Tele Atlas Annual Report 2006

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ASSETS	Notes	As at December 31, (in thousands of euros) 2006	2005
Non-current assets			
Intangible fixed assets	A		
- goodwill		5,796	6,074
- other		379	-
Tangible fixed assets	B		
- property and equipment		2,262	182
Financial fixed assets	C		
- subsidiaries and loans		241,281	264,856
Deferred tax	D		
- deferred income tax asset		14,990	15,047
Total non-current assets		264,708	286,159
Current assets			
- cash and cash equivalents	E	192,706	196,435
- trade receivables		30,350	13,744
- receivables from group companies		10,549	10,338
- other receivables	F	1,859	1,134
- inventories		1,118	902
Total current assets		236,582	222,553
Total assets		501,290	508,712

FINANCIAL STATEMENTS TELE ATLAS N.V.

Balance sheet

EQUITY AND LIABILITIES	Notes	As at December 31, *(in thousands of euros)* 2006	2005
Shareholders' equity	**G**		
- share capital		9,037	8,962
- share premium		622,367	617,844
- accumulated result (deficit)		(145,305)	(129,146)
- result (loss) current year		(18,951)	(21,840)
Total equity		467,148	475,820
Provisions and non-current liabilities			
Long term debt less current portion		674	-
Current liabilities			
- trade accounts payable		4,029	3,265
- payables to group companies		11,554	7,004
- income tax payable		1,779	1,800
- accrued expenses and other liabilities	**H**	16,106	20,823
		33,468	32,892
Total equity and liabilities		501,290	508,712

Income Statement

	2006	2005
	(in thousands of euros)	
Income after taxation from affiliated companies	(16,124)	(30,541)
Other income after taxation	(2,827)	8,701
Net income	(18,951)	(21,840)

Accounting policies for the financial statements of Tele Atlas N.V.

The financial statements of Tele Atlas N.V. have been prepared in compliance with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.
For valuing assets and liabilities and determining the profit and loss, the Company applies art 2:362 section 8 of Book 2. This results in assets and liabilities being valued and profit and loss being determined in accordance with the International Financial Reporting Standards (IFRS). Please refer to note 1 in the consolidated financial statements.
The Income Statement of Tele Atlas N.V. has been simplified on account of art 402 of Part 9 Book 2 of the Netherlands Civil Code.

For a detailed description of the accounting policies please refer to note 3 to the consolidated financial statements.

All amounts are stated in thousands of euros except options, shares, per share amounts and unless indicated otherwise.

Notes to the balance sheet

A. Intangible fixed assets

	2006		2005	
(in thousands of euros)				
	Goodwill	Other	Goodwill	Other
Net book value as at January 1,	6,074	-	348	-
Additions	10	525	-	-
Acquisition of subsidiary	(288)	-	5,726	-
Amortization	-	(146)	-	-
Net book value as at December 31,	5,796	379	6,074	-
Cumulative cost as at December 31,	37,190	525	37,180	-
Less: accumulated amortization and impairment on December 31,	(31,394)	(146)	(31,106)	-
Net book value as at December 31,	5,796	379	6,074	-

Please refer to note 18 of the Consolidated Financial Statements for further details on movements in intangible fixed assets during the year.

B. Tangible fixed assets

These assets consist of office and computer equipment.

	2006	2005
	(in thousands of euros)	
Net book value as at January 1,	182	151
Additions	2,270	117
Depreciation	(190)	(86)
Net book value as at December 31,	2,262	182
Cumulative cost as at December 31,	2,589	465
Less: accumulated depreciation	(327)	(283)
Net book value as at December 31,	2,262	182

C. Financial fixed assets

(In thousands of euros)

	Non consolidated subsidiaries	Consolidated Subsidiaries	Loans(1)	Total
January 1, 2006	227	(77,295)	341,924	264,856
Loan conversion	-	3,571	(3,571)	-
Purchase price allocation	-	286	-	286
Capital contribution	1,999	-	-	1,999
Loans granted/repaid	-	-	(19,403)	(19,403)
Impairment	(1,999)	-	(7,323)	(9,322)
Consolidation of subsidiary	(164)	164	-	-
Acquisitions	-	5,059	-	5,059
Result	(63)	(16,061)	-	(16,124)
Exchange differences	-	12,010	1,920	13,930
December 31, 2006	-	(72,266)	313,547	241,281

[1] Loans relate to loans to subsidiaries and affiliate companies.

For a list of subsidiaries please refer to note 1 to the consolidated financial statements. All Dutch subsidiaries form a group with Tele Atlas NV for group tax treatment for corporate income taxes. Tele Atlas N.V. and Tele Atlas Data 's-Hertogenbosch BV form a tax group for VAT purposes.

For tax purposes the loans granted to Tele Atlas North America Inc. (€ 298,089 as at December 31, 2006) are treated as a permanent investment with the characteristics of equity. It is Tele Atlas N.V.'s intention to convert these loans to equity investments in 2007.

The Company provides working capital financing to its group companies. To the extent that these balances have a short term nature, they have been classified under current assets or liabilities. Previously these balances were included under loans to subsidiaries. The 2005 Balance Sheet has been restated accordingly.

D. Deferred tax

Deferred tax assets relate to future benefits from tax loss carry forwards in the Netherlands, to the extent that it is likely that these benefits will occur. Tax losses are available for loss compensation for a 9 year period. Losses incurred before 2002 can be utilized until 2011. For further details of changes in deferred tax, please refer to note 10 to the consolidated financial statements.

	2006	2005
	(in thousands of euros)	
Balance as of January 1,	15,047	21,291
Additions to deferred tax assets through income statement	2,134	233
Deductions from deferred tax assets through equity	(2,191)	(6,477)
Balance as of December 31,	14,990	15,047

E. Cash and cash equivalents

	As at December 31,	
	2006	2005
	(in thousands of euros)	
Cash at bank and on hand	100,706	104,647
Short term bank deposits	92,000	91,788
Total	192,706	196,435

F. Other receivables

Other receivables consist of prepaid insurances, advances and other items.

G. Shareholders' equity

For changes in shareholders' equity, please refer to note 22 to the consolidated financial statements and page 53 of the Annual Report. Included in retained earnings as of December 31, 2006 is an amount of € 2,898 (2005: € 1,304) relating to revaluating of investments held by subsidiaries which are measured at fair value. This amount is not available for distribution to shareholders.

H. Accrued expenses and other liabilities

Accrued expenses and other liabilities relate mainly to liabilities in respect of source material acquired, holiday allowances, royalties to third parties, and returned products.

I. Commitments and contingent liabilities

Contingent liabilities

Tele Atlas N.V. and its subsidiaries are, from time to time, party to litigation arising in the normal course of business. As at December 31, 2006 there were no significant cases, which had not been provided for in the financial statements.
As at December 31, 2006 Tele Atlas NV has issued statement of joint and several liabilities for all of its Dutch group companies in accordance with article 403, Book 2 of the Dutch Civil Code.

Operating lease commitments

Tele Atlas N.V. leases facilities, cars and certain (computer) equipment under operating leases. As at December 31, 2006, the minimum annual lease commitments are as follows:

(in thousands of euros)	
Within one year	582
After one year but within five years	557
More than five years	-
Total	1,139

Rental expenditure for the year ended December 31, 2006 amounted to €624.

K. Remuneration of Statutory Directors and Supervisory Board members

The total remuneration of the Statutory Directors charged to the income statement in 2006 amounted to €972 specified as follows:

(in euros)	Base compensation	Pension and medical benefits	Short term incentives	Total 2006	Total 2005
Alain de Taeye	266,448	46,992	175,763	489,203	700,900
George Fink	246,400	8,000	228,443	482,843	784,928
	512,848	54,992	404,206	972,046	1,485,828

(in euros)	2006			2005		
	Cash compensation	Share based compensation	Total	Cash compensation	Share based compensation	total
Alain de Taeye	489,203	1,133,298	1,622,501	700,900	1,578,241	2,279,141
George Fink	482,843	1,133,298	1,616,141	784,928	1,576,859	2,361,787
	972,046	2,266,596	3,238,642	1,485,828	3,155,100	4,640,928

The Company has granted rights to purchase ordinary shares to Statutory Directors. Changes in option rights of Statutory Directors are specified below:

	Balance as at January 1, 2006	Granted/ Forfeited	Exercised	Balance as at December 31, 2006	Vested options as at December 31, 2006	Average Exercise price
Alain de Taeye	800,000	80,000	-	880,000	490,625	7.15
George Fink	800,000	80,000	200,000	680,000	290,625	7.79
Total	1,600,000	160,000	200,000	1,560,000	781,250	7.43

The total remuneration of the Supervisory Board members charged to the income statement in 2006 amounted to €85 specified as follows:

(in euros)	2006			2005		
	Cash compensation	**Share based compensation**	**total**	**Cash compensation**	**Share based compensation**	**total**
Bandel Carano	7,000	126,020	133,020	17,000	84,220	101,220
Charles Cotton	3,000	144,756	147,756	4,000	120,172	124,172
Wim Dik	12,500	88,549	101,049	37,000	28,155	65,155
Holger von Hebel	38,000	-	38,000	34,000	0	34,000
Peter Morris	7,000	126,019	133,019	17,000	84,219	101,219
Stephan Rojahn	-	50,261	50,261	-	-	-
George Schmitt	11,000	144,756	155,756	4,000	120,171	124,171
Joost Tjaden	6,000	126,020	132,020	21,000	84,220	105,220
Total	84,500	806,381	890,881	134,000	521,157	655,157

	Balance as at January 1, 2006	**Granted/ Forfeited**	**Exercised**	**Balance as at December 31, 2006**	**Vested options as at December 31, 2006**	**Average Exercise price**
Bandel Carano	20,000	20,000	-	40,000	10,000	13,43
Charles Cotton	40,000	20,000	10,000	50,000	12,500	11,88
Wim Dik	5,000	20,000	-	25,000	1,875	15,40
Peter Morris	20,000	20,000	-	40,000	10,000	13,43
Stephan Rojahn	-	20,000	-	20,000	2,500	14,00
George Schmitt	40,000	20,000	-	60,000	22,500	10,85
Joost Tjaden	20,000	20,000	-	40,000	10,000	13,43
Total	145,000	140,000	10,000	275,000	69,375	12,53

Please refer to page 35-39 of the Annual Report for the remuneration report and note 6, 7 and 27 to the consolidated financial statements for further detail regarding compensation paid to Statutory Directors, conditions of stock options granted and shareholder positions of Statutory Directors and Supervisory Board in the company.

OTHER INFORMATION

To: The Supervisory Board and Shareholders of Tele Atlas N.V.

AUDITOR'S REPORT

Report on the company financial statements

We have audited the accompanying company financial statements for the year ended December 31, 2006 which are part of the financial statements of Tele Atlas N.V., Amsterdam, which comprise the balance sheet as at December 31, 2006, the profit and loss account for the year then ended and the notes.

Management's responsibility
Management is responsible for the preparation and fair presentation of the company financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the company financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the company financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the company financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the company financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the company financial statements give a true and fair view of the financial position of Tele Atlas N.V. as at December 31, 2006, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements
Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the company financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Eindhoven, February 27, 2007

for Ernst & Young Accountants

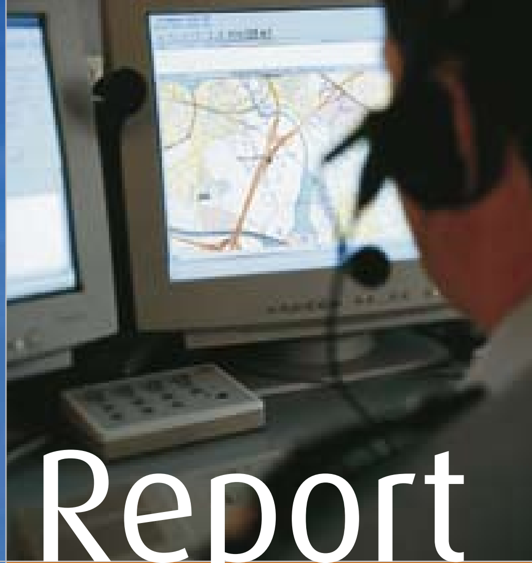
L.J. Wortel

Appropriation of results

Pursuant to Article 18 of the Articles of Association, the Company may make distributions only to shareholders insofar as its shareholders' equity exceeds the amount of its paid up capital, increased by reserves, which shall be kept by virtue of the law. The profit appearing from the profit and loss account adopted by the meeting of shareholders shall be at the disposal of the meeting of shareholders.

Losses for the year are deducted from the accumulated result.

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2006 TELE ATLAS N.V.



Annual Report

2006

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This annual report contains certain forward-looking statements. These forward-looking statements are not historical facts but rather are based on current expectations, estimates and projections about our industry, our beliefs and our assumptions. Words such as "anticipates," "expects," "intends," "outlook," "plans," "believes," "seeks," "may," "will," "should" and "estimates," and variations of these words and similar expressions, are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed, implied or forecast in the forward-looking statements. In addition, the forward-looking events discussed in this annual report might not occur. These risks and uncertainties include, among others, those set forth under "Risk Profile" in this document. Readers are cautioned not to place undue reliance on these forward-looking statements. Readers should read this report, and the documents that we refer to in this report with the understanding that actual future results and events may be materially different from what we currently expect.
The forward-looking statements included in this report reflect our views and assumptions only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Tele Atlas Profile

Tele Atlas' digital maps and dynamic content serve as the foundation for a wide range of personal and automotive GPS navigation systems and mobile and Internet map applications. Tele Atlas business partners rely on its ability to provide accurate and current mapping information. This data is also essential for many business and government applications, including those for emergency, business fleet and infrastructure services solutions. In short, millions of users around the world rely on Tele Atlas data to find people, places, products and services they need, wherever they are.

Founded in 1984, Tele Atlas employs approximately 1,600 full-time staff and more than 800 contract cartographers at offices in 24 countries around the world. Tele Atlas uses a sophisticated network of field surveyors, mobile mapping vans and more than 50,000 unique resources to ensure that map data is as accurate and up-to-date as possible.

Tele Atlas provides maps of 64 countries around the world, covering 21.3 million kilometers of roads in Europe, North America, Asia Pacific and Africa. The maps include detailed street-level and interconnecting road networks, allowing application developers and device manufacturers to create solutions designed to accurately guide users to their intended destinations. To enhance the end user's experience, Tele Atlas map data contains more than 20 million points-of-interest (POIs), including landmarks and monuments, restaurants, gas stations and a myriad of entertainment options.

Tele Atlas shares are listed on the Frankfurt Stock Exchange (TA6) and on Euronext Amsterdam (TA). For more information please visit **www.teleatlas.com**.

Key Figures

(in millions of euros except for per share information and average number of employees)	2006	2005	2004 [3]	2003	2002
Sales revenues	264.3	200.1	127.7	86.5	78.3
Adjusted EBITDA[1]	43.8	14.7	(22.5)	(45.5)	(49.6)
Operating result (EBIT)	(17.3)	(24.2)	(7.5)	(85.7)[4]	(19.0)
Net result[2]	(19.0)	(21.6)	(5.8)	(87.3)[4]	(18.6)
Average number of employees	1,490	1,329	1,904	1,865	1,819
Earnings per share	(0.21)	(0.49)	(0.13)	(2.31)	(0.49)

1 Adjusted EBITDA is the Operating result before capitalization, depreciation and amortization and costs related to IFRS 2 – Share Based Payments.
2 The Operating result and Net result in 2004 and 2005 reflect the result from continuing operations and therefore excludes the result of Tele Atlas India, which was sold in March 2005.
3 Results of GDT were included as of the acquisition date (July 2004)
4 Including impairment charge of €62.0 million

Tele Atlas Grows

In 2006, Tele Atlas expanded operations around the world, moving into new offices in Singapore, Italy, Poland, Belgium and California, North America.

Information for shareholders

Tele Atlas' investor relations policy is designed to inform shareholders, as fully as possible, of the Company's performance.

Tele Atlas' fiscal year corresponds with the calendar year.

In 2006, the combined average volume of shares traded on Euronext and Xetra was 524,516 shares per day.
In 2005, prior to the Amsterdam offering on November 18, on average 118,847 shares were traded on Xetra in Frankfurt. We believe that this increase is largely due to an increased free float. As a result of the 2005 public offering and the subsequent divestment by some of our major shareholders our free float increased from 51% on an as-if converted basis prior to our shares being listed on Euronext to approximately 73% of a substantially higher number of shares (currently 90,374,775 shares compared to 76,100,648 shares on an as-if converted basis prior to our listing on Euronext). According to De Autoriteit Financiële Markten (AFM) filings as of February 14, 2007 the following shareholders had a substantial shareholding as defined in the Dutch act on financial supervision in Tele Atlas:

International Asset Management ('IAM'): 17.58%
(notification date: November 1, 2006)

Capital Group International Inc.: 9.72%
(notification date: December 6, 2006)

Tele Atlas N.V. 2007 Corporate Calendar[1]

Event	Date
Full Year Results 2006	Thursday, March 1 2007
3 months Statement	Thursday, May 3 2007
Annual General Shareholders' meeting	Thursday, May 31 2007
6 months Statement	Tuesday, July 31 2007
9 months Statement	Tuesday, October 30 2007

1 This is a tentative schedule and is subject to change

2006 Statistics

Average daily volume traded (number of shares)	
Euronext	332,581
Xetra	191,935
Total	**524,516**
Shareprice HIGH	25.75
Shareprice LOW	10.81
Shares outstanding	90,374,775

In Germany the Company was among the 30 best-performing technology stocks on the Frankfurt Stock Exchange in 2005 which resulted in the promotion of Tele Atlas to the TecDax index early 2006. On January 30, 2007 Euronext Amsterdam announced that the Tele Atlas shares would be moved to the Midcap segment of the Amsterdam Stock Exchange effective as of March 2, 2007.

STOCK EXCHANGE LISTING

Euronext Amsterdam

Midcap segment

Ticker: TA

Geregelter Markt Frankfurt

Prime Standard/TecDax

Ticker: TA6

ISIN: NL0000233948

WKN: 927101

DIVIDEND POLICY AND DIVIDEND PROPOSAL

Tele Atlas has no current plans to distribute a dividend.

STATEMENT ON INSIDER DEALING

Tele Atlas has drawn up internal regulations governing the trade of Tele Atlas shares by members of the Supervisory and Management Boards as well other Tele Atlas employees. These regulations are based on the model issued by De Autoriteit Financiële Markten (AFM) in The Netherlands.

INVESTOR RELATIONS POLICY

Tele Atlas conducts an active Investor Relations program to ensure the regular and comprehensive provision of information to shareholders regarding the Company's performance. The Chief Executive Officer and the Chief Financial Officer have primary responsibility for relations with shareholders, other providers of capital, their advisors and intermediaries and financial journalists.
The Investor Relations policy is geared to the proper and timely provision of information that enables well-founded investment decisions in respect of Tele Atlas. In addition to the financial results and prospects, the information provided takes into consideration strategic choices and objectives and relevant social and technological developments. Of central importance is the Annual Report, supplemented with quarterly results, regular press releases, road shows and other informative meetings for investors and analysts. All relevant information, including quarterly and annual figures, press releases and investor relations presentations, is available on the website: www.teleatlas.com.

Tele Atlas attaches great importance to fair disclosure, ensuring that all target groups receive the same information at the same time. Tele Atlas therefore strives to ensue that stock exchanges, regulatory agencies, financial press and the investing public receive news that is timely and correct. Investors also have access to the latest news and developments on our website, and can subscribe to an e-mail distribution system that circulates the most important news. All press and other announcements made by Tele Atlas are posted online.

Tele Atlas organizes conference calls for analysts and institutional investors in connection with the announcement of its annual and quarterly results. All of these calls are broadcast live on the Internet and are accessible to the public. The information needed to access these conferences is available in advance on the Company web site. The Company also conducts road shows and other investor events that are primarily directed at the professional investment community. All presentations for these events are limited to previously disclosed information and are posted online as soon as practicable after the event.

Direct questions from investors are welcome; please contact **Investor Relations, contact persons and telephone numbers**

Hardie Morgan (Chief Financial Officer): tel. +31 73 640 21 60

Jasper Vredegoor (Investor Relations): tel. +31 73 640 21 60

E-mail: investor.relations@teleatlas.com

Letter of the CEO

The Management Board is pleased to report that 2006 was an excellent year for Tele Atlas with strong performance across many market segments. We exceeded our previously provided guidance, growing total revenues by 32% and tripling our Adjusted EBITDA number. We signed important strategic partnerships with a number of industry leaders, expanded operations worldwide, and continued to execute on the fundamentals of the business – an unyielding focus on expanding coverage and content while continuously improving quality.

Several years ago, we decided to make personal navigation a key focus area. That decision has proven instrumental to our growth with 2004 and 2005 market unit shipments in this segment growing each year by more than 100%. In 2006, the market grew another 80%. Today, revenues from personal navigation represent close to 50% of our overall revenues.

To further strengthen our market position in personal navigation, we continued our cooperation with TomTom, Pioneer, Nav-N-Go and AVMap amongst others. We also signed new agreements with Mio and Malata. 2006 revenue growth in this segment was particularly strong in both Europe and the United States, increasing by 106% and 87% respectively. We expect personal navigation to remain an important business segment in the foreseeable future.

We also made significant progress in the automotive market. Beginning in 2009, Mercedes-Benz will power its high volume E-class and C-class vehicles with our maps in Europe. Business with Harman/Becker, General Motors and DENSO expanded with our increased penetration of the navigation market. The automotive industry typically sets industry-wide navigation innovation standards, and we believe our work with these accounts will benefit customers in other markets.

We expect converging trends to fuel stronger adoption of mobile map-based applications. Today, we believe that 40% of the world’s population uses a mobile phone and 60% of that population is within reach of a mobile phone network. Mobile phone technology is advancing rapidly: integrated GPS chips are becoming a standard feature, handsets are becoming powerful mobile computing platforms, wireless network speeds and bandwidths are increasing, and social networking is rapidly expanding from the online to the mobile environment. We expect these trends to emerge as the next wave in the digital mapping market alongside the existing portable and automotive navigation segments. In 2006, we secured several strategic partnerships in this wireless market with the signing of agreements with Nokia and Research In Motion ('RIM'), setting the stage for leadership in this emerging market.

We also made significant progress in the expansion of our operations and global footprint, building a solid organization in Asia Pacific, establishing new operations in Russia, and significantly expanding coverage of our global database to include 64 countries across six continents. This year’s acquisitions, joint ventures and partnerships expanded our global footprint across China, Mexico, Indonesia, Africa, Russia, the Middle East and Eastern Europe. This progress has put us in the lead position for number of countries and miles covered in our digital map database.

In addition, we continued to invest in the development of systems and technologies to ensure the consistent delivery of high quality, accurate digital maps. Our market position in North America was further strengthened with the integration of the databases of Tele Atlas North America and Geographic Data Technology ('GDT'), the company we acquired in 2004. We completed and launched the integrated database at the end of the third quarter. Feedback from customers has been excellent.

Across all markets, our focus is to provide both the digital maps and local search content that help end users find the people, places and products that are most important to them. In 2006, we continued to execute this strategy by improving the accuracy of our core data, adding points of interest and more complete addressing, and integrating rich and dynamic content in our digital maps. We also launched our content network allowing third parties to connect their data to our map and make it available to our application partners.

In 2007, barring unforeseen circumstances, we expect revenues to increase to approximately €315 million and Adjusted EBITDA to increase to approximately €65 million.

We are proud of our accomplishments in 2006. Looking to 2007 and beyond, we expect that with our continued focus on the success of our partners and customers, and unwavering dedication to accuracy and quality, the future is indeed very bright.

The strength of the Company's employees is the key to its success. Successful execution of the Company's strategy in 2006 was made possible with the great support of Tele Atlas' employees around the world. I would like to thank them for their commitment to making Tele Atlas a world leader in digital mapping.

Alain De Taeye,

Co-founder and Chief Executive Officer

Digital Maps Extend Across Multiple Markets

Tele Atlas digital maps are the foundation for a wide range of personal and automotive navigation systems and mobile and Internet map applications that help users find the people, places, products and services they need, wherever they are. We also work with business partners who trust our digital map data to deliver critical applications for emergency, business, fleet and infrastructure services.

Report of the Supervisory Board

We are pleased to present the Annual Report 2006 of Tele Atlas N.V. as prepared by the Management Board. The Consolidated Financial Statements included in this Annual Report have been audited by and discussed with our independent accountants, Ernst & Young. Their unqualified report is included on page 86 of the Annual Report. We propose that the shareholders approve the Annual Report 2006 and the treatment of the result contained therein. The remainder of this report outlines the operation of the Supervisory Board and its committees during 2006.

SUPERVISORY BOARD

Tele Atlas has a two-tier board system with a Supervisory Board (the 'Board') and a Management Board. The Company's Supervisory Board plays an active role in monitoring the operations of the Company and the determination of its strategy. Our Supervisory Board held seven meetings in 2006, which were also attended by members of the Management Board.

Important topics in 2006 were:

- the Company's strategy, the implementation of that strategy and the associated risks;
- commercial and technical development of the Company, and
- the financial performance and position of the Company.

The Board also discussed the corporate governance structure of the Company on several occasions. The Board attaches great importance to corporate governance as an important path to increased transparency for shareholders. A detailed report on corporate governance including any changes made during 2006 as well as discussion of any remaining deviations from the Dutch Corporate Governance Code ('Tabaksblat') are set forth on pages 28 to 34 of this Annual Report. Also during the year, the Board met several times in executive session in the absence of the Management Board to discuss the functioning of both the Management and Supervisory Boards. We concluded that we are satisfied with the performance of both.

At the Annual General Shareholders' Meeting on June 1, 2006, Mr. Stephan Rojahn was appointed as a new member of the Supervisory Board. Mr. Rojahn is Chairman of the Management Board of Wittur AG. Previously Mr. Rojahn worked for the Bosch Group in Germany and Spain, culminating in a position on the Board of Management with responsibility for Gasoline Systems, Body Electronics, Car Multimedia (Blaupunkt GmbH) and Bosch Australia Ltd. Mr. Rojahn, who was previously a member of the Tele Atlas N.V. Supervisory Board from 2000 to 2001, brings significant experience with the automotive industry to the Board. A complete biography of Mr. Rojahn can be found on page 25 of this report.

Mr. Rojahn replaced Mr. von Hebel who resigned as a member of the Supervisory Board. Mr. von Hebel represented shareholder Robert Bosch GmbH, which significantly reduced its ownership share of Tele Atlas since the offering on the Euronext Amsterdam Exchange in November 2005. We would like to thank Mr. von Hebel for his service.

AUDIT COMMITTEE

The Audit Committee met on six occasions during the year to perform its primary tasks in discussing the quarterly reports and annual report as well as internal risk management and internal control systems. Also, the Audit Committee discussed the audit engagement and the result of the audit with Ernst & Young without the presence of Company management.

REMUNERATION COMMITTEE

The remuneration of the Management Board and the Company's stock option plan were discussed by the Remuneration Committee, which met on four occasions in 2006. A detailed remuneration report is provided on pages 35 to 39 of the Annual Report.

NOMINATING COMMITTEE

The Nominating Committee advises on the selection criteria and appointment procedures for members of the Management Board and members of the Supervisory Board, the proposals for appointments and reappointments, the policy of the Management Board on selection criteria and appointment procedures for senior management. The nominating committee met during the year to discuss the appointment of Mr. Stephan Rojahn as a member of the Supervisory Board. Mr. Rojahn was appointed member of the Supervisory Board on June 1, 2006.

We wish to thank the Management Board and all members of the staff for their hard work in the past year. Tele Atlas had a very good year with impressive growth in revenue and Adjusted EBITDA. We are very pleased with the progress made by the Company in 2006.

's-Hertogenbosch, The Netherlands,
February 27, 2006
Tele Atlas Supervisory Board
Professor Wim Dik, Chairman

Key Developments 2006

- Record revenues of €264.3 million – increase of 32% over prior year.
- Adjusted EBITDA of €43.8 million – increase of 197% over prior year.
- Personal navigation drove growth with 104% increase in revenues over 2005.
- Wireless navigation shows future promise with several key partnerships.
- Integration of North American databases complete.
- Global coverage expanded to 64 countries.
- Outlook 2007: Revenues increasing to approximately €315 million; Adjusted EBITDA to approximately €65 million.

Statements from the Management Board

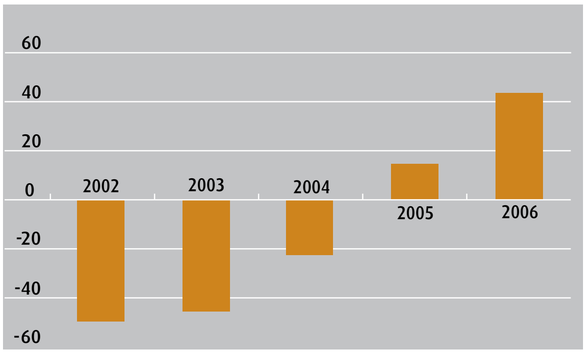
RECORD RESULTS

In 2006, Tele Atlas realized record revenues of €264.3 million, up 32% from €200.1 million in 2005. In Europe, revenue was up 36% to €198.2 million. In North America revenue was up 21% to €66.2 million.

This growth was primarily driven by the strength of the personal navigation revenues which increased to €127.1 million, a 104% increase from €62.3 million in 2005. By the end of 2006, revenues from personal navigation represented close to 50% of the Company's total revenues. Strong growth was also realized in the wireless and Internet segment which grew by 28% from €11.5 million in 2005 to €14.7 million in 2006. Automotive revenue in 2007 declined by 2% to €51.7 million versus €52.9 million in 2005. Revenues from increasing unit volumes in this segment were offset by a reduction in revenue related to discontinuation of compilation and conversion activities for several of the Company's customers. The decrease in revenue from these activities resulted in a reduction in the related cost of revenue and operating costs, so the impact to this change on Adjusted EBITDA was minimal.

ADJUSTED EBITDA GROWTH

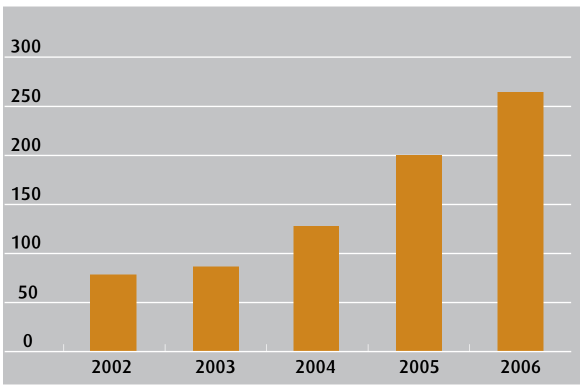
in millions of euros



The Company's Adjusted EBITDA improved to a profit of €43.8 million from €14.7 million in 2005. The Company believes that Adjusted EBITDA provides the best measurement of performance as it eliminates the impact of the large variations in non-cash expense items which the Company has experienced since 2004. Cash operating expenses increased by 19% to €220.5 million from €185.3 million as the Company continued to expand the coverage and content of the database and invest in new technology and in developing its sales channels. Cash flow from operating activities improved to a cash inflow of €28.3 million in 2006 from a cash inflow of €18.1 million in 2005 due to the improved Adjusted EBITDA which was partially offset by an increase in working capital.

REVENUE GROWTH

in millions of euros



Tele Atlas delivers best-in-class digital maps for business partners who use map, local search and dynamic content

Global Coverage:

Tele Atlas maps cover

64 countries across six continents, and

21.3 million kilometers or

13.2 million miles

for a wide range of consumer and enterprise applications. The Company expects the overall navigation market to continue to grow strongly in the coming years, with the most promising segments being the personal navigation and wireless markets.

Tele Atlas is strengthening its global presence to better serve business partners worldwide. The Company has introduced a new regional structure with three key regions: Europe, Middle East and Africa (EMEA), the Americas, and Asia Pacific (APAC) which will be fully operational from 2007 and segment reporting will be changed as per 2007.

COVERAGE

In 2006 the Company further expanded its coverage with detailed maps that provide a foundation for high-end navigation and local search solutions covering 64 countries, compared to 35 at the end of 2005. The Company's current goal is to increase coverage to more than 80 countries over the next two years.

In Europe, the Company reached a coverage milestone with the completion of digital map coverage of Ireland and Northern Ireland. Tele Atlas European maps now cover more than 7.8 million road kilometers in 43 countries. The Tele Atlas map in Western Europe now covers more than 386 million inhabitants and includes 1.7 million standard points-of-interest ('POIs'), reaching nearly 90% of all house numbers across the region.

In the United States, the Company successfully completed the integration of the databases of Tele Atlas North America and Geographic Data Technology ('GDT'), which was acquired in 2004. The combination of these two datasets has greatly improved the coverage, content and quality of Tele Atlas' North American database and resulted in the addition of many new features. The Company also expanded its coverage of Mexico's highway and street network with the acquisition of highly detailed source data.

In Africa, through its partnership with MapIT, Tele Atlas added coverage of South Africa, and the neighboring countries of Botswana, Namibia, Zimbabwe, Mozambique, Lesotho and Swaziland.

In the Asia Pacific region, a new distribution and technology agreement with Changdi Youhao Mapping Technologies allows the Company to offer the most complete Chinese map database available with government-approved coverage of all 337 Chinese cities. Additionally, a joint venture with PT Navindo Technologies allows Tele Atlas to deliver a highly accurate digital map of Indonesia.

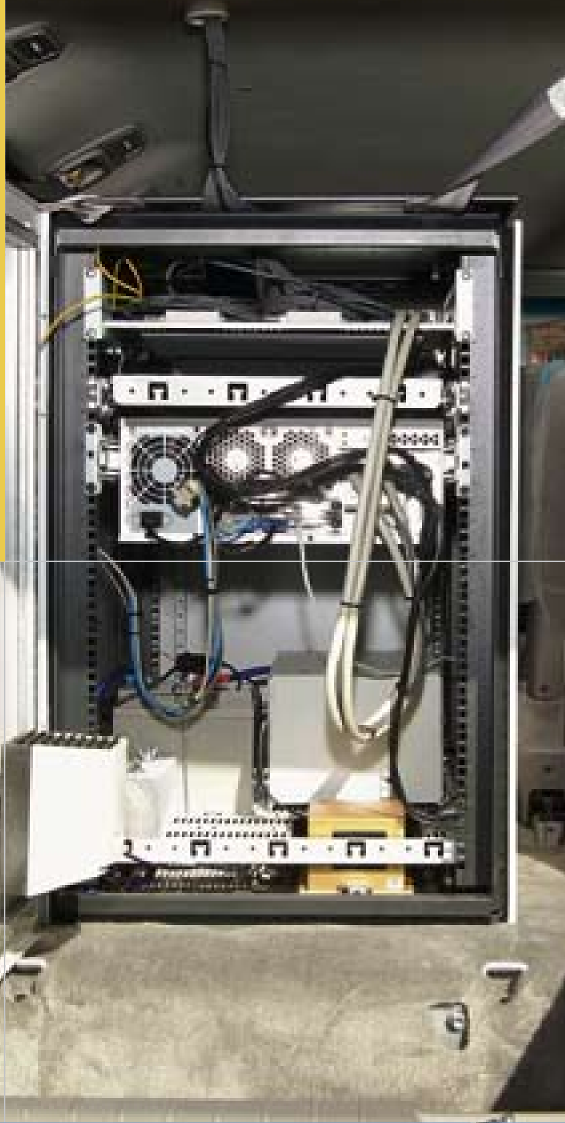
QUALITY

Extensive field-testing by Tele Atlas and select customers confirms that the new North American dataset is the region's freshest, richest and most accurate database available. The superior quality of this new product further strengthens the Company's position in the North American market.

Tele Atlas uses state-of-the-art equipment and sources to ensure accuracy and keep maps up-to-date. The Company

MultiNet 2006.10

The launch of MultiNet 2006.10 marked the culmination of the biggest update to the North American map in the history of digital map making



Mobile Mapping Vans

Our proprietary Mobile Mapping Vans are the first to fully integrate a multi-dimensional, 360-degree, digital view of the road. They speed the data capture and map update process, and help Tele Atlas quickly deliver high quality maps that incorporate data, images and other valuable local content to customers and partners around the world.

Map Insight

Advancements in technology make it possible for Tele Atlas to tap into the map community as a real source for detecting changes and enriching digital maps. Map Insight™ is an online tool that enables consumers to alert Tele Atlas where to make changes in the database.

has a fleet of 40 mobile mapping vans, 30 in Europe and 10 in North America. These multi-sensor vehicles, unique to Tele Atlas, perform data acquisition tasks. The proprietary technology in these vans provides one meter accuracy and their high-resolution cameras capture high-quality color images of roads, intersections and other important attributes. In addition to the mobile mapping vans the Company has over 140 traditional survey vehicles collecting and testing data.

Tele Atlas also uses aerial imagery, public geographic databases, tax maps and other data to develop and maintain maps. Strong customer relationships with postal and delivery companies, as well as with end users, provides the Company with additional sources to keep road network information current and fresh. In the United States, Tele Atlas has relationships with 41 of the 50 state transportation agencies, allowing the Company to receive information from these agencies about changes in their road networks. In total the Company has over 50,000 resources worldwide to build and maintain maps.

CONTENT

Tele Atlas delivers both the digital maps and local search content that help navigation systems users anywhere in the world find the people, places and products important to them, and the best routes to reach them. In 2006, the Company added more than 70 categories of points-of-interest, dynamic traffic and event information, and speed camera and fuel price information, resulting in richer and more dynamic content in the Company's digital maps.

In 2006, the Company announced a collaboration with Inrix, Inc. that provides Tele Atlas customers with access to Inrix's real-time and predictive traffic information, paving the way for next generation navigation solutions to feature applications such as traffic-influenced dynamic routing. Inrix currently provides real-time traffic incident information for 138 metropolitan markets in North America and real-time traffic and dynamic predictive information for more than 20 markets.

Tele Atlas also has a collaboration agreement with Wcities to provide tourist information. Wcities produces multilingual destination guides for more than 1,900 cities worldwide. Tele Atlas re-licenses Wcities' content giving application developers the ability to provide information about tourist attractions and other points of interest in more than 70 countries.

Tele Atlas is the leading provider of three-dimensional navigable maps of cities around the world. These maps provide realistic displays based on lifelike models, helping end users quickly orient to new environments. Research at Tele Atlas has resulted in a cost-efficient process to produce three-dimensional maps. By the end of 2007, Tele Atlas intends to have commercially available three dimensional map data for more than 40 cities in Europe,

DeveloperLink

Launched in 2006, DeveloperLink already serves over 500 companies; the online networking community provides Internet, mobile and other next-generation location-based and navigation application developers access to technology, business tools and services that help reduce their time to market.

following by roll-out plans for North America and other parts of the world.

Tele Atlas is also an active participant in a cooperative effort with the automobile industry, navigation systems suppliers, governments and other stakeholders to develop Advance Driver Assistance Systems (ADAS). These systems promote road safety. Examples where map information is used as an essential component of ADAS include:

- Curve warning systems where the road geometry of the map is used to warn the driver he is driving too fast to negotiate the curve ahead
- Speed warning systems where legal speed limit information is used to warn the driver he is exceeding the legal speed limit
- Advanced power train control where road slope information is used to manage the automatic gear box, resulting in significant reductions in fuel consumption

STRATEGIC PROJECTS

During 2006, Tele Atlas developed a number of strategic programs to increase service levels to current and future partners, as well as to enhance the quality and breadth of the Company's products.

Map Insight

Map Insight is a web-based service that allows end users of our partners' navigation devices and applications to communicate changes and observations about road networks directly to Tele Atlas. Users submit an easy-to-use form that enables Tele Atlas to quickly identify and verify the information. This service has already resulted in the implementation of a significant number of valuable suggested updates to our maps from consumers.

DeveloperLink

DeveloperLink gives Internet, mobile and other next-generation application developers free access to the technology, business tools and services that help reduce their time to market and increase their potential for success. Since its 2006 launch, more than 500 developers have joined. Members of DeveloperLink gain access to technical resources such as sample Tele Atlas map data, data evaluation capabilities and viewing tools. Members can also access third-party commercial tools and development programs to integrate Tele Atlas content and enhance the development environment. A directory of complementary technologies that help accelerate the production development cycle is available for browsing on the DeveloperLink website.

CORPORATE DEVELOPMENT ACTIVITY

2006 was an active year for corporate development activity. Tele Atlas acquired a map database of Mexico and established operations there. The Company also acquired a 75% interest in a joint venture with PT Navindo Technologies to provide digital maps for Indonesia.

In 2006, the Company significantly expanded its presence in China. The operations of mapping partner SIS were combined with those of Changdi Youhao Mapping Technologies Co., Ltd. Subsequently, Tele Atlas acquired the remaining 75% of the Tele Atlas/SIS joint venture NaviAtlas, making that company a wholly owned Tele Atlas subsidiary. NaviAtlas will function as Tele Atlas' marketing and sales company in China. The transaction, which includes a distribution and technology agreement with Changdi, gives the Company a very strong position in China, offering the most complete Chinese map database available, with government-approved coverage of all 337 Chinese cities. Tele Atlas is now well positioned to support global customers as they expand into the burgeoning Chinese market.

In Russia, Tele Atlas established a new company with headquarters in Moscow. Tele Atlas Rus has acquired the database and all activities of Navmaps, Russia's leading provider of navigation maps and an existing Tele Atlas partner. The new company will strengthen Russian operations and increase direct interaction with suppliers and Roskartographia, the Federal Agency of Geodesy and Cartography.

The purchase price for the transactions in China, Indonesia and Russia totaled €5.0 million. These transactions had minimal impact on revenues and decreased the Company's net result by €1.1 million. The impact of these transactions on 2007 results is discussed in the Outlook section below.

In addition to acquisition activity, Tele Atlas added coverage of seven African countries by signing a license and distribution agreement with MapIT, based in Pretoria, Republic of South Africa. The agreement provides full map coverage of South Africa and neighboring countries Botswana, Namibia, Zimbabwe, Mozambique, Lesotho and Swaziland.

PEOPLE

At the end of 2006, the Company employed 1,628 people in 54 offices worldwide. Approximately 39% of the increase from 1,391 people at the end of 2005 was due to the consolidation of new operations in Russia, Indonesia, and China. A number of changes also took place at the executive level. Mark Steele joined the Company as Chief Operating Officer for Asia Pacific, and David Sym-Smith is the Company's new Chief Marketing Officer. In early 2007 Scott Semel joined the Company as Chief Legal Officer. These changes greatly strengthen the Management Team. Mike Gerling, former CEO of GDT and the Company's North American Chief Operating Officer, retired after 16 years of service. The Company is grateful for his many years of exemplary service and invaluable contributions. The position of COO North America is currently open.

Operational Review

Tele Atlas achieved many operational goals in 2006. The Company's strong results were led by the continuing growth of the personal navigation segment, in which Tele Atlas is the worldwide market leader.

PERSONAL NAVIGATION MARKET

The personal navigation market continued its rapid growth throughout 2006. A record 12 million dedicated personal navigation units were sold in Europe, representing market growth of more than 80% compared to 2005. Tele Atlas

Expanding Customer Base

2006 marked a year in which Tele Atlas secured significant new partnerships, with companies such as Nokia, Research in Motion (RIM) and Mio Technology.

Personal Navigation Leadership

6 of the 8 top navigation companies worldwide, trust Tele Atlas for the richest, freshest, most accurate map data.

currently expects this market growth to continue into 2007 with unit growth rates of approximately 50%.
Six of eight leading personal navigation device providers worldwide use Tele Atlas digital maps. These include TomTom, Mio, Navman and ViaMichelin. In 2006, Tele Atlas worldwide revenues in the personal navigation segment increased by 104% to €127.1 million, compared to €62.3 million in 2005.

In 2006, Tele Atlas partner and global market leader TomTom launched a new series of GO models using Tele Atlas maps, the TomTom GO 910, 710 and 510. TomTom also launched the TomTom ONE in North America and a regional version in Europe, powered by Tele Atlas maps. In early 2007 TomTom launched the world's first portable navigation device which can be embedded into vehicles through the dashboard or radio. This device is also powered by Tele Atlas maps.

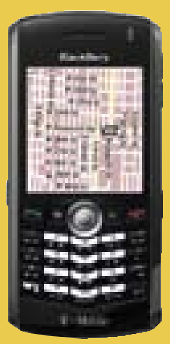
Hewlett-Packard selected Tele Atlas as the map provider for its iPAQrx5900 Travel Companion. This device includes pre-installed Tele Atlas digital maps and TomTom's NAVIGATOR 6 software.

Tele Atlas also expanded its agreement with Mio Technology, making the Company the preferred global digital map provider for Mio Technology's personal navigation devices. Products that feature Tele Atlas maps include the recently launched Mio C310, C710 and A701. The agreement also extends the use of Tele Atlas maps to Mio's North American products.

Although after market data products such as map updates has not previously represented a significant revenue stream in the personal navigation market, the Company expects this segment may expand as personal navigation end users update their maps or purchase additional geographic coverage.

Tele Atlas Maps Behind Blackberry Pearl

Research In Motion's (RIM) BlackBerry® Maps application, featured in the BlackBerry Pearl smartphone, now leverages Tele Atlas map data to provide mapping and location based services (LBS). The BlackBerry Maps application helps mobile users easily find addresses and the best routes to them. Leveraging Tele Atlas map data, BlackBerry Maps works together with other BlackBerry applications enabling users to send maps via email and launch maps from contacts in their address book.



"Accurate map data is the foundation of any successful LBS application," said David Yach, Senior Vice President, Software, RIM. "As we designed the new BlackBerry Maps application, we sought to provide up-to-date data and rich geographic content to our users. Tele Atlas had a great combination of the two, and a strong program to assist us with the development of our BlackBerry Maps application."

AUTOMOTIVE NAVIGATION MARKET

Tele Atlas has a long history in the automotive market. The Company was the first to supply digital maps to Mercedes-Benz in 1995 through its partner Blaupunkt. Currently Tele Atlas has strong partnerships with Blaupunkt, Harman/Becker, DENSO, Pioneer and Siemens VDO, servicing leading automobile brands such as Audi, Bentley, Cadillac, Chevrolet, Ford, Lexus, Maserati, Mercedes-Benz, Porsche, SEAT, Skoda, Smart, Toyota and Volkswagen.

Revenues from the automotive navigation market in 2006 were €51.7 million, compared to €52.9 million in 2005, a decrease of 2%. Revenues from increasing unit volumes in this segment were offset by a reduction in the amount of revenue from compilation and conversion activities. The decrease in revenue from these activities resulted in a decrease in the related cost of sales and operating costs and the impact of this change to the Company's Adjusted EBITDA was therefore minimal.

The unit increase experienced by the Company was largely as a result of increased penetration of Tele Atlas customer DENSO at General Motors, and continued growth at Toyota and Lexus. General Motors heavily promoted automotive navigation and began the rollout of navigation products into their popular lines of trucks. Truck models represent more than half of cars sold per year in North America, and are expected to further drive future North American market penetration.

During 2006 Tele Atlas was awarded a significant development contract to be the map supplier for Europe for all models of the Mercedes E-class and C-class vehicles for the 2009 model year. This represents a significant step forward in the automotive navigation market for the Company, and provides the potential for a sizable market share at Mercedes-Benz.

ENTERPRISE/PUBLIC SECTOR MARKET

2006 saw the continuation of Tele Atlas' leadership in the enterprise and government sectors. Revenue for these markets (business-to-business) increased to €47.6 million, compared to €46.2 million in 2005.

Significant developments in 2006 include the signing of an agreement with Telargo for use of Tele Atlas maps in Telargo's fleet management system, a mobile asset management platform designed to optimize fleet and mobile workforce management. These systems are used primarily in the transportation and logistics, public transport and utilities industries.

In the North American government sector the Company announced contracts with the California Department of Transportation and the Department of Public Safety in Connecticut, expanding the number of license agreements to 41 states. Government agencies such as those in California and Connecticut trust Tele Atlas digital map data to guide and enhance the efficiency of emergency response teams and transportation agencies. Currently 90% of emergency services in the United States use Tele Atlas maps. These partnerships are important to the Company's map update compilation model which automatically fuels map updates from over 50,000 partners into the database.

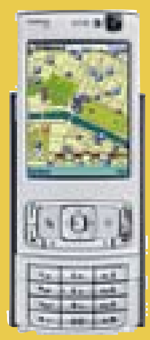
INTERNET/WIRELESS MARKET

Revenue in the Internet and consumer wireless segment increased by 28% to €14.7 million in 2006, compared to €11.5 in 2005.

With the recent launch of the first GPS enabled handsets by leading manufacturers, we believe the wireless market is now poised for significant growth. These first launches are expected to trigger the rollout of more mobile devices that support navigation and location-based services. Tele Atlas, already a leading supplier in this market, is well positioned to capitalize on this expected growth with new agreements signed with Nokia and RIM in 2006.

In 2006, Nokia selected Tele Atlas to provide digital map data for the Nokia N95, the company's first GPS-enabled multimedia device. The N95 leverages Tele Atlas' digital maps and related content, providing basic mapping and simple routing functionality to initiate local searches in more than 100 countries. Users will have the option to upgrade to full navigation features, which will produce an additional revenue stream for Tele Atlas. Nokia also selected Tele Atlas as the map supplier for the navigation kit provided with its 770 and N800 Internet tablet devices. In addition, RIM selected Tele Atlas to provide mapping and location-based services for its BlackBerry Maps application featured in the new BlackBerry Pearl smartphone. This application provides the same type of routing capabilities found in Internet applications. More importantly, Tele Atlas maps have been linked to the RIM application developer toolkit, designed to encourage developers to create location-based services applications for BlackBerry devices.

Tele Atlas firmly believes the quality of its map data combined with its relationships with companies such as Nokia and RIM leave it well positioned in the growing wireless market. Mass market penetration is expected to occur in 2007 as the number of GPS-enabled handsets increase and new, innovative applications reach the end user. The potential of this market holds great promise with approximately 60% of a worldwide population of 6 billion in reach of a mobile phone network and about 40% of the population actually using a mobile phone.



Tele Atlas Maps At The Heart of Nokia N95 Local Search Capabilities

Tele Atlas was selected by Nokia to provide the digital map data and dynamic location content for the Nokia N95, a multimedia device equipped with GPS functionality that offers mobile users around the world multiple ways to connect to information, entertainment and people. The Nokia N95's navigation features provide users with pre-installed features, including: basic mapping and routing functionalities to initiate local searches for more than 100 countries; map display, so that users can clearly see precisely where they are; more than 15 million points of interest (POIs), to help users easily find local attractions; and optional upgrades to full navigation features, intended so that users can be quickly and accurately routed to wherever they need to go.

"We're excited to work with Tele Atlas to complement our mobile mapping and navigation offerings," said Ralph Eric Kunz, vice president, Multimedia Nokia. "The Nokia N95 is the first Nokia Nseries multimedia computer to leverage built-in GPS along with high-speed connectivity to allow consumers to search, map and navigate to a location."

Richer Content Helps Navigation System Users Find Anything, Wherever They go

Tele Atlas' ultimate vision of maps is that of interactive portals which allow users to explore and find their way around their worlds, according to their preferences. These maps are more than maps, more than navigation tools – they are windows on the world which enable users to find every place them want and need; explore and plan ahead; get the most out of every trip; and know their destinations before they even get there.

That's why Tele Atlas maps increasingly provide information beyond that which is purely navigational. Our maps can include more than 70 categories of points of interest, up-to-date traffic and speed camera information, and even dynamic event information. One day navigation system users will be able to see even more detailed content -- for example, that there are ten spaces left in the nearest parking garage and the special of the day at a chosen restaurant is poached salmon with a white wine and mustard sauce.

Also fueling this market segment are social networking location-based services. Several of these services were launched in 2006, including Hello's "Buddy Beacon" application, a friend-finder and social networking solution preloaded on Hello's "don't call me a phone" devices. Boost Mobile and Loopt also launched a youth-oriented social networking application called Boost Loopt using Tele Atlas data. The application attracted over 40,000 subscribers in the first weeks of its launch.
Google, Yahoo! and Microsoft are also significantly investing in this market, a strong indicator of its growing importance. The success of applications such as Google Earth has boosted the awareness of digital maps among users of these products. Tele Atlas maps are used in Google Earth, MultiMap, ViaMichelin, Map24 and Mappy. In addition, MapQuest is expanding its existing Tele Atlas license by adding global map data to its agreement. The addition of Tele Atlas MultiNet will expand MapQuest coverage worldwide and support MapQuest's high quality finding and routing services as the number one global directions site.

Financial Review

One should read the following discussion and analysis of our financial results of operations in conjunction with our consolidated financial statements and the related notes thereto contained elsewhere in this document. Certain information contained in this discussion and analysis are presented elsewhere in this document, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risk and uncertainties. In evaluating these statements, you should specifically consider the various risks described in the Risk Profile section of this document that could cause actual results to differ materially from those expressed in such forward-looking statements.

OVERALL RESULT

The Company experienced a 32% increase in revenues, to €264.3 million in 2006 from €200.1 million in 2005. Cash operating expenses (excluding depreciation and amortization charges and employee stock option expenses) increased 19% to €220.5 million in 2006 from €185.3 million in 2005 while Adjusted EBITDA (EBITDA before capitalization of databases and tools and before employee stock option expenses) increased to a profit of €43.8 million in 2006 from €14.7 million in 2005. Capitalization of database development costs decreased to €11.0 million in 2006 from €32.9 million in 2005, while non-cash operating expenses (depreciation and amortization charges and employee stock option expenses) slightly increased to €72.1 million in 2006 as compared to €71.8 million in 2005. The operating loss for the year decreased to €17.3 million from a loss of €24.2 million in 2005. Cash flow from operating activities improved to a cash inflow of €28.3 million in 2006 from €18.1 million in 2005.
The Company incurred an impairment loss on investment of

€9.3 million during the year, following the restructuring of its activities in China. Net financial income increased to €4.7 million as compared to €0.7 million in the previous year. The Company reported a net loss from continuing operations for 2006 of €19.0 million, compared to a loss of €21.6 million for 2005.

REVENUES

Worldwide revenues increased by 32% to €264.3 million in 2006 from €200.1 million in 2005. The impact of changes in exchange rates was minimal. Revenues in Europe increased by 36% to €198.2 million compared to €145.3 million in 2005 largely due to growth in the Personal Navigation. Revenues in North America increased by 21% to €66.2 million in 2006 compared to €54.8 million in 2005. Excluding the effect of changes in exchange rates, revenue growth in North America was 21%. Our largest customer in 2006 was TomTom, representing 26% of our revenues (2005: 17%). There were no other customers who individually represented more than 10% of our 2006 revenues (2005: Blaupunkt GmbH represented 12%).

Revenues in the largest segment, personal navigation, increased by 104% to €127.1 million from €62.3 million in 2005. The 2006 revenues represent 7.5 million units versus 3.9 million units in 2005. Sales in the European personal navigation segment grew by 106% to €115.6 million from €56.2 million in 2005 as a result of the continued rapid growth in the market for personal navigation systems. Sales in the North American personal navigation segment grew by 87% to €11.5 million from €6.1 million in 2005.

Revenues in the automotive navigation segment decreased by 2% to €51.7 million from €52.9 million in 2005. The 2006 revenues represent 1.5 million units as compared to 1.2 million units in the prior year. Revenues in the European automotive navigation segment decreased by 9% to €40.6 million as compared to €44.7 million in 2005. This decrease resulted from a reduction of approximately €6.5 million in compilation and conversion revenues. The Company has revised several of its customer contracts so that this revenue is no longer reflected in its accounts. This change also resulted in a similar reduction in the Company's cost of revenues and operating cost. Revenues in the North American automotive navigation segment increased by 36% to €11.1 million compared to €8.2 million in 2005. Adjusted for the impact of the reduction in compilation and service revenues, global revenues in the automotive navigation segment increased by 10%.

Revenues in the data products navigation segment, a segment which today exists primarily in Europe, decreased by 15% to €23.2 million from €27.2 million in 2005 as a result from reduced demand for map updates for older CD based systems and a shift in sales from the dealer and consumer channel towards the platform channel. Revenues in the enterprise and government sector grew by

Revenue per segment	Europe		North America		Total	
(in thousands of euros)	2006	2005	2006	2005	2006	2005
Personal navigation	115,638	56,184	11,463	6,132	127,101	62,316
Automotive navigation	40,555	44,705	11,115	8,171	51,670	52,876
Data products navigation	22,988	27,156	198	-	23,186	27,156
Enterprise and government	10,654	11,352	36,964	34,830	47,618	46,182
Other segments	8,318	5,861	6,414	5,677	14,732	11,538
Total sales	**198,153**	**145,258**	**66,154**	**54,810**	**264,307**	**200,068**

3% to €47.6 million from €46.2 million in 2005. This growth was mainly driven by revenues in North America in this segment, in which revenues grew by 6% to €37.0 million from €34.8 million in 2005. In Europe, revenue decreased by 6% to €10.7 million from €11.4 million in 2005.

Revenues in other segments which is comprised primarily of the internet and wireless segments, increased by 28% to €14.7 million as compared to €11.5 million in 2005. European revenues in this segment grew 42% in 2006 to €8.3 million from €5.9 million in 2005 while North American revenues increased 13% in 2006 to €6.4 million from €5.7 million in 2005.

OPERATING EXPENSES

Total operating expenses, excluding depreciation and amortization charges, increased by 18% to €242.5 million from €204.8 million in 2005. The employee stock option expense included in operating expenses in 2006 amounted to €21.9 million, compared to €19.4 million in 2005. Total operating expenses, excluding depreciation, amortization and employee stock option expense, increased by 19% to €220.5 million from €185.3 million in 2005. The effect of changes in exchange rates for operating expenses was insignificant. The cumulative full year impact on operating expenses of the acquisition in 2005 of PPWK Geoinvent and of the 2006 acquisitions in Indonesia, Russia and China was €4.7 million.

Cost of revenue increased to €33.0 million from €28.4 million in 2005. As a percentage of revenues, cost of revenues decreased to 12% from 14% in 2005. This decrease resulted from the earlier mentioned reduction in compilation and conversion revenues in the automotive navigation segment.
Personnel expenses excluding stock option expenses increased by 12% to €109.2 million from €97.3 million in 2005. The increase was primarily due to increases in headcount as our operations grew.

Other operating expenses increased by 31% to €78.4 million in 2006 from €59.6 million in 2005. Marketing costs increased from €7.7 million in 2005 to €11.2 million in 2006 due to increased retail channel activities in the personal navigation segment, increased of outside services and higher public relations expenses. Technology and communications cost increased from €7.0 million in 2005 to €10.6 million in 2006 due to the expansion of the Company's global technology infrastructure and costs incurred in connection with the Company's activities to create a single database production system. Other costs increased from €16.8 million in 2005 to €28.8 million in 2006 as a result of higher travel expenses resulting from the continued worldwide expansion of the Company, increased legal costs as a result of litigation, increased costs of financial advisors relating to corporate governance and internal control activities and higher bad debt expense.

CAPITALIZATION AND AMORTIZATION

In accordance with International Financial Reporting Standards ('IFRS'), the Company capitalizes and amortizes internally generated databases and production and data collection tools. In accordance with this policy the Company recognizes additions to databases and tools as a reduction of expense in the Statement of Income. Capitalization of databases of the US was discontinued as of January 1, 2006 as a result of the Company’s determination that the US database had reached a level of completion at which activities are focused on maintaining and upgrading the database. In 2006, additions to the databases and tools (excluding amounts capitalized in connection with the purchase of databases for Mexico, Indonesia and Russia) were €11.0 million as compared to €32.9 million in 2005. Depreciation and amortization charges relate to fixed assets and to intangible assets, consisting of databases, software tools, customer relationships and trademarks.

Depreciation and amortization charges decreased to €50.2 million from €52.3 million in 2005.

OPERATING RESULT

Adjusted EBITDA (operating result before depreciation, amortization, capitalization and stock option expenses) for the Company improved to a profit of €43.8 million in 2006 from €14.7 million in 2005. The Adjusted EBITDA for our Europe operations (including allocation of approximately 50% of our corporate expenses which were €54.0 million in 2006) improved to a profit of €61.7 million in 2006 from a profit of €31.7 million in 2005. The Adjusted EBITDA attributable to the North American activities (after allocation of approximately 50% of corporate expenses) decreased to a loss of €17.9 million from a loss of €16.9 million in 2005.

The Company's operating loss for the year was €17.3 million compared to a loss of €24.2 million in 2005. The operating result (after depreciation, amortization, and capitalization and including stock option expenses) for Europe increased to a profit of €28.4 million in 2006 from a loss €0.7 million in 2005 due primarily to the increase in revenue. The operating loss attributable to North American activities increased to a loss of €45.7 million in 2006 from a loss of €23.5 million in 2005 as higher revenues were offset by the decrease in capitalization of internally generated intangible assets to €2.3 million in 2006 from €23.6 million in 2005.

OTHER INCOME

Net financial income increased to €4.7 million in 2006 from €0.7 million in 2005. This increase was primarily the result of the higher cash balance in 2006 as a result of the public offering in November of 2005.

The net gain on our investment in Infotech, which is valued at fair value, was €1.6 million. Our share in the loss of our Chinese joint venture Navigation Information Co Ltd, for the period before acquisition of the remaining 75%, was €0.1 million.

In 2006, a net tax benefit of €1.4 million was included in the Income Statement, compared to a benefit of €0.6 million in the previous year. The tax benefit in 2006 mainly resulted from the recognition of a €11.5 million tax asset in the Netherlands. This was mainly the result of a one time €10.7 million benefit which was recognized following the approval by the Dutch tax authorities of the reclassification for tax purposes of certain intercompany financing. As a result of the change in reclassification €36.1 million of interest income, which was included in taxable results in the period 2000-2005, was reversed. This resulted in an increase in deferred tax assets of €10.7 million and a corresponding gain in the Income Statement. Excluding this benefit, tax charges amounted to €10.1 million. No tax benefit has been recognized on losses incurred in North America in 2006 or prior years. As per December 31, 2006 the amount of tax loss carry forwards in North America for which no tax asset had been recognized yet was €98.4 million (2005: €54.9 million).

ACQUISITIONS

In July of 2006, the Company completed the acquisition of a 75% interest in a newly created subsidiary with PT Navindo Technologies ('Navindo'). The new company, named PT Tele Atlas Navindo, subsequently acquired the database activities of Navindo. Navindo was the leading mapping company in Indonesia. The joint venture will initially employ 20 people in an office located in central Jakarta. The results of Tele Atlas Navindo have been consolidated as of the date of acquisition.

During 2006, the activities in China were restructured. Subsequently, Tele Atlas acquired the 75% share of its joint venture partner Shanghai Changxiang Computer Co. Ltd in the NaviAtlas joint venture entity. The Company

discontinued its activities that were conducted through its joint venture partner. The Company also entered into a Database License and Supply Agreement with Beijing Changdi Youhao Mapping Technology Company Ltd. Following the acquisition of the remaining 75% in NaviAtlas, the results of NaviAtlas have been fully consolidated as of the date of the acquisition. The Company incurred €0.8 million in legal and other expenses associated with the transaction. The Company also recorded a charge of €9.3 million which has been reflected as an impairment loss on investment in subsidiary.

In December of 2006, the Company acquired 100% of the share capital in LLC Tele Atlas Rus, which had previously acquired the mapping business of JSC Navmaps in an all-cash transaction. JSC Navmaps is a Russia based company and was the leading mapping company in Russia.

The combined consideration, including expenses, for the acquisitions in 2006 was €5.0 million.

CASH FLOW AND BALANCE SHEET

The net cash flow from operating activities significantly improved to a cash inflow of €28.3 million in 2006 from €18.1 million in 2005. This resulted primarily from the improvement in Adjusted EBITDA by €29.1 million. Working capital and other changes increased by €19.7 million as compared to a reduction of €3.7 million in 2005.

Net interest received was a cash inflow of €4.2 million, compared to €0.8 million in 2005. Tax payments resulted in an outflow of €0.2 million as compared to €1.4 million in 2005.

Cash outflow from investing activities increased to €29.8 million from €12.8 million in 2005. €4.5 million was spent on the acquisitions in Indonesia, China and Russia. An amount of €0.5 million of cash acquired has been included in this amount. The cash outflow in connection with the restructuring in China amounted to €8.4 million. In 2005, the Company acquired PPWK Geoinvent (Poland) for €6.3 million and invested €0.3 million in its joint venture in China.

Purchases of property and equipment during 2006 increased to €14.5 million from €5.9 million in 2005 as a result of higher investments in IT equipment and several office moves, including that of our Gent, Belgium office. Exercises of stock options during the year 2006 resulted in a cash inflow of €4.6 million, as compared to €5.4 million in 2005.

PERSONNEL

On December 31, 2006 Tele Atlas had 1,628 full time employees world wide, including support (214), marketing (106), sales (206) and customer delivery (1,102), compared to 1,391 on December 31, 2005.

Personnel by region is set out in the table below:

	31 December, 2006	31 December, 2005
Europe	840	741
North America	699	641
Asia Pacific	89	9
Total	**1,628**	**1,391**

Outlook

Based on the 2006 results and our current expectations for 2007, we expect revenues to grow by approximately 20% to approximately €315 million during 2007 and Adjusted EBITDA to increase 50% to approximately €65 million.

The personal navigation market segment is expected to be the main driver of revenue growth in 2007 with market unit growth expected to be approximately 50% in Europe and 100% in North America. Unit prices are expected to decline moderately. The Company expects little or no growth from the automotive segment during 2007 due to the completion of the elimination of revenues from compilation and conversion services and the loss of part of the Volkswagen business beginning in late 2007 by one of its navigation system supplier partners.

This outlook includes the impact of the following transactions concluded in 2006: the creation of our Indonesian joint venture, the purchase of all outstanding shares of our new Chinese joint venture and the acquisition of Navmaps in Russia. All together these transaction are expected to increase 2007 revenue by €2.2 million and reduce 2007 Adjusted EBITDA by €1.2 million. In addition the expectation for Adjusted EBITDA reflects investments that are planned in connection with acceleration of the compliance of our database with the Advanced Driver Assistance Systems ('ADAS') standard. The ADAS standard requires a higher degree of precision than current navigation standards. These investments are expected to be approximately €5 million to €7 million in 2007.

After the effects of depreciation and amortization, share based payment expense, capitalization of database development costs and other non-cash items, this level of Adjusted EBITDA is expected to produce an operating (EBIT) profit for the year of approximately €3 million. Given this level of EBIT, we expect total income tax expense to be approximately €15 million. We expect a net loss for the year of approximately €5 million.

The Company's expenditures for property and equipment for 2007 are expected to be approximately €12 million and working capital requirements for accounts receivables are expected to increase in proportion to the expected increase in revenues. Approximately 65% of the Company's 2007 income tax expense is expected to be paid currently.

This outlook excludes the impact of unforeseen circumstances as well as the impact of any acquisitions which may be completed in 2007.

Subsequent to 2007, our current expectation is that, barring unforeseen circumstances, we can grow revenues in excess of 20% on an annual basis for the next several years and that our Adjusted EBITDA for each year will increase by approximately 50% of incremental revenue. We expect to incur total income tax expense at an effective rate of approximately 31% of earnings before taxes and adjusted to eliminate the effect of employee stock option expense. This rate does not take into account the impact of a recognition of a tax asset related to the U.S. tax loss carryforwards and the subsequent utilization of these losses. Approximately 80% of the expected total income tax expense is expected to be payable during the applicable years.

Supervisory Board and Management Board members

SUPERVISORY BOARD

WIM DIK

Chairman of the Supervisory Board: Term ends 2009

Prof. Dik is currently the Chairman of the Supervisory Board of Zesko Holding BV. He is also a non-executive director of Unilever NV, Unilever Plc, AVIVA Plc and Logica CMG Plc. and the Chairman of the Advisory Board of Spencer Stuart Netherlands. Prof. Dik is a former Chairman of the board of Nederlandse Unilever Bedrijven BV and a former Chairman and Chief Executive Officer of KPN NV (Royal Dutch Telecom). He has also held the office of Minister for Foreign Trade in the Dutch Government. Prof. Dik graduated in Computer Science and Telecommunications from Delft University of Technology in 1962 and also studied at the Rotterdam University of Economics.

Prof. Dik became a member of the Company's Supervisory Board in 2001 and Chairman in 2004.

JOOST TJADEN

Term ends 2010

Mr. Tjaden is a Managing Director of Janivo Holding BV, the parent of the Company's shareholder IAM, which he joined in 1993. Prior to Janivo Mr. Tjaden was with Oranje-Nassau Groep BV where he was a member of the Management Board. Mr. Tjaden graduated from Rotterdam Erasmus University with a MBA Interfaculty for Management Studies in 1974. Mr. Tjaden is currently a member of the Supervisory Boards of Desch Holding BV, M&R de Monchy NV and Wave International BV and is a non-executive director of Mirus Information Technology Services, Inc.

Mr. Tjaden became a member of the Company's Supervisory Board in 1998.

BANDEL CARANO

Term ends 2008

Mr. Carano is currently General Partner of Oak Investment Partners, LLC, a venture capital firm, where he has served since 1987. Mr. Carano serves on the Board of Directors of WFI in addition to numerous private companies. He also serves on the Investment Advisory Board of the Stanford Engineering Venture Fund. Prior to Oak, Mr. Carano worked for two years in Morgan Stanley's Venture Capital Group where he was responsible for advising the company on high-tech new business development, as well as sponsoring venture investments. Mr. Carano received BS and MS degrees in Electrical Engineering from Stanford University.

Mr. Carano became a member of the Company's Supervisory Board in 2004.

CHARLES COTTON

Term ends 2008

Currently, Mr. Cotton is a Director of Library House Ltd and a Director of Solarflare Communications, Inc. following its merger with Level 5 Networks, Inc. He was previously Executive Chairman of GlobespanVirata, Inc. and Chief Executive Officer of Virata Corporation. His 30 years of experience includes senior operations, finance, marketing and product planning positions at Sinclair Research Ltd, British Leyland Plc and Ford Motor Company. Mr. Cotton graduated from Oxford University with a degree in Physics in 1968.

Mr. Cotton became a member of the Company's Supervisory Board in 2004.

PETER MORRIS

Term ends 2008

Currently, Mr. Morris is a General Partner of New Enterprise Associates (NEA), a venture capital fund, which he joined in 1992. Prior to NEA Mr. Morris was with Telebit Corporation and Montgomery Securities. He also serves on the boards of Agitar Software, Inc., Force10 Networks, Inc. and the Stanford Engineering Venture Fund. Mr. Morris graduated from Stanford University in 1980 with a degree in Electrical Engineering and from Stanford Graduate School of Business with a Master of Business Administration degree in 1984.

Mr. Morris became a member of the Company's Supervisory Board in 2004.

STEPHAN ROJAHN

Term ends 2010

Currently, Mr. Rojahn is Chairman of the Board of Management of Wittur AG and a Non-Executive Director of RPC Group Plc and member of the Supervisory Board of Novem Car Interior Design GmbH. Mr. Rojahn worked more than 20 years for Bosch, where he held various positions in the automotive, car multimedia and telecommunication division, culminating in a position on the Board of Management of the Bosch Group. Following his tenure with Bosch he was Chairman of the Board of Management of Duerr AG. Mr. Rojahn graduated in 1975 from Aachen Technical University with a Diploma for Mechanical Engineering and in 1976 from San Jose State University with a Master of Science for Industrial and Systems Engineering.

Mr. Rojahn became a member of the Company's Supervisory Board in 2006.

GEORGE SCHMITT

Term ends 2008

Currently, Mr. Schmitt is a Managing Director at TeleSoft Partners, serves as a director of several privately held companies and is a director at Calient Networks, Inc and Affinity, Inc. During his career Mr. Schmitt has been President and Chief Executive Officer of PCS PrimeCo, Executive Vice President of International Operations at AirTouch, Inc. and a member of the Management Board at Mannesmann Mobilfunk GmbH (now Vodafone Germany) and head of its technical department. Mr. Schmitt was appointed President and a Director of Omnipoint Communication Services in 1996, where he served until its acquisition by VoiceStream, which was subsequently acquired by Deutsche Telekom to form T-Mobile USA in 2001. Most recently, Mr. Schmitt served at e.spire Communications, Inc. where he was Chairman and Chief Executive Officer. He previously served as a director of Knowledge Holdings, Inc., as director and audit committee chair of Objective Systems Integrations and LHS group. Mr. Schmitt received an MS in Management from Stanford University, where he was a Sloan Fellow, and a BA in Political Science from Saint Mary's College.

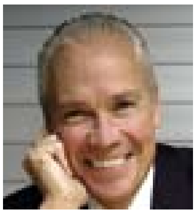
Mr. Schmitt became a member of the Company's Supervisory Board in 2004.

MANAGEMENT BOARD AND EXECUTIVE OFFICERS

ALAIN DE TAEYE

Chairman of the Management Board, Co-founder and Chief Executive Officer

Mr. De Taeye founded Informatics & Management Consultants in 1984, a venture involved in the early phases of digital mapping and routing applications, where he was Managing Director. In 1988, Mr. De Taeye combined his company with Tele Atlas, a Dutch company also founded in 1984. Mr. De Taeye graduated from the State University of Gent with a degree in Civil Engineering & Architecture and his work in the digital mapping industry began after having worked as a research assistant at the Business School of Gent University. Mr. De Taeye is also a Supervisory Board member of Nemerix SA.



GEORGE FINK

Member of the Management Board, President and Chief Operating Officer

Mr. Fink joined Tele Atlas in 2002 as Chief Operating Officer – North America and became President and Global Chief Operating Officer in 2004. Prior to joining Tele Atlas he was co-founder, President and Chief Executive Officer of Mirus Information Technology Services, Inc., an application service provider supplying operational reporting tools to large restaurant chains. From 1994 until 1998 he was President of COMSYS Information Technology Services, Inc. He has also been President and Chief Executive Officer of Rent-a-Center, Inc., President and Chief Executive Officer of Remco America, Inc. and a partner at Arthur Young and Company prior to the merger that created Ernst & Young. Mr. Fink graduated from Northland College with a degree in accounting. He currently serves on the board of the Company's Indian outsource partner, Infotech Enterprises, Ltd., and is the Chairman of the Supervisory Board of Directors of Mirus Information Technology Services, Inc.

HARDIE MORGAN

Chief Financial Officer

Mr. Morgan joined the Company as CFO in June 2004 having already worked for Tele Atlas since August 2002 through his consultancy business. From 1998 to 2002 Mr. Morgan was the co-founder and Chief Operating Officer of Mirus Information Technology Services, Inc., an application service provider supplying operational reporting tools to large restaurant chains. From 1991 to 1998 Mr. Morgan ran a consulting practice specializing in the integration of acquisitions and from 1985 until 1991 he was Chief Financial Officer of Landmark Graphics Corporation. He began his career at Arthur Young and Company prior to the merger that formed Ernst & Young. Mr. Morgan has a degree in Business and Sociology at Rice University in Houston and is a Certified Public Accountant in the state of Texas.

BRUCE RADLOFF

Chief Technology Officer

Mr. Radloff joined the Company in January 2005 after having served as Vice President, and Chief Technology Officer (CTO) at the OnStar division of General Motors Corporation, which he joined in 1997. During 1984 and 1997 he worked at IBM and Bell Atlantic, Inc. (now part of Verizon Inc.). Mr. Radloff began his career as an officer in the U.S. Air Force between 1979 and 1984. Mr. Radloff graduated from Ohio State University in 1979, having studied Political Science and Computer Science and in 1996 he obtained a Masters degree in Technology Management from the University of Maryland.

JACK REINELT

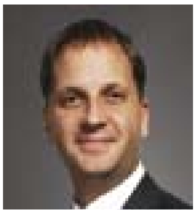
Chief Operating Officer, Europe Middle East and Africa

Mr. Reinelt joined the Company in May 2004. He began his career at the IBM Corporation, and has 30 years of management experience in building technology companies in the software development, database, internet, and mobile applications markets, including more than 15 years in the automotive segment. Mr. Reinelt has held senior management positions at SunGard, Inc., Adept International, and Commerce One LLC, and from 1992 to 2000 was President of Software Services Corporation and its successor Appnet Inc. Currently, he is also a board member of GDI Infotech, Inc. Mr. Reinelt graduated with a degree in Finance from Western Michigan University.

DAVID SYM-SMITH

Chief Marketing Officer

Mr. Sym-Smith joined the Company in August 2006 with more than 20 years' experience in introducing differential products and services within highly competitive environments. Prior to joining Tele Atlas, he served as Senior Vice President of Marketing and Business Development for Innopath Software. Mr. Sym-Smith has held senior management positions at Command Audio, Aerial (now T-Mobile), Sprint Spectrum (now Sprint PCS), Cellular One (now AT&T Wireless) and GTE Mobilenet (now Verizon Wireless). He also worked as an international consultant to companies like Voice Web and Telephia, creating successful content delivery, distribution and marketing strategies. Mr. Sym-Smith studied economics and international business at Ohio Wesleyan University and received an MBA from Pennsylvania State University, focusing on marketing and finance.



MARK STEELE

Chief Operating Officer, Asia Pacific

Prior to joining Tele Atlas in April 2006, Mr. Steele was President of ITT China. Mr. Steele was with ITT in the Asia-Pacific region for 14 years where he worked to build ITT's presence in the region via senior management positions in Hong Kong, Japan, and China. Prior to joining ITT, Mr. Steele held global marketing roles at GM Hughes Electronics. He served as a member of the Board of Governors of the American Chamber of Commerce in Shanghai and as Chairman of the Corporate Social Responsibility Committee. Mr. Steele holds a B.S. in International Business and Japanese from the University of Nebraska.

SCOTT SEMEL

Chief Legal Officer

Mr. Semel brings over 25 years of legal experience to Tele Atlas. His most recent corporate legal position was as legal transition executive at IBM and immediately prior to that he served as Vice President, Secretary and General Counsel to Ascential Software Corporation (formerly Informix Corporation), a public software company that was sold to IBM in 2005. Before that he served as Vice President, General Counsel and Secretary to NaviSite, Inc., a public web hosting company. He has also served as general counsel for a number of other public and private companies. Mr. Semel holds B.S. and J.D. degrees from Boston University and New England School of Law and has extensive experience as an international chief legal officer; and in the areas of corporate governance, securities, technology mergers and acquisitions, executive compensation, technology licensing, intellectual property and patent strategy, regulatory and other corporate compliance matters.

Corporate governance

CORPORATE GOVERNANCE STRUCTURE

Tele Atlas has a two-tier board structure consisting of the Management Board and the Supervisory Board. The Management Board is responsible for day-to-day management of the business and long-term strategy. The Supervisory Board is responsible for controlling management performance and advising the Management Board. The Supervisory Board is made up exclusively of outside directors.

MANAGEMENT BOARD

The Management Board is appointed by the shareholders' meeting from a binding nomination, drawn up by the Supervisory Board. The binding nomination may be overridden by the shareholders' meeting with two-thirds of the votes cast representing at least half of the issued share capital. If the Supervisory Board fails to make the nomination in a timely manner, the shareholders' meeting is free to make the appointment. The Management Board is responsible for the management of the Company. The shareholders' meeting may give instructions on the general lines of financial, social, economic and employment policies to be given by the shareholders' meeting. The Management Board currently consists of the Chief Executive Officer and the President/Chief Operating Officer with the Chief Executive Officer acting as Chairman. The Articles of Association provide that the Supervisory Board may require that certain Management Board decisions be submitted to the Supervisory Board for approval, and that certain decisions require approval by the shareholders' meeting. Management Board members may also be suspended by the Supervisory Board.

Management Board members may be suspended or dismissed by the shareholders' meeting provided the resolution is passed by at least two thirds of the votes cast, representing more than half the issued capital unless the proposal concerned has been made by the Supervisory Board in which case no quorum or quota requirements apply.

The general remuneration policy of the Management Board will be adopted by the shareholders' meeting. The remuneration of each member of the Management Board will be determined by the Supervisory Board with due observance of the policy. Share and options plans covering members of the Management Board must be submitted by the Supervisory Board to the shareholders' meeting for approval.

Management Board members must report and provide all relevant information regarding any conflict of interest or potential conflict of interest to the Chairman of the Supervisory Board and all other members of the Management Board who shall decide without the member present whether there is a conflict of interest.

SUPERVISORY BOARD

The members of the Management Board are supervised and advised by the Supervisory Board. The members of the Supervisory Board are formally appointed by the shareholders' meeting from a binding nomination, drawn up by the Supervisory Board. The binding nomination may be overridden by the shareholders' meeting with two-thirds of the votes cast representing at least half of the issued share capital. If the Supervisory Board fails to make the nomination in a timely manner the shareholders' meeting is free to make the appointment. Members of the Supervisory Board may be appointed for a maximum of three four-year terms.

The Supervisory Board supervises the conduct of and provides advice to the Management Board and supervises the business generally. In performing their duties, all members of the Supervisory Board, including those affiliated with a shareholder, are to act in the best interests of the business as a whole. The Management Board shall provide the Supervisory Board with the information it needs for the performance of its tasks and the Supervisory Board shall at any time have access to all buildings and premises in use by the Company and is entitled to inspect all of the Company's books and records. The Supervisory Board members appoint one of their members as Chairman and one member as deputy Chairman. Members of the Supervisory Board are appointed for a period of up to four years and must retire no later than in the annual meeting of shareholders to be held in the twelfth year after their first appointment. Supervisory Board members may be suspended or dismissed by the shareholders' meeting at any time provided the resolution is passed by at least two thirds of the votes cast, representing more than half the issued capital unless the proposal concerned has been made by the Supervisory Board in which case no quorum or quota requirements apply.

The Supervisory Board adopts resolutions of the Supervisory Board by an absolute majority of the total number of votes cast.

The remuneration of the Supervisory Board is determined by the shareholders' meeting.

The Supervisory Board has developed rules that outline its responsibilities, its operating procedures and its relationship with the Management Board and the shareholders' meeting. The rules are available on the Company's website: www.teleatlas.com.

The Supervisory Board meets at least four times a year, with the Management Board and other members of the Company's senior Management Team present unless the Supervisory Board decides otherwise, to discuss Company strategy as well as the risks of business. At least once per year, the Supervisory Board shall discuss its own functioning as well as the functioning of the Management Board, the corporate strategy and risks of the business and the budget for the financial year. The Supervisory Board has established an Audit Committee, a Remuneration Committee and a Nominating Committee.

By the amendment of the Articles of A ssociation that became effective on July 6, 2004 the power to issue shares and to grant rights to acquires shares in the company and the power to restrict or exclude the pre-emptive rights of existing shareholders has been vested in the Supervisory Board for a period of 5 years. The Supervisory Board may resolve to issue all of the unissued shares in the authorized share capital of the company. On June 1, 2006 the shareholders meeting authorized the Management Board to repurchase on behalf of the Company up to 10% of the shares of the Company on a stock exchange against a price up to 120% of the weighted average of closing prices during the last 10 trading days.

AUDIT COMMITTEE

The Audit Committee assists the Supervisory Board in monitoring the systems of internal controls, the integrity of the financial reporting process and the financial statements and reports of the Company; assessing and mitigating business and financial risks to the Company; the application of information technology within the Company; and the compliance by the Company with legal and regulatory requirements. The role and responsibility of the Audit Committee as well as the composition and the manner in which it discharges its duties have been prescribed in the Audit Committee charter, which is available on the Company's website www.teleatlas.com. The responsibilities of the Audit Committee include (i) selection, compensation and reviewing and assuring the independence of the firm serving as the Company's independent accountant (ii) requiring the independent accountant to report all critical accounting policies and practices used by the Company as well as available alternative treatments and other material written communications between the independent accountant and the Company, (iii) reviewing with the Company and the independent accountant, (to the extent the independent accountant performs services in connection with the reports) all interim and financial reports, (iv) reviewing with the independent accountants, in advance of the annual audit, the audit scope and plan, (v) discussing with the independent accountant at the completion of the annual audit the financial statements and related footnotes, the audit and the report thereon, their judgment about the quality of the Company's accounting principles, changes in the audit plan or difficulties, if any, encountered during the audit and discussing other matters related to the conduct of the audit. Meetings of the Audit Committee are generally attended by the CFO, the Vice President Finance and Controlling and the Vice President Risk Management.

REMUNERATION COMMITTEE

The Remuneration Committee advises the Supervisory Board on the remuneration of the Management Board and monitors the remuneration policy, including the fixed remuneration, the shares and/or options to be granted, other variable remuneration components and other benefits as well as the performance criteria and their application. The rules of the Remuneration Committee as well as the composition and the manner in which it discharges its duties have been laid down in the Rules for the Remuneration Committee, which are available on the Company's website www.teleatlas.com. The Remuneration Committee consists of at least three members. The Chairman of the Supervisory Board or a former member of the Management Board or a member of the Supervisory Board who is a member of the Management Board of another listed company may not be the Chairman of the Remuneration Committee.

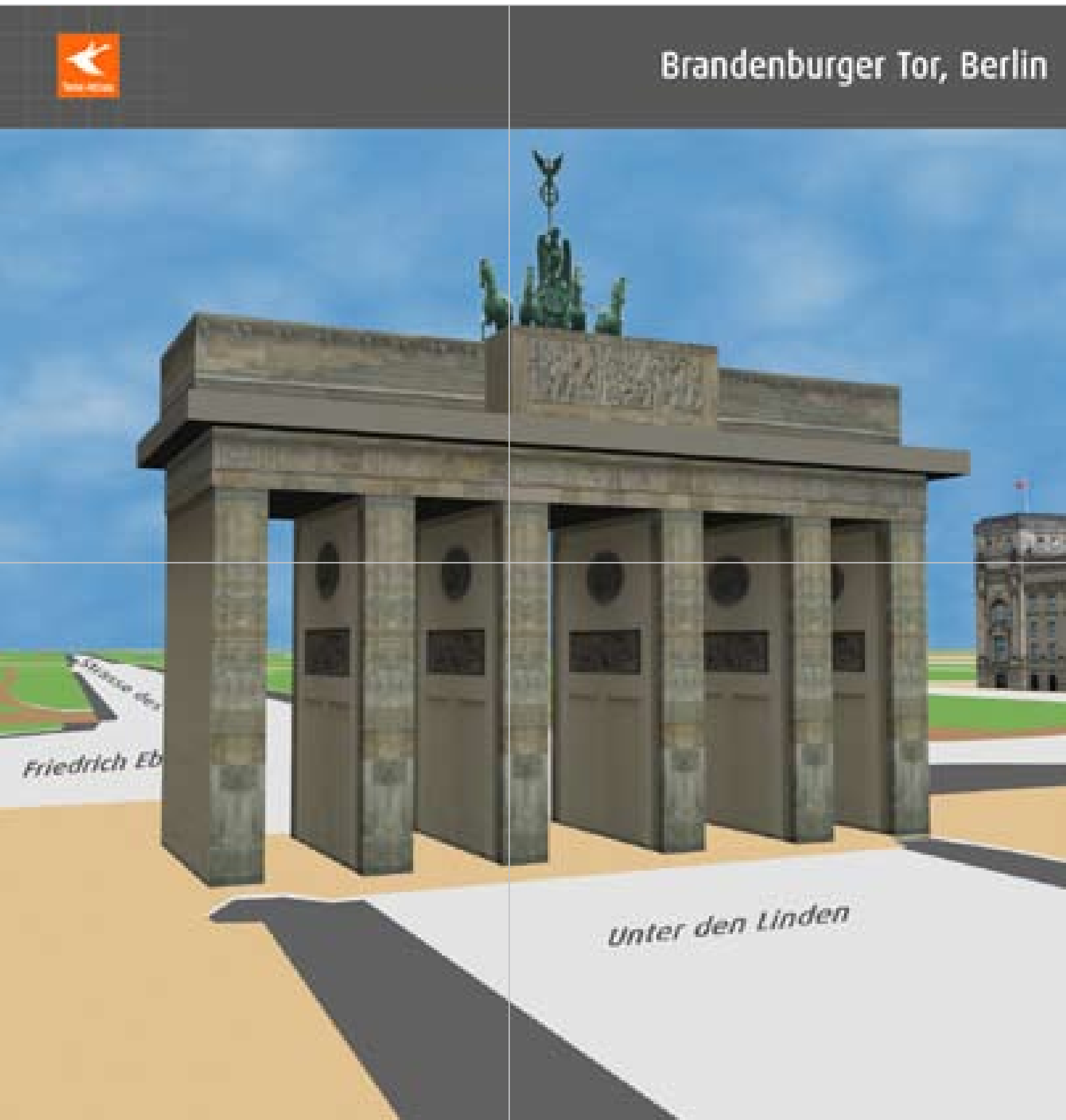
NOMINATING COMMITTEE

The Nominating Committee advises the Supervisory Board on the appointment and termination of members of the Management Board and periodically assesses the performance of members of the Supervisory Board and Management Board. The Nominating Committee consists of at least three members. The rules of the Nominating Committee as well as the composition and the manner in which it discharges its duties have been laid down in the Rules for the Nominating Committee, which are available on the Company's website www.teleatlas.com.

Currently Supervisory Board members with the exception of the Chairman receive no cash remuneration for general board service. In addition they receive €1,000 for each committee meeting attended. The Chairman receives a cash stipend of €17,500 but is not entitled to any meeting compensation. All Supervisory Board members receive a grant of options on 20,000 ordinary shares each year. These options vest quarterly over a four year period. In addition to the remuneration described above, Supervisory Board members are reimbursed for travel expenses incurred on behalf of the Company. The remuneration of the Management Board and the Supervisory Board and their share and option positions are disclosed on pages 38 to 39 of this report.

SHAREHOLDERS' MEETING

The shareholders' meeting is convened at least once a year, within six months of the end of the financial year, to consider, amongst other matters, the Annual Report and the discharge of responsibilities of the members

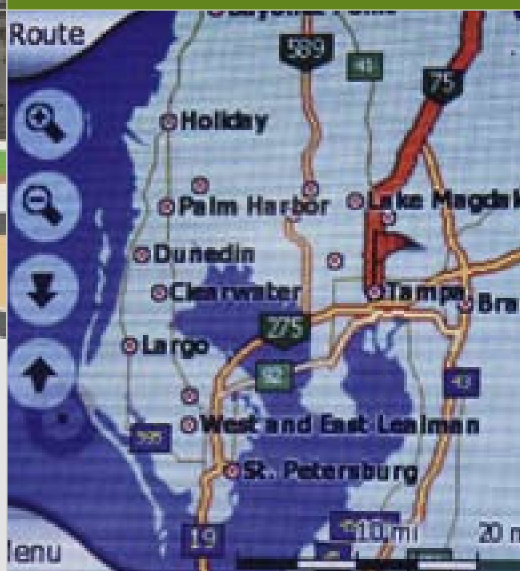


3D Images

Tele Atlas leads the industry in delivering the most realistic digital maps, which can include 3D representations of significant landmarks in cities around the world.

2D Images

Richer map display better orients and guides users, and enriches navigation and local search applications.



of the Management Board and the Supervisory Board. The shareholders' meeting also appoints the auditor. If the shareholders' meeting does not appoint the auditor, the auditor will be appointed by the Supervisory Board. Decisions are taken by an absolute majority of the votes cast except in those cases in which the law or the Articles of Association of the Company require a greater majority, with one vote being attached to each share.

The Articles of Association provide that the Company may set a record date that is not earlier than the seventh day prior to the day of the meeting, which will be used for determining who has the right to attend the shareholders meeting. Shareholders who want to attend have to register in the manner as announced in the notice convening a shareholders meeting. The company will propose to its shareholders to amend the Articles of Association so that the record date may be set as early as the thirtieth day prior to the date of the meeting.

COMPLIANCE WITH DUTCH CORPORATE GOVERNANCE CODE

The principles and practices of the Dutch Corporate Governance Code ('Tabaksblat') are applicable to all listed companies organized under the laws of the Netherlands on a "comply or explain" principle. Although Tele Atlas complies in most respects with the Tabaksblat code, there are several areas where the corporate governance of Tele Atlas deviates from the principles and best practice provisions that are laid down in the Dutch Corporate Governance Code. The most important of these differences are as follows.

- We deviate from best practice provision II.1.1, which provides that members of the Management Board may be appointed for a maximum term of four years at a time. Our current members of the Management Board were appointed for an indefinite period prior to the establishment of the Code. We will apply this best practice provision in respect of any new member of our Management Board who is appointed in the future;

- We partly deviate from best practice provisions II.2.1 and 2.2, which provide that options to acquire shares are conditional and become unconditional only when the Management Board have fulfilled predetermined performance criteria after a period of at least three years and that options that do not have such performance objectives shall not be exercisable for three years from the date of grant. We have to recruit the members of our Management Board in a competitive international environment. Prior grants to members of our Management Board that vest quarterly over a period of four years and can be exercised immediately upon vesting. The most recent grants have a different schedule where 50% of the grant vests after two years and the remaining 50% vest quarterly over the next two years. All options granted to Management and Supervisory Board members are granted with an option price equal to the fair value of the underlying shares at the time of the grant. This type of option arrangement is typical of American companies who operate similar businesses to ours. As the United States is an important jurisdiction from which we recruit members of our Management Board, we believe that granting of such options enables us to attract and retain high caliber members of our Management Board.

- We deviate from best practice provision II.2.7, which provides that the maximum remuneration in the event of a dismissal is one year's base salary. The employment agreement with Alain De Taeye, the Chairman of our Management Board and CEO, provides that in the event of a termination of his employment agreement by us, other than in case of urgent cause (dringende reden) or termination due to acts, defaults or negligence of Alain De Taeye, he will be entitled to an amount equal to 1⁄6 of his annual compensation for each full year of service, with a maximum of three times the annual compensation. The Company believes that this exception is warranted given Mr. De Taeye's role in founding the Company and his subsequent service on behalf of the Company for in excess of twenty years.

- We do not apply best practice provision III.3.3, which requires that appointed Supervisory Board members be subject to an introduction program designed to educate them about our activities and their resulting duties and responsibilities, and that an annual review be conducted to identify any aspects with regard to which they require further training or education during their services as Supervisory Board members. We provide persons nominated for appointment to our Supervisory Board with full information about us and our business.

- We will deviate from best practice provision IV.1.1, which provides that a Company's general meeting of shareholders may pass a resolution to (i) set aside the binding nature of a nomination for the appointment of a member of the Management Board or the Supervisory Board and (ii) dismiss a member of the Management Board or Supervisory Board, by an absolute majority of the votes cast representing at least one-third of the issued share capital. Our Articles of Association provide that a binding nomination for the appointment of members of our Management Board or of our Supervisory Board may only be set aside by a resolution of the shareholders' meeting passed with a two-thirds majority representing more than 50% of our issued share capital unless the proposal concerned has been made by the Supervisory Board in which case no quorum or quota requirements apply, or such lower majority or quorum as Dutch law will permit to require for overriding a binding nomination. Further, our Articles of Association provide that a member of our Management Board or our Supervisory Board may only be dismissed by a General Meeting of Shareholders with a majority of at least two-thirds of the votes cast at a meeting at which more than 50% of our issued share capital is represented. We believe that maintaining continuity in our Management Board and Supervisory Board is critical for delivering long-term shareholder value. We would like to protect our stakeholders against a sudden change in management by maintaining the qualified majority and voting quorum requirement, which is allowed under Dutch law.

- We partially comply with best practice provision IV.3.1. We attempt to provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price. Investors may listen in on the press and analyst's conference call given at the publication of our annual figures and our first, second and third quarter results. Recordings of these calls are available on our website as are copies of presentations made to investors and analysts. We meet with many investors, potential investors and analysts during the course of the year. We feel it is not practical to announce these meetings in advance or to make provisions for all shareholders to follow these meetings and presentations in real time. We restrict the information presented in these meetings to publicly-available material.

- We will not apply best practice provision III.7.1, which provides that members of the Supervisory Board will not receive shares or rights to acquire shares by way of remuneration. We also have to recruit the members of our Supervisory Board in a competitive international environment. Prior to the 2006 annual general meeting, members of the Supervisory Board that so elected could receive their compensation in options for our ordinary shares in lieu of certain cash compensation.

At the 2006 annual general meeting, the shareholders approved a plan that removed the option to receive cash as opposed to options. At the 2007 annual general meeting we expect to introduce a revised Supervisory Board compensation plan that greatly reduces the use of options. We also deviate from best practice provision III.7.3, which provides amongst others that the Supervisory Board shall adopt a set of regulations containing rules governing ownership and transactions in securities by members of the Supervisory Board, other than securities issued by their ''own company''. Our members of the Supervisory Board are not restricted from investing in securities issued by other companies other than those of direct competitors.

The Articles of Association, the Rules of the Supervisory Board, the Rules of the Management Board which include certain restrictions on outside activities for the members of the Management Board, the Company's Code of Ethics, and the procedure for employees of the Company to confidentially file complaints may all be inspected on the Company's website: www.teleatlas.com.

Remuneration report

INTRODUCTION

In accordance with our Articles of Association, the remuneration of members of the Management Board is the responsibility of the Supervisory Board, subject to the adoption of the remuneration policy by the shareholders' meeting. The Remuneration Committee of the Supervisory Board is charged with the development of the remuneration policy and the recommendation to the Supervisory Board of the remuneration of individual members of the Management Board.

The Remuneration Committee must consist of at least three members of the Supervisory Board, one of which is to be designated as Chairman. At present, the members are: Mr. Cotton (Chairman), Mr. Carano, Mr. Morris and Mr. Tjaden.

REMUNERATION POLICY FOR THE MANAGEMENT BOARD

The following sets forth the remuneration policy for members of the Management Board as adopted by the Supervisory Board and approved by the shareholders at the General Meeting of Shareholders held on June 1, 2005. This policy is also generally applied to members of the Tele Atlas senior executive team who are not members of the Management Board.

TERM OF APPOINTMENT AND EMPLOYMENT CONTRACTS

The members of the Management Board appointed before July 2004 each have a non-defined term of employment. Beginning July 2004, new members of the Management Board are appointed for a period of four years. On expiry of the four-year term, a member of the Management Board may be re-appointed for successive terms of not more than four years. In instances of re-appointment, the performance of the candidate as a member of the Management Board is taken into account.

OBJECTIVE OF REMUNERATION POLICY

The objective of the policy is to provide a compensation program that allows the Company to attract, retain and motivate members of the Management Board who have character traits, skills and background to successfully lead and manage a global enterprise and to reward them based on individual and Company performance. The remuneration policy is designed to balance short-term operating performance and the long-term growth in shareholder value.

REMUNERATION ELEMENTS

The remuneration for members of the Management Board is comprised of the following elements:

- Base salary and other periodic compensation and benefits such as health insurance, car allowances, etc. Throughout the policy this compensation is referred to as base compensation.
- Short-term incentive compensation.
- Long-term equity-based compensation in the form of options to purchase the Company's shares ('options').

The Company traditionally has not formally compared the compensation of its Management Board to a reference set of companies. Instead, it has relied on salary surveys conducted among companies similar in nature to Tele Atlas as well as its human resource staff and Supervisory Board members' knowledge of compensation trends in companies similar to the Company. Since the majority of the Company's Management Team is from the United States, the Company bases much of its remuneration policies on typical practices for U.S. companies that are similar to the Company. The Company does not grant loans to Management Board members except for expense advances in accordance with the Company's travel policy and tax equalization advances to equalize the tax situation of Management Board members who incur taxes outside their home country as a result of their membership on the Company's Management Board.

BASE COMPENSATION

The Company goal is to pay a base salary near the median relative to similarly situated companies. Other components of base compensation include:

- Medical, dental and disability insurance – U.S. Management Board members receive the same medical, dental and disability insurance benefits as all full time U.S. employees. European Management Board members receive the same medical and dental insurance as European employees in the country in which they are employed. Additional disability insurance is also provided.
- Life insurance – U.S. Management Board members receive the same life insurance benefits as all full time U.S. employees. European Management Board members receive the same life insurance benefits as European employees in the country where they are employed.
- Car allowance – European Management Board members are subject to the European company car policy.
- Temporary housing expenses – when Management Board members are assigned in locations away from their permanent residence, the Company may pay temporary housing expenses to offset the additional costs the member incurs as a result of maintaining two households.
- Retirement plan contribution – U.S. Management Board members receive the same retirement benefits as all full time U.S. employees. European Management Board members receive a retirement plan contribution which is substantially in line with European employees in the country where they are employed.

SHORT-TERM INCENTIVE COMPENSATION

The Company has a short-term incentive program that pays members of the Management Board, as well as other members of executive management, based on the Company's performance versus its annual plan. For 2005 and 2006 the plan used the following factors and weightings:

	Weighting	
Factor	2006	2005
Revenue	25%	50%
Adjusted EBITDA	50%	25%
Cash flow from operations	25%	25%

The annual plan is approved by the Supervisory Board at the beginning of each year. Participants receive points for performance above or below a particular factor in accordance with a table established by the Supervisory Board each year. Bonuses are paid based on the following formula:

Actual Bonus = Target Bonus x Bonus Points / 100.

The 2005 and 2006 target bonus for Management Board members was 60% of salary. The point table used to determine the increase or decrease above or below each target for 2006 is reproduced on the next page.

Points for performance beyond those contained in the points table are at the discretion of the Supervisory Board.

In addition to the short-term incentive program described above, the Supervisory Board has in the past granted discretionary bonuses for accomplishment of specific objectives, and may be do so in the future.

Revenues		EBITDA		Cash Flow	
% Target	Points	% Target	Points	% Target	Points
-4.6%	0	-17.3%	0	-33.9%	0
-4.1%	3	-15.6%	5	-30.5%	3
-3.7%	5	-13.8%	10	-27.1%	5
-3.2%	8	-12.1%	15	-23.8%	8
-2.8%	10	-10.4%	20	-20.4%	10
-2.3%	13	-8.6%	25	-17.0%	13
-1.8%	15	-6.9%	30	-13.6%	15
-1.4%	18	-5.2%	35	-10.2%	18
-0.9%	20	-3.5%	40	-6.8%	20
-0.5%	23	-1.7%	45	-3.4%	23
0.0%	25	0.0%	50	0.0%	25
1.3%	27	2.7%	54	5.2%	27
2.7%	28	5.3%	57	10.5%	28
4.0%	30	8.0%	60	15.7%	30
5.3%	32	10.7%	64	20.9%	32
6.7%	33	13.3%	67	26.2%	33
8.0%	35	16.0%	70	31.4%	35
9.3%	37	18.7%	74	36.6%	37
10.7%	38	21.3%	77	41.9%	38
12.0%	40	24.0%	80	47.1%	40
13.3%	42	26.7%	84	52.4%	42
14.7%	43	29.3%	87	57.6%	43
16.0%	45	32.0%	90	62.8%	45
17.3%	47	34.7%	94	68.1%	47
18.7%	48	37.3%	97	73.3%	48
20.0%	50	40.0%	100	78.5%	50

LONG -TERM EQUITY BASED COMPENSATION

The Company has several stock option plans for key employees. The parameters of these plans are more completely described in Note 7 of the financial statements contained in this Annual Report. In addition, on June 1, 2006, a resolution was adopted by the Shareholders' Meeting establishing additional parameters for grants to members of the Management Board. This resolution provides for Management Board members to receive one of two types of option grants. Members are given an initial grant when they join the Management Board or in the event of a substantial increase in the responsibilities of a member. This range for this initial grant is options on 300,000 to 600,000 ordinary shares. In addition to initial grants, Management Board members are eligible to receive annual refresh grants. These annual refresh grants may range from 0% to 15% of the member's initial grant. The size of the annual refresh grants will be based on the member's and Company performance during the year preceding the date of the annual refresh grant. The Supervisory Board of Tele Atlas has to make all grants to members of the Management Board. The Supervisory Board may make grants in excess of these amounts, subject to confirmation by the shareholders of Tele Atlas. The Supervisory Board has established the following parameters for options granted to Management Board members and other executives:

- Option term – 10 years from date of grant.
- Option exercise price – closing price of the shares on the date of grant.
- Vesting – either quarterly over a four-year period or 50% vesting after two years with the remainder vesting quarterly during the following two year period.

Although vesting of the options is not performance based, as this historically was not typical in the U.S. and the majority of the Company's Management Team has been recruited from the U.S., the Company may introduce elements of performance vesting in the future.

Both members of the Company's Management Board have been granted options on 1,155,000 shares, including 80,000 shares each in 2006. The Supervisory Board may decide to issue additional options at any time.

The following chart sets forth the remuneration paid to members of the Management Board for 2006 and in 2005:

In euros	Base Compensation (2006)	Short-term incentives (2006)	Other Payments (2006)	Total (2006)	Total (2005)
Alain De Taeye	313,440	347,871	-	661,311	481,715
George Fink	254,400	302,052	103,680	660,132	630,431
Total Members	**567,840**	**649,923**	**103,680**	**1,321,443**	**1,112,146**

In euros	Base Salary	Pension Contributions	Other Benefits	Total
Alain De Taeye	266,448	28,000	18,992	313,440
George Fink	246,400	8,000	-	254,400
Total Members	**512,848**	**36,000**	**18,992**	**567,840**

[1] Includes reimbursement of relocation expenses for Mr. Fink.

REMUNERATION OF MANAGEMENT BOARD MEMBERS IN 2006

Currently the Management Board consists of two members, Alain De Taeye, Chief Executive Officer, and George Fink, President and Chief Operating Officer.

In 2006, the remuneration, including pension and other benefits but excluding social security contributions and expense reimbursements, paid to current Management Board members amounted to €1,321,443. In calculating the 2006 Euro amounts of amounts originally paid in U.S. dollars, an average rate of 1.25 dollars to the Euro (2005: 1.25) was used.

SHORT-TERM INCENTIVE

In 2006, €649,923 was paid to current members of the Management Board for 2005 performance. In addition, pursuant to a plan approved by the Supervisory Board in 2004, Mr. Fink received a bonus of $100,000 on his permanent relocation to the Northeast U.S. as well as a reimbursement of relocation expenses amounting to $29,600. Under the Company's Short-Term Incentive Program, for Mr. De Taeye the 2006 at target bonus was 60% of his base salary or €159,869 and for Mr. Fink the at target bonus was 60% of his base salary or $184,800. For 2006, the Company achieved 113% of its revenue target, 108% of its EBITDA target and did not achieve its Cash Flow target. As a result the current members of the Management Board accrued 82 points, which resulted in the earning of a bonus equal to 82% of the on-plan bonus amount. Based on this, the following amounts have been accrued in 2006 and will be paid in 2007:

In euros	Amount	% of Base Salary
Alain De Taeye	131,892	49%
George Fink	121,228	49%
Total Members	**253,121**	

LONG-TERM EQUITY BASED COMPENSATION

During 2006 the Company granted options on 160,000 shares to members of the Management Board. Options granted in 2006 to members of the Management Board vest 50% after two years from the measurement date of the grant, with the remainder vesting over eight quarters thereafter. In 2006, 200,000 options were exercised by the members of the Management Board. The following chart sets forth the option position of each Management Board member:

	Plan	Beginning Balance	2006 Activity Granted	Exercised	Ending Balance	Exercise Price	Vested Options	Remaining Life (yrs)
Alain De Taeye	2003	25,000			25,000	0.99	25,000	1.3
	2004	700,000			700,000	5.54	437,500	7.5
	2005	75,000			75,000	17.85	28,125	8.5
	2006		80,000		80,000	13.11	0	9.5
	Total	**800,000**	**80,000**	**0**	**880,000**	**7.15**	**490,625**	
George Fink	2003	25,000		25,000	0	0.99	0	
	2004	700,000		175,000	525,000	5.54	262,500	7.5
	2005	75,000			75,000	17.85	28,125	8.5
	2006		80,000		80,000	13.11	0	9.5
	Total	**800,000**	**80,000**	**200,000**	**680,000**	**7.79**	**290,625**	
All Members	2003	50,000		25,000	25,000	0.99	25,000	1.3
	2004	1,400,000		175,000	1,225,000	5.54	700,000	7.5
	2005	150,000		0	150,000	17.85	56,250	8.5
	2006		160,000		160,000	13.11	0	9.5
	Total	**1,600,000**	**160,000**	**200,000**	**1,560,000**	**7.43**	**781,250**	

The exercise prices for all options were equal to the closing price on the day of grant.

Risk profile

Tele Atlas, like any other business, is exposed to commercial, technical and financial risks inherent in its business. Specific risk factors identified by the Company that may affect the company's business include, but are not limited to the following:

WE DERIVE A SIGNIFICANT AMOUNT OF OUR REVENUES FROM A LIMITED NUMBER OF KEY CUSTOMERS.

A significant amount of our revenues are dependent on a small number of key customers. In the year ended December 31, 2006 our top customer TomTom, accounted for approximately 26% of our total revenues. Our top five customers in 2006 represented approximately 52% of our revenues. Our customers have in the past awarded business to our competitors and may do so again in the future. As a result, there is a concentration of credit risk with respect to some customers. We have not experienced any collection issues with these customers in 2006 and consider them to be creditworthy.

OUR INABILITY TO MAINTAIN OR UPDATE OUR DATABASE OR CONTROL ERRORS COULD HARM OUR REPUTATION, INCREASE OUR COSTS OR ADVERSELY AFFECT OUR ABILITY TO SELL OUR PRODUCTS.

The database from which we derive our products requires constant maintenance and updating, which is a complex process that is subject to error. We have procedures in place and training programs for our staff to maintain and update our database and to ensure our data continues to meet the requirements of applications developers, hardware manufacturers and ultimately end users. We also have received certification to ISO's TS 16949:2002 Automotive Standard for our European operations and ISO 9001:2000 certification for our North American operations. There is however no assurance that our procedures and programs for maintaining and updating our digital map database are sufficient to maintain the standard of quality expected by application developers, hardware manufacturers and end users.

OUR REVENUES ARE DERIVED SUBSTANTIALLY FROM THE LICENSE FEES WE CHARGE FOR THE USE OF OUR MAP DATA. DECLINES IN THESE LICENSE FEES DUE TO PRICE REDUCTIONS OR OTHER FACTORS WOULD ADVERSELY IMPACT OUR REVENUES.

Prices for navigation products have declined recently and end users are generally expecting the price of personal navigation devices and automotive navigation systems to continue to fall. We have experienced, and it is likely that we will continue to experience, decreases in the license fees we are able to charge our customers as they face increasing competition and attempt to cut costs.

OUR GROWTH WILL PARTIALLY DEPEND IN PART ON ADDING NEW GEOGRAPHIC AREAS TO OUR DATABASE, WHICH CAN REQUIRE SIGNIFICANT EXPENDITURE IN ADVANCE OF REVENUES.

The addition of new geographic areas and increased coverage to our digital map database will require significant investment. We are seeking to expand our map database in Eastern Europe, Africa and Asia and into Mexico in the next year. Expanding coverage for new territories is labor intensive, involves high fixed costs and requires us to compile data from third parties and collect information in the field.

A SUBSTANTIAL PART OF THE WORK ON OUR DATABASE IS DONE BY OUR OUTSOURCING PARTNERS, THE MOST SIGNIFICANT OF WHICH IS BASED IN INDIA.

We outsource a substantial part of the manual input and digitization of our acquired data to third-party partners, including Infotech Enterprises Limited ('Infotech'), which is based in India. Any failure of our outsourcing partners or their employees to ensure data quality or consistency could harm our business or reputation, and result in us incurring additional costs. The suspension of data input by our outsourcing partners for any reason, including political instability, natural disaster, or labor disputes, or a deterioration in our relationship with our outsourcing partners, could cause our map database to become outdated and develop a backlog of manual data inputs, which could require us to expend significant costs and manpower, or could prevent us from updating our maps for a period of time.

WE MAY NOT BE ABLE TO PROTECT OUR INTELLECTUAL PROPERTY AND ARE EXPOSED TO THE RISK OF INTELLECTUAL PROPERTY LITIGATION

We rely on a combination of trademarks, trade names, service marks, patents, confidentiality and nondisclosure clauses and agreements, copyrights and registered and unregistered design rights to define and protect our rights to the intellectual property in our products, including our geographic information and our data collection and processing technology, which we need to compete in the market for digital maps. Some of the countries in which we operate do not protect our intellectual property rights to the same extent as the laws of other countries. For example, although our database and software are protected in part by copyright, database and trade secret rights, copyright protection does not extend to facts such as those represented by a map. Legislative database protections that relate to compilations of facts currently exist only in certain countries of Europe and do not exist in the United States or Canada. Also, there can be no assurance that third parties, including parties to whom we disclose our proprietary knowledge, information and technology under licensing or other arrangements, will not attempt to misappropriate it or challenge our right to it.

THIRD-PARTY INTELLECTUAL PROPERTY

We believe we have obtained from third parties licenses required to use the technologies applied in our data collection and processing activities. We believe we have also obtained appropriate licenses, to the extent necessary, to use the geographic information contained in our database from third parties, including various public authorities and private entities. There is however no assurance that our use or our customers' use of our technologies or geographic information does not or would not in the future constitute an infringement upon third parties' proprietary, or allegedly proprietary, rights.

INDEMNIFICATION

Our license agreements with our customers may contain indemnification provisions which, in certain circumstances, may require us to indemnify our customers for liabilities, costs and expenses arising out of violations of intellectual property rights. These provisions may result in indemnification claims or claims of intellectual property right infringement.

PIRACY

As with many intellectual property intensive companies, we are subject to the risk of piracy in parts of our business. Although the data copied is contained on static media, such as CD-ROMs, which quickly becomes outdated, continued unauthorized copying and piracy of our products could have an adverse impact on our revenues.

WE MAY FACE LITIGATION, INCLUDING PRODUCT LIABILITY CLAIMS, IN THE EVENT THERE ARE ANY DEFECTS OR ERRORS IN OUR DATABASE.

We are exposed to potential litigation, product liability and recalls and adverse publicity arising out of the use of our digital map database and other products in our customers' navigation products in the event of any defects or errors, or perceived defects or errors in our digital map database. We seek to limit or exclude our contractual liability with third parties for damages arising in relation to product liability, but such limitation or exclusion may be limited in scope or not be enforceable under the laws of some jurisdictions.

TO CREATE AND UPDATE OUR DATABASE, WE COMPILE LARGE AMOUNTS OF DATA FROM A WIDE VARIETY OF GOVERNMENTAL AND OTHER SOURCES. IF THIS DATA WERE NOT MADE AVAILABLE TO US IT WOULD ADVERSELY AFFECT THE COST AND TIMELINESS OF THE CONSTRUCTION, MAINTENANCE AND UPDATE OF OUR DATABASE.
We depend upon third-party suppliers, such as the U.S. Geological Survey, the United Kingdom Ordnance Survey and the U.S. Postal Service, for access to some of the data we use to build, maintain, update and enhance our map database. The quality of our products and the success of our business are dependent upon the availability and accuracy of the data that we acquire from these sources. If certain of our sources were to significantly increase the prices they charge us for access to their map data, we could face a significant increase in our operating costs. While we generally own our underlying map data within the United States and Europe, we currently license such data in some countries in the Asia-Pacific region from suppliers and use the licensed data in our database. There is no assurance that our suppliers will continue to provide the underlying data at a sufficient quality and on license terms that are favorable to us, or at all.

OUR BUSINESS OPERATES IN SEVERAL DIFFERENT COUNTRIES AND WE MAY BE UNABLE TO MANAGE RISKS ASSOCIATED WITH OUR INTERNATIONAL OPERATIONS
We currently sell our products to consumers in many different countries in Europe, the United States, Canada, Africa, Asia and South America and maintain corporate offices and staff in The Netherlands, Belgium the United States and 21 other countries. A significant portion of our results is denominated in currencies other than the Euro. In 2006, approximately 25% of our revenues are denominated in U.S. dollars and approximately 36% of our operating costs. The Company did not engage in any hedging activities of translation risks in 2006. In addition to risks in connection with changes in exchange rates, we face risks as a result of our reliance on data entry assistance from partners such as Infotech in India and on other third-party data sources worldwide. Accordingly, we face economic, regulatory, legal and political risks inherent in having relationships, operations and sales in other jurisdictions. We expect to continue to develop our international operations, which strategy could expose us to new or additional risks and uncertainties, including differing laws and business dynamics.

OUR REVENUES ARE SUBJECT TO SEASONAL FLUCTUATIONS.
Our revenues are subject to seasonal fluctuations that may cause our results of operations to vary. In recent years, the personal navigation market has become the most dominant segment for the Company. In the personal navigation segment, revenues have peaked in the third and fourth quarters. Historically, the automotive navigation market has peaked during the second and fourth quarters. As a result of these seasonal fluctuations we saw our revenues for 2006 to be lower during the first quarter and peak towards the end of the year.

INFORMATION TECHNOLOGY IS AN IMPORTANT ELEMENT OF OUR BUSINESS PROCESSES
Our information technology, telecommunications and other infrastructure systems face the risk of failure or penetration and exploitation by outside parties, which could seriously disrupt our operations and materially adversely affect our operations. In particular, our database is the host for the map data which is our core product offering. Although we have security and disaster recovery plans in place, our operations and our information technology, telecommunications and other infrastructure systems are vulnerable to damage and interruption.

We are currently integrating the computer systems and applications employed in our European and United States operations, including the implementation of new, worldwide computer applications. Delays and implementation problems could adversely affect our day-to-day business activities.

WE MAY FAIL TO EFFECTIVELY IDENTIFY OR EXECUTE STRATEGIC ACQUISITIONS, JOINT VENTURE OR INVESTMENTS, AND IF WE DO PURSUE SUCH TRANSACTIONS, WE MAY FAIL TO SUCCESSFULLY INTEGRATE THEM INTO, OR REALIZE ANTICIPATED BENEFITS TO, OUR BUSINESS IN A TIMELY MANNER.

We may selectively pursue opportunities to acquire, form joint ventures with, or make investments in businesses, products, technologies or innovations which complement our business and growth strategy. We may not be able to identify suitable candidates for such acquisitions, joint ventures or investments, or if we do identify suitable candidates, we may not be able to complete any transaction on acceptable terms, or at all. Any acquisitions, joint ventures or investments we may pursue in the future could entail risks including:

- difficulties in realizing cost, revenue or other anticipated benefits from the acquired entity or investment;
- costs of executing the acquisition, joint venture or investment;
- potential for undermining our growth strategy, our customer relationships or other elements critical to the success of our business;
- liabilities or losses resulting from our control of the acquired entity, joint venture or investment; and
- difficulty in adapting acquired technology to our own systems.

If we pursue acquisitions, partnerships or investments in the future, we may also fail to successfully integrate them. Also, if the profitability of an acquired company no longer justifies the goodwill recorded at the time of acquisition as an asset, it may be necessary to revalue the asset downward by recording an impairment charge.

Risk management and internal control

The Management Board is responsible for ensuring that we comply with all relevant legislation and regulations, including the Dutch Corporate Governance Code. It maintains operational and financial risk management systems and procedures and has monitoring and reporting systems and procedures to ensure that significant risks are identified. We have a Code of Ethics, which is published on our website (www.teleatlas.com). The Code includes 'Whistle Blowing' procedures. The Management Board reports on and accounts for internal risk management and control systems to the Supervisory Board and its Audit Committee.

The Management Board is responsible for internal control systems in the Company. During 2006, as part of our goal to continually improve our risk management and control systems,

- we expanded our global Risk Management function;
- we strengthened our financial staff in various regions to deal with the increased size and complexity of our business;
- we reviewed our worldwide insurance coverage and implemented changes to improve coverage and to identify and mitigate additional areas of risk;
- we commenced the global implementation of computer software to improve financial control over our travel and lodging expenses;
- we assessed the effectiveness of internal controls over financial reporting in accordance with the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission ('COSO'), which recommendations are aimed at providing a reasonable level of assurance.

Based on this assessment, the Management Board confirms that internal controls over financial reporting provide a reasonable level of assurance that the financial reporting does not contain any material inaccuracies, and confirms that these controls have properly functioned in 2006 and that there are no indications that they will not continue to do so.

It should be noted that the above does not imply that these systems and procedures provide certainty as to the realization of operational and financial business objectives nor can they prevent all misstatements, inaccuracies, errors, fraud and noncompliance with rules and regulations.

In view of all of the above, the Management Board believes that it is in compliance with the requirements of recommendation II.1.4 of the Dutch Corporate Governance Code, taking into account the recommendations of the Corporate Governance Code.

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find more find more

Annual Accounts

Consolidated financial statements 2006

Tele Atlas N.V.

Consolidated Income Statement

(In thousands of euros, except for per share information)	Notes	Year ended December 31, 2006	Year ended December 31, 2005
Revenues		264,307	200,068
Operating expenses			
- cost of revenue and co-marketing cost	8	33,005	28,407
- personnel expenses	6	131,084	116,722
- depreciation and amortization		50,177	52,330
- other operating expenses	8	78,364	59,643
Total operating expenses		292,630	257,102
Capitalized databases and tools	18	(11,016)	(32,864)
Net operating expenses		281,614	224,238
Operating result (loss)		(17,307)	(24,170)
Financial income	9	5,611	1,505
Financial expenses	9	(885)	(810)
Impairment loss on investment	16	(9,322)	-
Share in result of associate	16	(63)	(96)
Net gain on remeasurement of investments at fair value	16	1,594	1,304
Result (loss) before income taxes		(20,372)	(22,267)
Income tax	10	1,401	648
Net result (loss) from continuing operations		(18,971)	(21,619)
Result (loss) from discontinued operations	11	-	(221)
Net result (loss)		(18,971)	(21,840)
Attributable to:			
Equity holders of the parent		(18,951)	(21,840)
Minority interests		(20)	-
		(18,971)	(21,840)
Earnings per share from continued operations			
Basic, for result of the year attributable to ordinary equity holders of the parent	12	(0.21)	(0.49)
Diluted, for result of the year attributable to ordinary equity holders of the parent	12	(0.21)	(0.49)

Consolidated Balance sheet

ASSETS (in thousands of euros)	Notes	As at December 31, 2006	As at December 31, 2005
Current assets			
- cash and cash equivalents	**13**	202,481	200,795
- accounts receivable	**14**	72,177	42,005
- inventories		1,118	907
- prepaid expenses and other current assets	**15**	6,075	5,476
Total current assets		281,851	249,183
Non-current assets			
Investments	**16**		
- investment at equity value		-	227
- investments at fair value		4,138	2,554
Total investments		4,138	2,781
Tangible fixed assets	**17**		
- property, plant and equipment		18,681	10,599
Intangible fixed assets	**18**		
- databases and tools		216,502	246,855
- goodwill		20,471	22,445
- other		10,057	14,721
Total intangible fixed assets		247,030	284,021
Deferred tax	**10**	15,170	15,076
Total non-current assets		285,019	312,477
Total assets		566,870	561,660

EQUITY AND LIABILITIES (in thousands of euros)	Notes	As at December 31, 2006	As at December 31, 2005
Current liabilities			
- trade accounts payable		18,110	14,135
- income tax payable	**10**	6,654	3,043
- accrued expenses and other liabilities	**19**	46,514	41,292
- deferred revenues		5,373	4,737
Total current liabilities		76,651	63,207
Non-current liabilities			
- deferred tax	**10**	16,322	17,930
- pension accrual	**20**	5,314	4,625
- other non-current liabilities	**21**	1,113	78
Total non-current liabilities		22,749	22,633
Shareholders' equity	**22**		
- ordinary shares, at par €0.10 (issued 90,374,775 shares)		9,037	8,962
- additional paid-in capital		622,367	617,844
- other reserves		(32,460)	(16,234)
- accumulated result (deficit)		(112,845)	(112,912)
- result (loss) current year		(18,951)	(21,840)
Total equity attributable to equity holders of the parent		467,148	475,820
- minority interest	**23**	322	-
Total equity		467,470	475,820
Total equity and liabilities		566,870	561,660

Consolidated statement of cash flows

(in thousands of euros)	Notes	Year ended December 31, 2006	Year ended December 31, 2005
Cash flow from operating activities			
Operating results		(17,307)	(24,170)
Depreciation and amortization		50,177	52,330
Share based compensation		21,907	19,444
Changes in non-current liabilities		292	164
Changes in net working capital and other changes		(19,654)	3,731
Interest received		4,611	1,363
Interest paid		(455)	(584)
Tax paid		(233)	(1,352)
Net cash from operating activities		39,338	50,926
Capitalization of databases and tools		(11,016)	(32,864)
Net cash from operating activities after capitalization databases and tools		28,322	18,062
Cash flow from investing activities			
Investments in subsidiaries, net of cash acquired		(4,478)	(6,600)
Contributions and loans to investments		(8,414)	-
Purchase of property and equipment		(14,521)	(5,931)
Purchase of databases		(2,382)	(241)
Net cash used in investing activities		(29,795)	(12,772)
Cash flow from financing activities			
Issue of ordinary shares, net of expenses		(2,907)	145,379
Proceeds from short term borrowing		1,480	-
Exercise of stock options		4,586	5,427
Net cash from financing activities		3,159	150,806
Net increase in cash and cash equivalents from continuing operations		1,686	156,096
Net cash from operating activities discontinued operations		-	384
Cash flow from investing activities discontinued operations		-	(605)
Net increase (decrease) in cash and cash equivalents from discontinued operations		-	(221)
Total increase in cash and cash equivalents		1,686	155,875
Cash and cash equivalents at the beginning of the period		200,795	44,920
Cash and cash equivalents at the end of the period	**13**	202,481	200,795

Consolidated statement of changes in shareholders' equity

(In thousands of euros)	Total attributable to ordinary equity holders of the parent								
	Issued ordinary shares	Issued convertible preferred shares	Additional paid - in capital	Treasury shares	Other reserves	Accumu-lated deficit and result	Total	Minority interest	Total
Balance as of January 1, 2006	**8,962**	**-**	**617,844**	**-**	**(16,234)**	**(134,752)**	**475,820**	**-**	**475,820**
Foreign currency adjustment	-	-	-	-	(14,034)	-	(14,034)	(13)	(14,047)
Tax on currency adjustments and effect of changes in tax rates	-	-	-	-	(5,082)	-	(5,082)	-	(5,082)
Total income for the year recognized in equity	-	-	-	-	(19,116)	-	(19,116)	(13)	(19,129)
Net result for 2006	-	-	-	-	-	(18,951)	(18,951)	(20)	(18,971)
Total income for the year	-	-	-	-	(19,116)	(18,951)	(38,067)	(33)	(38,100)
Exercise of options	75	-	4,511	-	-	-	4,586	-	4,586
Cost offering 2005	-	-	12	-	-	-	12	-	12
Share based compensation	-	-	-	-	-	21,907	21,907	-	21,907
Tax on items charged or credited to equity	-	-	-	-	2,890	-	2,890	-	2,890
Acquisitions	-	-	-	-	-	-	-	355	355
Balance as of December 31, 2006	**9,037**	**-**	**622,367**	**-**	**(32,460)**	**(131,796)**	**467,148**	**322**	**467,470**
Balance as of January 1, 2005	**3,801**	**3,528**	**452,022**	**(251)**	**(26,885)**	**(132,527)**	**299,688**	**-**	**299,688**
Foreign currency adjustment	-	-	-	-	17,130	-	17,130	-	17,130
Tax on currency adjustments and effect of changes in tax rates	-	-	-	-	(9,951)	-	(9,951)	-	(9,951)
Total income for the year recognized in equity	-	-	-	-	7,179	-	7,179	-	7,179
Net result for 2005	-	-	-	-	-	(21,840)	(21,840)	-	(21,840)
Total income for the year	-	-	-	-	7,179	(21,840)	(14,661)	-	(14,661)
Conversion of preference shares into ordinary shares	3,528	(3,528)	-	-	-	-	-	-	-
Issue of ordinary shares	1,497	-	160,953	-	-	-	162,450	-	162,450
Exercise of options	136	-	4,869	251	-	171	5,427	-	5,427
Share based compensation	-	-	-	-	-	19,444	19,444	-	19,444
Tax on items charged or credited to equity	-	-	-	-	3,472	-	3,472	-	3,472
Balance as of December 31, 2005	**8,962**	**-**	**617,844**	**-**	**(16,234)**	**(134,752)**	**475,820**	**-**	**475,820**

Notes to the consolidated financial statements

0. CORPORATE INFORMATION

Tele Atlas is a worldwide leading provider of detailed geographic databases. Its products are used in a broad spectrum of applications, ranging from route planners and road maps to advanced location based applications and services.

Tele Atlas N.V. is a stock corporation, incorporated in The Netherlands, with its registered seat in Amsterdam, The Netherlands. Its shares are traded on the Amsterdam Stock Exchange and the Frankfurt Stock Exchange.

The consolidated financial statements of Tele Atlas N.V. for the year ended December 31, 2006 were authorized for issue in accordance with a resolution of the Supervisory Board on February 27, 2007. Balance sheets are presented before appropriation of results.

1. BASIS OF PREPARATION

The consolidated financial statements are prepared under the historical cost convention, except for financial assets classified as 'financial assets designated at fair value through profit or loss' and initial recognition of assets and liabilities in business combinations. Assets and liabilities are stated at face value unless indicated otherwise. All amounts are stated in thousands of euros, except options, shares, per share amounts and unless indicated otherwise.

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS's as adopted by the European Union (EU).

CONSOLIDATION PRINCIPLES

The consolidated financial statements include the accounts of Tele Atlas N.V. and all its subsidiaries over which it exercises effective control, after the elimination of all material intercompany transactions and balances. Subsidiaries are consolidated as from the date the parent company obtains control until such time as control ceases.

Minority interests represent the portion of profit or loss and net assets not held by the Company and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of minority interests are accounted for using the parent entity extension method, whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as goodwill.

The financial statements of subsidiaries are prepared for the same reporting period as those for Tele Atlas N.V., using consistent accounting policies.

The following fully owned companies are consolidated in the financial statements:

- Bene-Fin B.V. (The Netherlands)
- Tele Atlas Data's-Hertogenbosch B.V. (The Netherlands)
- Tele Atlas North America Holding B.V. (The Netherlands)
- Tele Atlas Survey B.V. (The Netherlands)
- Tele Atlas Deutschland GmbH (Germany)
- Tele Atlas Data Gent N.V. (Belgium)
- Tele Atlas North America Inc (United States)
- Tele Atlas Canada (Canada)
- Tele Atlas Iberia SL (Spain)
- Tele Atlas UK Ltd (United Kingdom)
- Tele Atlas GmbH (Austria)
- Tele Atlas Schweiz AG (Switzerland)
- Tele Atlas France SARL (France)
- Tele Atlas Italia Srl (Italy)
- Tele Atlas Scandinavia ApS (Denmark)
- Tele Atlas Polska Sp. Z.o.o. (Poland)
- Tele Atlas Sweden AB (Sweden)
- Tele Atlas Finland Oy (Finland)
- PT Tele Atlas Navindo (75%, Indonesia)
- Navigation Information Company Ltd (China)
- Bolgota Holding Ltd (Cyprus)
- Sipolment Holding Ltd (Cyprus)
- O.o.o. Tele Atlas CIS Holding (Russia)
- O.o.o. Tele Atlas Rus (Russia)
- Tele Atlas Mexico S DE RL DE CV (Mexico)

Collectively Tele Atlas N.V. and its subsidiaries are referred to in this report as the Company.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year.

The Company has adopted the following new and amended IFRS and IFRIC interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial statements of the Company.

- IAS 19 Amendment – Employee benefits
- IAS 21 Amendment – The Effects of Changes in Foreign Exchange Rates
- IAS 39 Amendments – Financial Instruments: Recognition and Measurement
- IFRIC 4 Determining whether an Arrangement contains a Lease

FUTURE CHANGES IN ACCOUNTING POLICIES

IFRS 7

IFRS 7 becomes effective for financial years beginning on or after January 1, 2007. IFRS 7 requires disclosures that enable users to evaluate the significance of the Company's financial instruments and the nature and extent of risks arising from those financial instruments.

IFRIC 9

IFRIC 9 was issued in March 2006, and becomes effective for financial years beginning on or after June 1, 2006. This interpretation establishes that the date to assess the existence of an embedded derivative is the date an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. The Company is still evaluating the effect of this interpretation and expects that adoption of this interpretation will have no impact on the Company's financial statements when implemented in 2007.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted for the preparation of these consolidated financial statements are set out below. The accompanying notes are an integral part of the consolidated financial statements.

FOREIGN CURRENCIES

The functional and presentation currency of Tele Atlas N.V. and its subsidiaries in the Euro countries is the Euro (€). Transactions in foreign currencies are accounted for at the exchange rates prevailing as of the transaction date. Monetary assets and liabilities in foreign currencies are translated at exchange rates as of balance sheet date. Gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Income Statement. However, translation differences on intercompany loans, which have the nature of a permanent investment, are accounted for directly in shareholders' equity. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.
Current and/or deferred tax charges and credits attributable to those translation differences are also dealt with in shareholders' equity.

The functional currencies of subsidiaries outside the European Union are their respective domestic currencies. As of the reporting date, assets and liabilities are translated into the presentation currency at the exchange rates prevailing at the respective balance sheet dates. Goodwill and fair value adjustments arising on an acquisition of a foreign entity are treated as assets and liabilities of that foreign operation and translated at the closing rate. Income and expenses are translated at average exchange rates for the periods concerned. Resultant translation differences are charged or credited to shareholders' equity. On disposal of a foreign entity, the deferred cumulative amount recognized in shareholders' equity relating to that particular foreign operation shall be recognized in the Income Statement.

The following exchange rates were applied for the main non-euro currencies:

	Rate as at December 31, 2006	Average rate for the period	Rate as at December 31, 2005
United States Dollar	0.7584	0.7990	0.8460
Pound Sterling	1.4910	1.4646	1.4545
Japan Yen ('000)	6.3816	6.8886	7.1917
Swiss Franc	0.6225	0.6360	0.6429
Indian Rupee	0.0172	0.0177	0.0192
Polish Zloty	0.2610	0.2563	0.2600
Chinese Renminbi	0.0973	0.0988	0.1033

FINANCIAL INSTRUMENTS

Financial instruments carried in the balance sheet consist of cash and cash equivalents, receivables, trade creditors, liabilities and borrowings. Tele Atlas has not used derivative financial instruments such as foreign exchange contracts to hedge its risks associated with foreign currency fluctuations during the reporting periods. It is the Company's policy not to trade in financial instruments.

Financial assets at fair value through profit or loss includes financial assets designated upon initial recognition as at fair value through profit and loss. Financial assets may be designated at initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis; or (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition accounting method. This involves recognising identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value.

Goodwill on acquisition is initially measured at cost being the excess of the value of the business combination over the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill on acquisitions after March 31, 2004 is not amortized and goodwill already carried on the balance sheet is not amortized after January 1, 2005. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods. The Company performs its annual impairment test of goodwill as at December 31.

INTANGIBLE FIXED ASSETS

Intangible fixed assets consist of geographic databases, production tools, customer relationships and trademarks.

Intangible fixed assets are stated at historical cost, less accumulated amortization and impairment. The Company has no intangible fixed assets with indefinite life. Intangible assets acquired separately are capitalized at cost and from a business acquisition are capitalized at fair value as of the date of acquisition. The Company capitalizes internally generated intangible fixed assets if all of the following criteria are met:

- The asset meets the definition of an intangible asset, i.e. it is identifiable and controlled by the entity;
- It is probable that future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

The Company capitalizes internally generated databases until it is determined that the database of an area has reached a level of completion at which activities are focused on maintaining and upgrading the database from which point capitalization is discontinued. The cost of capitalized internally generated geographic databases and tools includes all production and acquisition costs related to these assets. Intangible assets are amortized on a straight-line basis, based on the estimated economic life of the assets. Databases are amortized over a period of 10 years, after subsequent completion of the database release. Production tools, customer relationships and trademarks are amortized over 5 years. The Company reviews the amortization period at each financial year-end.

At each balance sheet date, the Company assesses any indication of impairment of intangible fixed assets. If any such indication exists, the amount recoverable is estimated, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

TANGIBLE FIXED ASSETS

Tangible fixed assets consisting of office and computer equipment and other items, are stated at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis. Tangible fixed assets are depreciated, based on their estimated economic life, over 3-5 years. The Company reviews the depreciation period and the residual value at each financial year-end. At each balance sheet date, the Company assesses any indication of impairment of tangible fixed assets. If any such indication exists, the amount recoverable is estimated, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

INVESTMENTS

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venture participant has an interest. The Company accounts for joint ventures, using the equity method. The financial statements of the joint venture are prepared using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Company holds an investment in Infotech, which has been included in the category financial assets designated at fair value through profit and loss from the date of acquisition. Gains or losses on this investment are recognized in the Income Statement.

INVENTORIES

Inventories consisting of CD materials for navigation products are stated at the lower of acquisition price or production cost and net realizable value.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at face value less a valuation allowance for bad debts based on a review of all amounts outstanding as of year-end. An estimate for doubtful debts is made when there is objective evidence that the collection of the full amount is no longer probable.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash balances and short-term deposits that mature within 3 months. They are stated at face value.

LEASES

Finance leases, which transfer to the Company substantially all risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

PROVISIONS

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the Income Statement net of any reimbursement. Where discounting is used, the increase in the provision due to the elapse of time is recognized as a finance cost.

POST EMPLOYMENT BENEFITS

Tele Atlas has pension plans in the various countries where it operates. In most countries, a defined contribution plan is operated, limiting the employer's legal or constructive obligation to the amount it agrees to contribute during the period of employment. These contributions are charged to the Income Statement in the year to which they relate.

In Germany, Tele Atlas operates a defined benefit plan. Accumulated obligations are carried as pension liabilities in the balance sheet and are based on actuarial calculations using the projected unit credit method. Benefits paid are deducted from this liability, while additions are charged to the Income Statement.

In Italy all employees are paid a staff leaving indemnity on termination of their employment. Each year, the Company accrues an amount for each employee, based in part on the employee's remuneration and in part on the revaluation of amounts previously accrued. The indemnity has the characteristics of a defined contribution obligation and is an unfunded, but fully provided liability.

The cost of providing benefits under the plans is determined separately for each plan. Actuarial gains and losses are recognized as income or expense immediately.

SHARE BASED PAYMENTS

Employees and Supervisory Board members of the Company receive remuneration in the form of share-based payment transactions, whereby services are rendered as consideration for share options. Options granted under the Company's Option Plans vest over a period as determined in the Agreement with the optionee; vesting does not depend on performance criteria. Option Plans are further described in note 7 to the consolidated financial statements.

The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuation specialist using a binomial model, further details of which are given in note 7.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest taking into account expected attrition. The income statement charge or credit for a period represents the movement in cumulative expense recognized as of the beginning and end of that period. Where the terms of an equity-settled award are modified, as a minimum, an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately.

SHARE CAPITAL

Ordinary share capital is recognized at the fair value of the consideration received by the Company. When equity is repurchased, the amount of consideration paid is recognized as a charge to equity and reported in the equity as treasury shares.

REVENUE

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The Company generates the majority of its revenues by licensing the geographic content and various additional characteristics of its database to customers. Licensing takes the form of selling products (generally CDs or DVDs) to end users for perpetual use, or licensing of the geographic content and various additional characteristics of the database to customers for a fixed period of time. Licensing to end-users for infinite use may be through the direct sale of products to these customers or through partners (often application developers). Revenue on these sales is recognized in the period when products are sold to the end-user. Where the geographic content and various additional characteristics of the database are licensed to customers for a fixed period of time, revenue will often depend on the use of the data by the customer, as reported by the customer or, when data are sold though a partner, by the partner. Royalty agreements often contain minimum royalty amounts and arrangements for upgrading the data. Revenue in these cases is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise. Depending on the revenue characteristics of the related agreement, revenue on these royalty agreements is recognized upfront or over the period of the agreement.

GOVERNMENT GRANTS AND SUBSIDIES

Grants and subsidies are recognized when there is reasonable assurance that the grant or subsidy will be received and all attaching conditions will be complied with. Grants or subsidies generally relate to expense items and are matched with the expenses which they intend to compensate.

FINANCIAL INCOME AND EXPENSES

Interest income and interest expenses are recognized on an accrual basis.

INCOME TAXES

Current income tax

Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date. Current income tax relating to items recognized directly in equity is recorded through equity and not in the income statement.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that temporary differences will reverse in the foreseeable future and taxable profit will be available against which temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax relating to items recognized directly in equity is recorded through equity and not in the income statement. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same tax authority.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

USE OF ESTIMATES

The preparation of Tele Atlas N.V.'s consolidated financial statements requires management to make estimates and assumptions that influence the reported amounts in the financial statements. Actual results might differ from those estimates.

JUDGEMENTS AND ASSUMPTIONS

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Impairment of Goodwill

The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash-generating units to which the goodwill is allocated. Estimating a 'value in use' amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to determine a suitable discount rate in order to calculate the present value of those cash flows. Further details are contained in Note 18.

Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 10.

Capitalized databases and tools

Internally generated databases and tools are capitalized in accordance with IAS 38. Determining the amounts to be capitalized in respect of databases requires management to make assumptions regarding the moment from which the database of an area has reached a level of completion at which the activities are focused on maintaining and upgrading the database, from which point capitalization is discontinued. Also, it requires management to make judgements in respect of the future economic benefits of developed software tools. Further details are contained in Note 18.

4. SEGMENT INFORMATION

Tele Atlas' primary reporting format is geographical segments. The Company is active in only one business segment. The Europe segment includes Europe, Middle East, Africa and Asia Pacific. Revenues are generally allocated to either the Europe or North America segment, based on the geography of the map data. When the Company sells map data covering the geography of one region to customers in a different region, the Company allocates a portion of the revenues from the sale to the area where the customer is located to compensate that region for the costs of the customer and technical support. Expenses related to corporate activities, such as the offices of the Chief Executive Officer and Chief Operating Officer, the corporate finance and accounting, marketing and technology staffs, are allocated equally between Europe and North America. The total amounts so allocated in 2006 were €54.0 million (2005: €24.0 million). Corporate assets and liabilities mainly consist of deferred tax assets and liabilities relating to Europe.

	Europe		North America		Corporate		Total	
(In thousands of euros)	2006	2005	2006	2005	2006	2005	2006	2005
Revenues	198,153	145,258	66,154	54,810	-	-	264,307	200,068
Operating result	28,383	(661)	(45,690)	(23,509)	-	-	(17,307)	(24,170)
Total assets (excluding cash balances)	210,600	184,695	138,619	161,094	15,170	15,076	364,389	360,865
Total liabilities	60,237	51,489	14,895	13,378	24,268	20,973	99,400	85,840
Cash flow from operating activities	46,651	27,718	(18,329)	(9,656)	-	-	28,322	18,062
Capital expenditure (including internally generated databases and tools)	19,257	12,380	6,280	26,656	-	-	25,537	39,036
Depreciation, amortization	30,301	32,234	19,876	20,096	-	-	50,177	52,330
Share based compensation credited to equity	11,764	9,364	10,143	10,080	-	-	21,907	19,444

Revenue was distributed between the various market segments as follows:

	Europe		North America		Total	
(In thousands of euros)	2006	2005	2006	2005	2006	2005
Personal navigation	115,638	56,184	11,463	6,132	127,101	62,316
Automotive navigation	40,555	44,705	11,115	8,171	51,670	52,876
Data products navigation	22,988	27,156	198	-	23,186	27,156
Enterprise and government	10,654	11,352	36,964	34,830	47,618	46,182
Other segments	8,318	5,861	6,414	5,677	14,732	11,538
Total revenues	198,153	145,258	66,154	54,810	264,307	200,068

5. BUSINESS COMBINATION

NaviAtlas

In 2006 the Company acquired the remaining 75% of the share capital in Navigation Information Company Ltd (NaviAtlas). NaviAtlas, which was previously accounted for as an investment at equity, is a China based company engaged in the selling of digital maps. NaviAtlas was established in 2005 as a joint venture with Shanghai Changxiang Computer Company Ltd.

The results of operations of NaviAtlas were consolidated from July 1, 2006 onward. The impact in Tele Atlas' net result was a loss of €951.

PT Tele Atlas Navindo

On July 10, 2006 the Company acquired 75% of the share capital in a newly created Indonesian subsidiary with PT Navindo Technologies. The newly created company PT Tele Atlas Navindo subsequently acquired the mapping business of PT Navindo in an all-cash transaction. PT Tele Atlas Navindo is the leading mapping company in Indonesia.

O.o.o. Tele Atlas Rus

On December 7, 2006 the Company acquired 100% of the share capital in O.o.o. Tele Atlas Rus, which had previously acquired the mapping business of JSC Navmaps in an all-cash transaction. JSC Navmaps is a Russia based company and is the leading mapping company in Russia.

The combined carrying amounts of the assets and liabilities of the acquired entities immediately before the acquisition were €3,547 and €1,486, respectively. Considering the size of the acquisitions the values are presented as combined fair values of the identifiable assets and liabilities of the acquired entities. As of the date of the acquisition these were:

(In thousands of Euros)	
Cash	526
Other current assets	3,021
Tangible fixed assets	243
Databases	6,495
	10,285
Liabilities	(3,125)
Fair value of net assets	7,160
Net book value of 25% share in NaviAtlas	(1,803)
Minority share PT Navindo	(353)
	5,004
Goodwill arising on acquisition	-
	5,004
Consideration	
Paid in cash	4,583
Costs associated with the acquisition	421
	5,004

A deferred consideration is payable in relation to one of the acquisitions. No liability has been included for this as there is insufficient information to make a reliable estimate of the future consideration payable.

The revenue of the Company, including the impact of all business combinations during the year as though the acquisition dates had been the beginning of the period would be €264,457 and the net loss €19,684.

Acquisitions in 2005

On October 6, 2005 the Company acquired 100% of the share capital in PPWK GeoInvent in an all-cash transaction for €6,288 including costs associated with the acquisition. PPWK GeoInvent is a Warsaw, Poland based spatial information engineering company and is a leader in integrated mobile mapping technology. In 2005 an amount of €5,726 was recognized as goodwill. Following the recognition of a deferred tax asset of €288, goodwill was reduced with this amount.

6. PERSONNEL EXPENSES

(In thousands of euros)	Year ended December 31, 2006	Year ended December 31, 2005
Permanent employee expenses:		
- wages and salaries	79,855	72,014
- social security costs	15,927	14,700
- share based compensation	21,907	19,444
- pension costs	3,538	2,891
- other (including recruitment and training costs)	5,706	4,593
Total permanent employee expenses	126,933	113,642
Temporary employee expenses	4,151	3,080
Total personnel expenses	**131,084**	**116,722**

Pension costs consist of the cost of defined contribution plans of €2,798 (2005: €1,908) and of defined benefit plans of €740 (2005: €983). The cost for defined benefit plans includes interest of €162 (2005: €148). The 2006 service costs were €540 (2005: €514) whereas actuarial losses amounted to €38 (2005: €321).

At December 31, 2006 Tele Atlas had 1,628 full time employees worldwide (December 31, 2005: 1,391). The increase in the number of our employees compared to the end of 2005 is mainly due to the acquisitions in Indonesia, China and Russia, and growth of the operations.

REMUNERATION OF MANAGEMENT BOARD AND SUPERVISORY BOARD

The remuneration charged to the Income Statement for Management Board members was as follows:

(In thousands of euros)	Year ended December 31, 2006	Year ended December 31, 2005
Short term employee benefits	513	494
Short term incentives and other payments	404	922
Post employment pension and medical benefits	55	70
Total	972	1,486
Share based compensation	2,267	3,156

Pursuant to a plan approved by the Supervisory Board in 2004, Mr. Fink was paid a bonus of $100 thousand on his permanent relocation to the North East US as well as a reimbursement of relocation expenses amounting to $30 thousand.

Management Board members have been granted options to purchase ordinary shares as follows:

Year	Options granted	Exercise price	Options not yet exercised per December 31, 2006	Options not yet exercised per December 31, 2005	Exercisable before
2003	600,000	0.99	25,000	50,000	April 15, 2008
2004	1,400,000	5.54	1,225,000	1,400,000	July 1, 2014
2005	150,000	17.85	150,000	150,000	July 1, 2015
2006	160,000	13.11	160,000	–	September 7, 2016

Options granted in 2003 have vested completely as of December 31, 2005. Options granted in 2004 and 2005 vest over a period of 16 quarters from the measurement date of the grant. Options granted in 2006 vest for 50% after two years from the measurement date of the grant, with the remainder vesting over eight quarters thereafter. The total IFRS 2 expense taken in connection with these grants in 2006 was €2,267 (2005: €3,156). During 2006 Management Board members exercised 200,000 options over ordinary shares at an average price of 4.97 euros per share, with a total consideration received by the Company of €994 in cash. The total number of options held by Management Board members as of December 31, 2006 was 1,560,000.

Further details on the remuneration of the Management Board are set out on pages 35 to 39 of this Annual Report.

The remuneration excluding share based compensation for Supervisory Board members in 2006 was €85 (2005: €134). Supervisory Board members have been granted options to purchase ordinary shares as follows:

Year	Options granted	Weighted Exercise price	Options not yet exercised per December 31, 2006	Options not yet exercised per December 31, 2005	Exercisable before
2004	40,000	5,70	30,000	40,000	July 9, 2014
2005	105,000	13,24	105,000	105,000	September 5 – December 1, 2015
2006	140,000	14,00	140,000	–	September 1, 2016

Options vest over a period of 16 quarters from the measurement date of the grant. The total share based compensation in 2006 was €806 (2005: €521). During 2006 10,000 options were exercised.

7. SHARE BASED COMPENSATION

In 2000, the Company adopted its Stock Option Plan 2000 (the '2000 Plan') under which options to purchase a maximum of 1,587,500 ordinary shares of the Company's stock could be granted to employees of the Company, its present and future subsidiaries and affiliated companies, and to other individuals designated by the Management Board and approved by the Supervisory Board to receive such options for their contributions to the growth and success of the Company and its subsidiaries. Options granted under the Stock Option Plan 2000 were exercisable immediately on the date of the grant, at an exercise price equal to the fair market value of the underlying shares of the Company on the date of the grant. Options granted under the plan cannot be transferred, pledged or charged, and may be exercised only by the optionee, within a five year period as from the date of the grant or, upon the optionee's death and with the approval of the Management Board, by his successors within three months from the date of the optionee's demise.

In 2003, the Company adopted a new stock option plan for executive management (the '2003 Plan'). Under this plan, options were granted to four Management Board members to purchase ordinary shares of the Company's stock. The options granted under this plan vested over a period which started on September 1, 2003 and ended on September 30, 2005. Options under the plan cannot be transferred, pledged or charged, and may be exercised only by the optionee over a period ending five years from the date of grant or, upon the optionee's death and with approval of the Management Board, by his successors within three months from the date of his demise.

At the beginning of 2004, the Company formalized a stock option plan for officers, employees and certain consultants (the '2003 Employee Plan'). The plan provided for optionees to purchase a maximum of 5% of the ordinary shares of the Company's stock. The options granted under this plan vested over a period which started at the date of the grant and ended on September 30, 2005. Options under the plan cannot be transferred, pledged or charged, and may be exercised only by the optionee over a period ending five years from the date of the grant or, upon the optionee's death and with approval of the Management Board, by his successors within three months from the date of his demise.

During the Company's Annual General Meeting held on May 27, 2004, the Company's shareholders approved a new plan (the '2004 Plan') which provides for the granting to employees and consultants of the Company the right to purchase a maximum of 8,927,277 ordinary shares of the Company's stock less shares granted under the 2000 Plan, 2003 Plan and 2003 Employee Plan (net of forfeitures). The options granted under this plan vest over a period as determined in the option agreement with the optionee. Options under the plan cannot be transferred, pledged or charged, and may be exercised only by or on behalf of the optionee over a period not to exceed 10 years from the date of the grant.

During the Company's Annual General Shareholders' Meeting held on June 1, 2006, the Company's shareholders approved a new plan (the '2006 Plan'), the terms of which are similar to those of the 2004 Plan. The number of shares to which options can be granted under the 2006 Plan amounts to 2,450,000 plus the number of remaining shares on which options may be granted under the Company's previous stock option plans. Upon the approval of the 2006 Plan, no further options shall be granted under prior Plans. The total number of shares available for grant under the 2006 Plan as per December 31, 2006 was 1,126,262.

Stock option activity during 2005 and 2006 was as follows:

	Outstanding January 1, 2005	Granted	Exercised	Forfeited	Outstanding December 31, 2005	Vested December 31, 2005
2000 Plan	292,291	-	(175,976)	(2,156)	114,159	114,159
2003 Plan	600,000	-	(550,000)	-	50,000	50,000
2003 Employee Plan	469,152	3,800	(258,528)	(4,700)	209,724	209,724
2004 Plan	4,083,991	2,870,001	(522,338)	(89,375)	6,342,279	1,502,775
Total	5,445,434	2,873,801	(1,506,842)	(96,231)	6,716,162	1,876,658
- Weighted Av Exercise Price	4.84	14.02	3.63	5.49	9.03	6.73

	Outstanding January 1, 2006	Granted	Exercised	Forfeited	Outstanding December 31, 2006	Vested December 31, 2006	Av. Remaining life (years)	Exercise price (€)
2000 Plan	114,159	-	(11,041)	(404)	102,714	102,714	1.71	4.08 – 5.50
2003 Plan	50,000	-	(25,000)	-	25,000	25,000	1.29	0.99
2003 Employee Plan	209,724	-	(41,014)	-	168,710	168,710	2.10	4.02
2004 Plan	6,342,279	560,000	(678,274)	(276,251)	5,947,754	2,609,580	8.06	5.54 – 23.78
2006 Plan	-	1,499,605	-	(35,000)	1,464,605	289,138	9.69	11.94 – 14.00
Total	6,716,162	2,059,605	(755,329)	(311,655)	7,708,783	3,195,142		
- Weighted Av Exercise Price	9.03	15.22	6.11	7.80	10.96	8.89		

The weighted average fair value of the options granted during the year was 9.69 euro. Options were exercised on a regular basis throughout the year. The average share price during the year was 17.39 euro.

The expense recognized for share based compensation and recorded under personnel expenses with a corresponding entry in equity during the year ended December 31, 2006, including the expense in relation to stock options granted to certain consultants for services similar to employment services, is €21,907 (2005: €19,444). The fair value of share options granted is estimated as of the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for options granted during the years ended December 31, 2006 and for options granted prior to December 31, 2005.

	Options granted in 2006	Options granted prior to December 31, 2005
Dividend yield (%)	0%	0%
Expected volatility (%)	62.5% - 64.4%	78.7%-91.0%
Historical volatility (%)	-	78.7%-91.0%
Risk-free interest rate (%)	3.13% - 3.73%	2.9%-4.3%
Expected life of option (years)	6.75	5-10

The exercise price of options is equal to the fair value of the shares on the date of the grant. Due to the lack of available historical data prior to December 31, 2005, the expected life of the options granted before this date was based on the theoretical assumption that option holders will exercise their options at the end of the exercise period. For options granted after December 31, 2005 the expected life is based on available historical data. This is not necessarily indicative of the actual exercise patterns that may occur. For options granted prior to December 31, 2005 the expected volatility reflects the historical volatility of the Tele Atlas N.V. shares. For options granted in 2006, the volatility has been estimated using the historic volatility of a peer group because management believes this reflects the volatility of the Tele Atlas N.V. shares better. The expected volatility reflects the assumption that the volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of option grants were incorporated into the measurement of fair value.

8. OTHER OPERATING EXPENSES AND COST OF REVENUE

(In thousands of euros)	Year ended December 31, 2006	Year ended December 31, 2005
Housing, IT and communication cost	18,769	14,534
Marketing	11,182	7,694
Source material	6,147	5,227
Outsourcing cost	13,454	15,350
Travel and other cost	28,812	16,838
Total	78,364	59,643

Cost of revenue includes co-marketing cost to an amount of €7,322 (2005: €3,870).

9. FINANCIAL INCOME AND EXPENSES

(In thousands of euros)	Year ended December 31, 2006	Year ended December 31, 2005
Interest expense	(430)	(218)
Other financial expenses	(449)	(366)
Currency translation gains/(losses)	(6)	(226)
Total	(885)	(810)

Financial income fully relates to interest income.

10. INCOME TAX

Major components of income tax expense for the years ended December 31, 2006 and 2005 are:

(In thousands of euros)	Year ended December 31, 2006	Year ended December 31, 2005
Current income tax	(4,086)	(2,715)
Adjustments in respect of current income tax of previous years	241	(30)
Deferred income tax relating to origination and reversal of temporary differences	(6,033)	(2,136)
Remeasurement of deferred tax relating to changes in enacted tax rates	(1,390)	-
Recognition of tax asset not previously recognized	-	5,913
Adjustments in respect of deferred income tax of previous year	12,669	(384)
Income tax benefit/(charge)	1,401	648

The adjustments in respect of deferred income tax of previous years in 2006 mainly resulted from the recognition of a €11,489 tax asset in the Netherlands. This was mainly the result of a one time €10,689 benefit which was recognized following the approval by the Dutch tax authorities of the reclassification for tax purposes of certain intercompany financing. As a result of the change in reclassification €36,100 of interest income, which was included in taxable results in the period 2000-2005, was reversed. This resulted in an increase in deferred tax assets of €10,689 and a corresponding gain in the Income Statement.

The Dutch government has reduced the statutory tax rate from 31.5% in 2005 to 29.6% in 2006 and enacted a further reduction to 25.5% from 2007 on. This change in tax rate resulted in a reduction of the value of deferred tax assets of €2,412 of which €1,390 is recorded in the Income Statement and €1,022 is recorded through equity.

A reconciliation between tax expense and the product of the accounting result multiplied by the statutory tax rate of The Netherlands for the years ended December 31, 2006 and 2005 is as follows:

(In thousands of euros)	Year ended December 31, 2006	Year ended December 31, 2005
Accounting result before tax from continuing operations	(20,372)	(22,267)
Result before tax from discontinued operations	-	(221)
Accounting result before tax	(20,372)	(22,488)
Tax at statutory rate	6,030	7,618
Adjustment in respect of current income tax of previous years	241	(30)
Adjustment in respect of deferred income tax of previous years	12,669	5,529
Losses for which no tax asset has been recognized	(10,752)	(6,438)
Non-deductible expenses	(5,708)	(5,581)
Other	311	(450)
Remeasurement of deferred tax asset at expected tax rate	(1,390)	-
Total	1,401	648

Deferred tax assets mainly relate to future benefits from tax loss carry forwards in The Netherlands, to the extent that it is likely that these benefits will occur. Movements in deferred tax assets are as follows:

(In thousands of euros)	Year ended December 31, 2006	Year ended December 31, 2005
Balance as of January 1,	15,076	21,291
Additions to deferred tax assets through Income Statement	1,998	262
Deductions from deferred tax assets through equity	(2,191)	(6,477)
Additions through business combinations	287	-
Balance as of December 31,	15,170	15,076

Additions to deferred tax assets include an amount of €10,689 relating to a reclassification of intercompany financing as discussed above. Deferred tax assets on the exchange gains and losses on the intercompany financing, which were previously recognized in equity, were also reversed in 2006 for €5,080. The aggregate net amount of deferred tax relating to items charged or credited to equity as of December 31, 2006 was €6,363 (December 31, 2005: €8,554). This includes the estimated tax benefit which is expected to be realized on tax deductible expenses in relation to share-based compensation to the extent that the cumulative deductible expenses exceed the expense recognized in the Income Statement. Also in 2006, an addition to the deferred tax asset was made with a corresponding benefit in equity following the approval by the Dutch tax authorities for the tax treatment of a loan conversion in 2005, for an amount of €4,692.

Deferred tax liabilities mainly relate to temporary differences in relation to the valuation of databases in Germany, Belgium, Russia and Indonesia. Movements in deferred tax liabilities are as follows:

(In thousands of euros)	Year ended December 31, 2006	Year ended December 31, 2005
Balance as of January 1,	17,930	21,062
Deductions from deferred tax liabilities through Income Statement	(3,247)	(3,132)
Additions through business combinations	1,639	-
Balance as of December 31,	16,322	17,930

The Company's tax balances consist of:

(In thousands of euros)	As at December 31, 2006	As at December 31, 2005
Deferred income tax asset	15,170	15,076
Current income tax liability	(6,654)	(3,043)
Deferred income tax liability	(16,322)	(17,930)
Total	(7,806)	(5,897)

As of December 31, 2006 Tele Atlas N.V. and its subsidiaries had remaining tax loss carry forwards amounting to €98,403 (2005: €54,900) net of temporary differences in the United States for which no tax asset has been recognized yet. The losses which arose in the period 2000 till 2006 are available for 20 years for offset against taxable profits, subject to limitations imposed by IRS code 382.

Deferred income tax assets mainly relate to The Netherlands where tax losses are available for loss compensation for a 9 year period. Losses incurred before 2002 can be utilized until 2011.

11. DISCONTINUED OPERATION

On March 23, 2005 the Company sold its Indian subsidiary Tele Atlas India Private Ltd. ('Tele Atlas India') in an all cash transaction to Infotech Enterprises Ltd. for €1.2 million. The net result on the sale after deducting transaction expenses and taxes was a loss of €0.4 million.

Tele Atlas India did not have any revenues from third parties. The net result of operations for 2005 consisting of operational expenses (€1.5 million) net of internal charges to the European and North American organization (€1.7 million) was a profit of €0.2 million (2004: €0.8 million). Operating expenses included depreciation and amortization of €0.2 million (2004: €0.7 million). The tax charge on operating results for 2005 was €0.0 million.

12. EARNINGS PER SHARE

Earnings per share are calculated by dividing the net result for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during 2006 was 89,782,682 (2005: 44,820,133).

Diluted earnings per share are calculated by dividing the net result attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of dilutive convertible preference shares, warrants and options to the extent that these options have vested, unless the result of such calculation would be anti-dilutive.

Since in 2006 and 2005 the net result of the Company was negative, the effect of adjusting the number of shares for the convertible preference shares and options would be anti-dilutive and consequently diluted earnings per share equals basic earnings per share.

The earnings per share for discontinued operations in 2005 was €0.00

13. CASH AND CASH EQUIVALENTS

(In thousands of euros)	As at December 31, 2006	As at December 31, 2005
Cash at bank and on hand	109,967	108,898
Short term bank deposits	92,514	91,897
Total	202,481	200,795

14. ACCOUNTS RECEIVABLE

(In thousands of euros)	As at December 31, 2006	As at December 31, 2005
Trade accounts receivable	52,465	36,194
Unbilled royalty revenue	19,712	5,811
Total	**72,177**	**42,005**

As of December 31, 2006, trade receivables at nominal value of €1,895 (2005: €940) were impaired and fully provided for. Movements in the allowance for doubtful accounts were as follows:

(In thousands of euros)	Year ended December 31, 2006	Year ended December 31, 2005
Balance January 1	940	1,023
Charged	1,773	573
Unused amounts reversed	(398)	(314)
Amounts written off	(420)	(342)
Closing balance	1,895	940

As December 31, the analysis of trade receivables past due but not impaired is as follows:

(In thousands of euros)	Total	Neither past due nor impaired	< 30 days	30-60 days	60-90 days	90-180 days	> 180 days
2006	72,177	64,249	4,346	2,437	762	175	208
2005	42,005	32,244	4,294	2,637	1,899	444	487

15. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Other receivables consist of VAT recoverable, prepaid insurances, advances and other prepaid expenses.

16. INVESTMENTS

Infotech

In April 2005, the Company used the proceeds of the sale of its Indian operation to purchase 250,000 shares, which were split into 750,000 shares in 2006, in Infotech for an initial amount of €1,250. The resulting minority shareholding is accounted for in the balance sheet at fair value with resulting gains and losses being included in the Income Statement. The change in fair value in 2006 was a profit of €1,594 (2005: profit €1,304).

China

In October 2004, the Company entered into a joint venture agreement with Shanghai Changxiang Computer Co. Ltd to establish the joint venture company Navigation Information Co Ltd. The joint venture was regarded a jointly controlled entity under IFRS. The Company decided to account for the joint venture, to which an initial contribution of €323 was made during the first quarter of 2005, using the equity method. In 2006, additional investments were made in China amounting to approximately €9,000. Subsequently, the activities in China were restructured, leading to the termination of the relationship with the partner. Therefore the Company recorded an impairment loss on investment of €9,322. Subsequent to the restructuring, the Company acquired the remaining 75% share in the NaviAtlas joint venture. Further details are provided in Note 5.

17. TANGIBLE FIXED ASSETS

(In thousands of euros)	Office and computer equipment	Other	Total
Net book value as of January 1, 2006	8,434	2,165	10,599
Acquisition of subsidiary	221	23	244
Additions	7,384	7,247	14,631
Disposals	(37)	(72)	(109)
Depreciation	(5,041)	(1,089)	(6,130)
Exchange rate differences	(358)	(196)	(554)
Net book value as of December 31, 2006	10,603	8,078	18,681
Cumulative cost as of December 31, 2006	37,718	11,463	49,181
Less: accumulated depreciation as of			
December 31, 2005	(27,115)	(3,385)	(30,500)
Net book value as of December 31, 2006	10,603	8,078	18,681
Net book value as of January 1, 2005	7,742	2,389	10,131
Acquisition of subsidiary	194	223	417
Additions	5,238	693	5,931
Discontinued operation and other disposals	(840)	(425)	(1,265)
Depreciation	(4,337)	(904)	(5,241)
Exchange rate differences	437	189	626
Net book value as of December 31, 2005	8,434	2,165	10,599
Cumulative cost as of December 31, 2005	32,558	5,798	38,356
Less: accumulated depreciation as of			
December 31, 2005	(24,124)	(3,633)	(27,757)
Net book value as of December 31, 2005	8,434	2,165	10,599

18. INTANGIBLE FIXED ASSETS

(In thousands of euros)	Databases and Tools	Goodwill	Other	Total
Net book value as of January 1, 2006	246,855	22,445	14,721	284,021
Acquisition of subsidiary	6,505	(288)	-	6,217
Additions	11,016	10	-	11,026
Purchase of databases	1,801	-	581	2,382
Amortization	(40,057)	-	(3,990)	(44,047)
Exchange rate differences	(9,618)	(1,696)	(1,255)	(12,569)
Net book value as of December 31, 2006	216,502	20,471	10,057	247,030
Cumulative cost as of December 31, 2006	496,536	51,276	19,776	567,588
Less: accumulated amortization as of December 31, 2006	(249,921)	(13,896)	(9,719)	(273,536)
Less: accumulated impairment losses as of December 31, 2006	(30,113)	(16,909)		(47,022)
Net book value as of December 31, 2006	216,502	20,471	10,057	247,030
Net book value as of January 1, 2005	245,021	14,549	15,648	275,218
Acquisition of subsidiary	-	5,726	717	6,443
Additions	32,864	-	-	32,864
Purchase of databases	241	-	-	241
Amortization	(43,262)	-	(3,827)	(47,089)
Exchange rate differences	11,991	2,170	2,183	16,344
Net book value as of December 31, 2005	246,855	22,445	14,721	284,021
Cumulative cost as of December 31, 2005	486,832	53,250	20,450	560,532
Less: accumulated amortization as of December 31, 2005	(201,585)	(13,896)	(5,729)	(221,210)
Less: accumulated impairment losses as of December 31, 2005	(38,392)	(16,909)	-	(55,301)
Net book value as of December 31, 2005	246,855	22,445	14,721	284,021

(In thousands of euros)	2006	2005
Additions to databases and tools can be broken down as follows:		
- source material and databases acquired	3,374	4,275
- internally generated databases and tools	9,443	28,830
	12,817	33,105

The change in goodwill in 2006 results from an adjustment to the valuation of the deferred tax asset of PPWK Geoinvent, which was acquired in 2005.

IMPAIRMENT TESTING OF INDEFINITE LIVED GOODWILL AND REVIEW OF PREVIOUSLY RECOGNIZED IMPAIRMENT LOSS

Goodwill acquired through the acquisition of GDT in 2004 has been allocated to the North American region as a cash generating unit as defined under IAS 36. The carrying amount of goodwill as of December 31, 2006 was $19,351 (€14,675).

In 2003, the Company recognized an impairment loss on intangible assets and goodwill which had been allocated to the North American region. The amount of the impairment loss on databases and tools yet to be amortized as of December 31, 2006 was $39,707 (€30,113).

The recoverable value of the region has been determined based on a value in use calculation. Cash flow projections covering a period of ten years and a terminal value were developed by the Company. Management believes that this planning horizon is justified taking into account the long term nature of investments in its business. Projected pre-tax cash flows were discounted using Weighted Average Cost of Capital of 19,1%, which was based on an industry average capital structure.

The key assumptions on which management has based its cash flow projections to undertake the impairment testing of goodwill and the review of previously recognized impairment loss are as follows:

- revenue growth has been based on historic performance and detailed revenue planning for 2007. For subsequent years, growth is based on expected market growth and the expected development of Tele Atlas North America's market share.
- growth of cost of revenue and sales related expenses has been estimated based on revenue growth.
- growth of other costs, including costs related to the database, has been estimated taking into account the expected cost savings resulting from the integration of GDT in the North American Tele Atlas organization, future plans in improving the database and expected cost of living increases.

19. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities relate mainly to liabilities in respect of source material acquired, holiday allowances, royalties to third parties, returned products.

20. PENSION ACCRUAL

Movements in pension liabilities were as follows:

(In thousands of euros)	Year ended December 31, 2006	Year ended December 31, 2005
Balance as of January 1,	4,625	3,761
Charged/released to Income Statement	740	983
Utilized	(51)	(119)
Balance as of December 31,	5,314	4,625

Pension liabilities relate to the defined benefit plan in Germany and the staff leaving indemnity plan in Italy. There are no plan assets in relation to these plans. In connection with the defined benefit plans in Germany a discount rate of 4.4% was used, an assumed rate of salary increase of 3.0% and German mortality rates.

21. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities include the non-current portion in relation to finance leases.

22. SHAREHOLDERS' EQUITY

ORDINARY SHARE CAPITAL

As of December 31, 2006 90,374,775 ordinary shares had been issued and fully paid up. As of December 31, 2006 the Company held no ordinary shares as treasury stock.

Developments in ordinary shares during the year were as follows:

(In thousands of Euros)	
Number of ordinary shares issued and paid up as of January 1, 2006	89,619,446
Exercise of stock options (note 7)	755,329
Balance as of December 31, 2006	90,374,775

Other reserves relate to foreign currency adjustments, net of recognition of deferred taxes and income tax related to items recognized in equity.

23. MINORITY INTEREST

Movements in minority interest were as follows:

(In thousands of Euros)	Total
As of January 1, 2006	-
Acquisition of subsidiary	355
Minority share in result of subsidiary	(20)
Exchange result	(13)
Net book value as of December 31, 2006	322

The acquisition relates to the acquisition in Indonesia as discussed in Note 5 to these Financial Statements.

24. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to market risk, including changes in currency exchange rates and has used derivatives in connection with its risk management activities in the past. The Company did not use any derivatives in 2005 and 2006. The Company does not hold or issue derivative financial instruments for trading purposes.

FOREIGN CURRENCY RISK

The Company carries out a significant proportion of its business in US dollars. The Company has not engaged in any hedging activities of foreign currency risk as a result of its investments in foreign entities during the years ended in December 31, 2006 and 2005. The Company uses derivatives financial instruments to hedge risks related to transactions denominated in foreign currencies, depending on the amount and the currency involved. In 2005 and 2006, no hedging transactions were entered into.

CREDIT RISK

The Company’s maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event of the counterparties' failure to perform their obligations as of December 31, 2006 in relation to each class of recognized financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet.

With respect to derivative financial instruments, as of December 31, 2006 the Company held no derivative financial instruments and therefore had no credit risk related to these instruments.

Concentrations of credit risk exist when changes in economical, industrial or geographical factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is generally diversified along industry, product and geographic lines, and transactions are entered into with creditworthy counterparties, thereby mitigating any significant concentration of credit risk. As of December 31, 2006 approximately 33% of the Company's account receivables were from a single counterparty and a further total of 18% of the Company's account receivables were from 5 different counterparties, all of which the Company considers creditworthy.
As of December 31, 2006 the fair value of financial assets and liabilities does not significantly differ from their carrying amounts.

25. COMMITMENTS AND CONTINGENT LIABILITIES

CONTINGENT LIABILITIES

Tele Atlas N.V. and its subsidiaries are, from time to time, party to litigation arising in the normal course of business. As of December 31, 2006 and 2005 there were no significant cases, which had not been adequately provided for in the financial statements.

OPERATING LEASE COMMITMENTS

Tele Atlas leases facilities, cars and certain computer equipment under operating leases (the lessor effectively retains substantially all the risks and benefits of ownership of the leased items).

The minimum annual lease commitments based on contractually agreed lease terms were as follows:

(In thousands of euros)	As at December 31, 2006	As at December 31, 2005
Within one year	12,647	14,172
After one year but no more than five years	23,040	21,338
More than five years	4,287	3,408
Total	39,974	38,918

Rental expenditure for the year ended December 31, 2006 amounted to €15,055 (2005: €14,631)

FINANCE LEASE COMMITMENTS

The Company has finance leases for cars and equipment. The net book value of the assets related to these leases is €1,768. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments as of December 31, 2006 are as follows:

(In thousands of euros)	As at December 31, 2006	As at December 31, 2005
Within one year	159	119
After one year but no more than 5 years	1,062	30
Total minimum lease payments	1,221	149
Less amounts representing finance charges	108	4
Present value of minimum lease payments	1,113	145

SOURCE MATERIAL COMMITMENTS

As of December 31, 2006 Tele Atlas had commitments in relation to the acquisition of source material of €3,192, of which €1,933 arises in 2007.

26. RELATED PARTY TRANSACTIONS

The remuneration paid to the Management Board is disclosed in Note 6 to these Financial Statements. The Company does not grant loans to Management Board members except for expense advances in accordance with the Company's travel policy and tax equalization advances to equalize the tax situation of Management Board members who incur taxes outside their home country as a result of their membership in the Company's Management Board. The total amount of these advances as of December 31, 2006 was €246.

One of our Management Board members, Mr. George Fink, is a member of the Board of Directors of Infotech Enterprises Ltd, in which the Company holds a participating interest.

27. SHAREHOLDERS POSITIONS OF STATUTORY DIRECTORS AND SUPERVISORY BOARD

The Supervisory Board members and the Management Board of Tele Atlas N.V. held the following number of shares and vested share options in Tele Atlas N.V. as of December 31, 2006

Management Board	Shares	Vested Options
Alain De Taeye	28,369	500,625
George Fink	-	300,625

Supervisory Board	Shares	Vested Options
Wim Dik	300	4,375
Bandel Carano	-	10,000
Charles Cotton	-	12,500
Stephan Rojahn	-	2,500
Peter Morris	-	10,000
George Schmitt	-	22,500
Joost Tjaden	8,563	10,000

Other Information

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated financial statements for the year ended December 31, 2006 which are part of the financial statements of Tele Atlas N.V., Amsterdam, which comprise the consolidated Balance Sheet as at December 31, 2006, the Income Statement, Statement of Changes in Shareholders' Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility

Management of the Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and IFRS. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Tele Atlas N.V. as at December 31, 2006, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with IFRS.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We report, to the extent of our competence, that the management board report is consistent with the consolidated financial statements.

Eindhoven, February 27, 2007

for Ernst & Young Accountants

L.J. Wortel

APPROPRIATION OF RESULTS

Pursuant to Article 18 of the articles of association, the Company may make distributions only to shareholders insofar as its shareholders equity exceeds the amount of its paid up capital, increased by reserves, which shall be kept by virtue of the law. The profit appearing from the profit and loss account adopted by the meeting of shareholders shall be at the disposal of the meeting of shareholders. Any resolution to distribute profit to shareholders is subject to the prior approval of the meeting of preferred A shares outstanding.

Where a dividend is declared or a distribution from general reserves is made such dividend or distribution will be allocated between the class of ordinary shares and the class of preferred A shares as if the preferred A shares had already been converted into ordinary shares.

Losses for the year are deducted from the accumulated result.

CHANGE OF CONTROL PROVISIONS

Inter alia in case a third party would acquire 51% or more of the shares of Tele Atlas as the result of an offer for the Tele Atlas shares, Alain De Taeye has the right to terminate his employment agreement with Tele Atlas in which case Mr. De Taeye will be entitled to a compensation equal to 1/6 of his annual compensation for each full year of service, with a maximum of three times the annual compensation.

Except for the fact that the 2004 Option Plan and 2006 Option Plan provide that the vesting of the options granted under such plans may be accelerated, the company is not party to important agreements that provide that such agreements become effective, are changed or may be terminated upon a change in control of Tele Atlas.

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