192**	**177**
Net income per ordinary share and per ADS under US GAAP [1] (in Euro cents)	**40.4**	**37.3**

[1] Based on an average of 475.1million ordinary shares, including ADS (2003: 475.0 million)

Shareholders' Equity

	At 31 Mar 2004 €mil	At 31 Mar 2003 €mil
Shareholders' equity under Dutch GAAP	**3,149**	**3,068**
Adjustments for:		
Employment schemes and group reorganisation	139	149
Goodwill	153	129
Other intangible asset depreciation	(6)	(2)
Financial instruments	(3)	(17)
Real estate sale	(23)	(15)
Sale-lease-back transaction	(7)	(4)
Long-term contract incentive payment	(5)	(6)
Restoration of previously recognised impairments, net of depreciation	(6)	(10)
Pensions curtailment	2	2
Provisions	1	0
Deferred taxes on adjustments	2	(40)
Shareholders' equity under US GAAP	**3,396**	**3,254**

Financial Calendar 2004

Monday 2 August	Publication of 2004 first half year results
Wednesday 4 August	Ex-dividend listing of TPG shares
Wednesday 11 August	Payment of interim dividend
Monday 25 October	Publication of 2004 third quarter results

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Forward-looking statements warning—Safe Harbour Statement under the US Private Securities Litigation Reform Act of 1995

Except for historical statements and discussions, statements contained in this press release are forward-looking statements. Forward-looking statements generally can be identified by the use of terms such as "ambition", "may", "will", "expect", "intend", "anticipate", "believe", "plan", "seek", "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, many of which are outside of our control, that 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 TPG operate, management's beliefs and assumptions made by management about future events. In addition to the assumptions specifically mentioned in this press release, there are a number of other factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to:

- substitution of alternative methods for delivering information for TPG's Mail and Express services,
- regulatory developments and changes, including with respect to the levels of tariffs, the scope of mandatory and reserved services, quality standard, liberalisation in the Dutch and European postal markets and the outcome of pending regulatory proceedings,
- competition in the mail, express and logistics businesses,
- decisions of competition authorities regarding proposed joint ventures or acquisitions,
- costs of complying with governmental regulations,
- general economic conditions, government and regulatory policies and business conditions in the markets served by us, including adverse effects of terrorist attacks, use of our delivery capabilities by criminals, anthrax incidents, war or the outbreak of hostilities or epidemic diseases,
- higher costs of insurance coverage for future claims caused by acts of war, terrorism, sabotage, hijacking or other similar perils,
- the effect of the current economic downturn and other risks and trends in the world economy and the timing, speed and magnitude of any economic recovery,
- our ability to achieve cost savings and realise productivity improvements and the success of investments, joint ventures and alliances,
- fluctuations in fuel costs,
- TPG's ability to increase our fuel surcharge in response to rising fuel prices due to competitive pressures,
- changes in currency and interest rates,
- increased price transparency resulting from the adoption of the euro,
- changes in TPG's credit rating and their impact on TPG's financing costs and requirements,
- changes in TPG's relationship with the State of the Netherlands,
- disruptions at key sites,
- incidents resulting from the transport of hazardous materials,
- mismatches between TPG's investment in infrastructure (aircraft, depots and trucks) and our actual capacity needs,
- strikes, work stoppages and work slowdowns and increases in employee costs,
- costs of completing acquisitions or divestitures and integrating newly acquired businesses,
- changes to the international conventions regarding the limitation of liability for the carriage of goods,
- significant changes in the volumes of shipments transported through our network, the mix of services purchased by our customers or the prices we obtain for our services,
- market acceptance of our new service and growth initiatives,
- changes in customer demand patterns,
- the impact of technology developments on our operations and on demand for our services,
- disruptions to our technology infrastructure, including our computer systems andwebsite,
- TPG's ability to maintain aviation rights in important international markets,
- adverse weather conditions,
- if our subcontractors' employees were to be considered our employees, and
- decisions of tax and other authorities with respect to our tax liabilities.

These factors and other factors that could affect these forward-looking statements are described in TPG's annual report on Form 20-F and TPG's other reports filed with the US Securities and Exchange Commission. As a result of these and other factors, no assurance can be given as to TPG's future results and achievements. You are cautioned not to put undue reliance on these forward-looking statements, which are neither predictions nor guarantees of future events or circumstances. TPG disclaims any obligation to publicly update or revise these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.