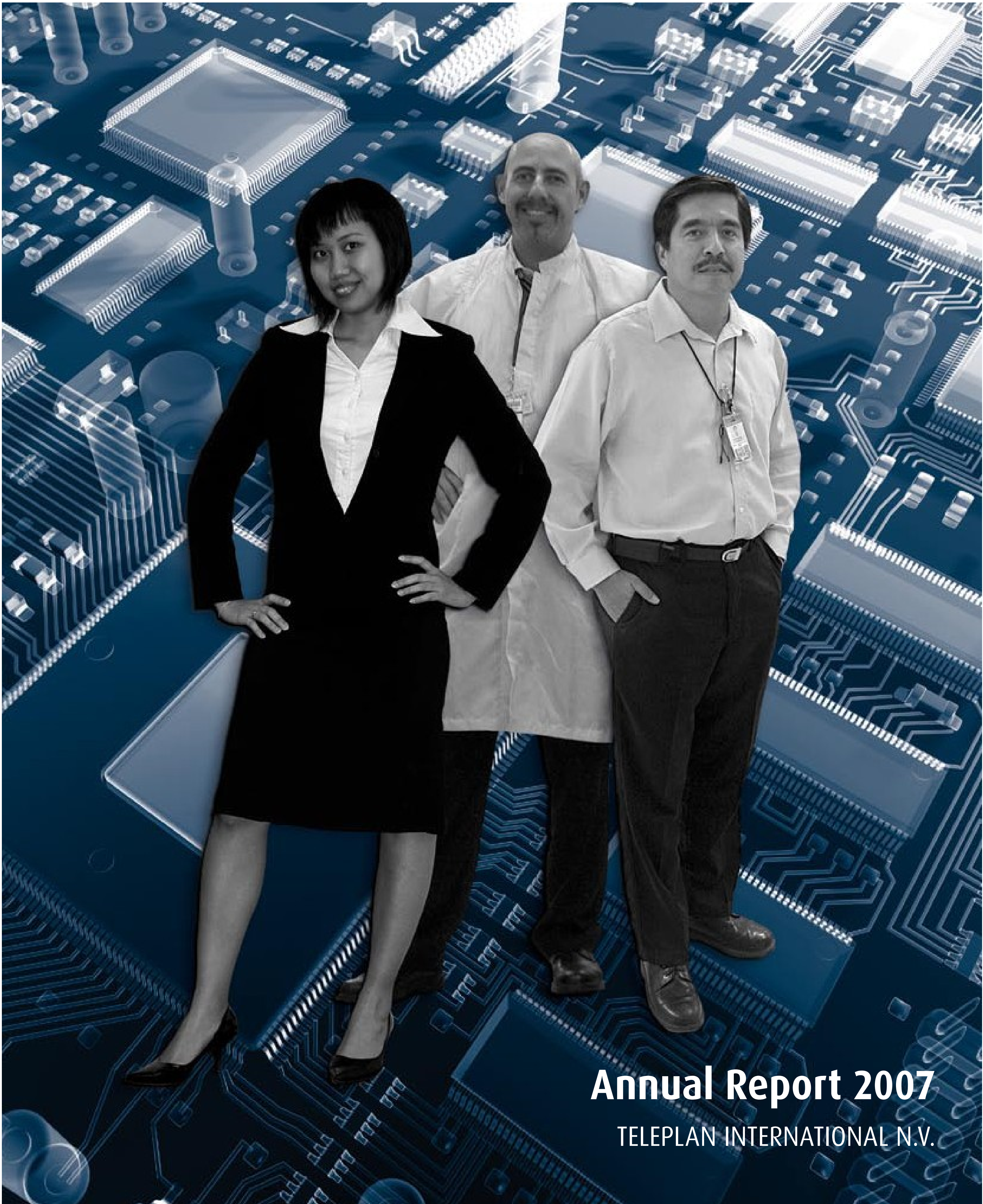

Annual Report 2007

TELEPLAN INTERNATIONAL N.V.

Teleplan

Key data

million Euro (unless stated otherwise)	2007	2006	2005	2004	2003
Revenue	281.7	242.0	255.0	270.5	292.7
EBITDA before restructuring costs	22.1	15.4	15.7	– 6.5	19.5
EBITDA	22.1	5.2	12.6	– 33.9	– 8.6
Depreciation, amortization and impairment	5.3	7.5	19.8	31.8	38.3
EBIT (operating income)	16.8	– 2.3	– 7.2	– 65.7	– 46.9
Financial expenses	12.9	5.4	7.6	5.7	3.8
Income tax expense/(income)	0.3	0.3	0.7	0.7	– 8.2
Net income	3.6	– 8.1	– 15.5	– 72.2	– 42.3
Operating cash flow*	12.4	7.3	9.8	– 21.7	27.4
Weighted average number of shares (x 1,000)	55,469	37,789	32,227	25,000	24,839
Earnings per share (Euro); Basic	0.06	– 0.21	– 0.48	– 2.89	– 1.70
Earnings per share (Euro); Fully Diluted	0.06	– 0.21	– 0.48	– 2.89	– 1.70
Operating cash flow per share (Euro)**	0.22	0.19	0.30	– 0.87	1.10
Book value per share (Euro)	0.46	0.32	0.63	1.19	3.43

Selected Balance Sheet Data	**31 Dec 2007**	**31 Dec 2006**	**31 Dec 2005**	**31 Dec 2004**	**31 Dec 2003**
Cash and cash equivalents	15.46	10.63	20.92	18.06	22.44
Net debt, excluding convertible bonds	52.31	55.57	55.82	54.76	47.66
Balance sheet total	149.88	148.41	175.65	178.85	257.30
Total equity	25.32	12.16	20.36	29.85	85.20
Equity Ratio (%)	16.89	8.19	11.59	16.69	33.11
Number of employees at year end	6,217	5,206	4,513	5,340	6,300

** Operating cash flow is cash generated from operations.*

*** Operating cash flow per share is calculated by dividing cash generated from operations by the weighted average number of shares.*

About us

Teleplan is one of the top suppliers of high-tech after sales services and provides total service solutions for the world of Computers, Communications and Consumer Electronics (“3C’s”). These industries are in constant need of after sales services ranging from simple repairs to the most sophisticated technological and electronic solutions. The companies within the sector show a growing trend of outsourcing more and more of their warranty obligations to after sales specialists such as Teleplan in order to focus on their respective core areas of operation and competence.

Teleplan’s “3C’s” are made up of nine product groups in total, with which it is able to serve the industry in its entirety. The focus of the Netherlands based company is providing its high-tech services across the globe, currently operating from 22 sites in Europe, North America, Asia and Australia with plans to continue the recent expansion adding more locations.

The structure, layout and design (or in other words the heart and soul of this year’s annual report) is geared towards the structure of the inner lives of high-tech products and systems that Teleplan examines, repairs, replaces and updates on a daily basis. The Ball Grid Array design (BGA) of today’s printed circuit boards guides you through this annual report. However, Teleplan International N.V. is made up of approximately 6,200 quality- and service-oriented employees around the world who all contribute to protecting our customers’ brands by contributing their dedication, unique skills, knowledge and enthusiasm. A few of these employees from all parts of the world posed for snapshots shown in this 2007 annual report.

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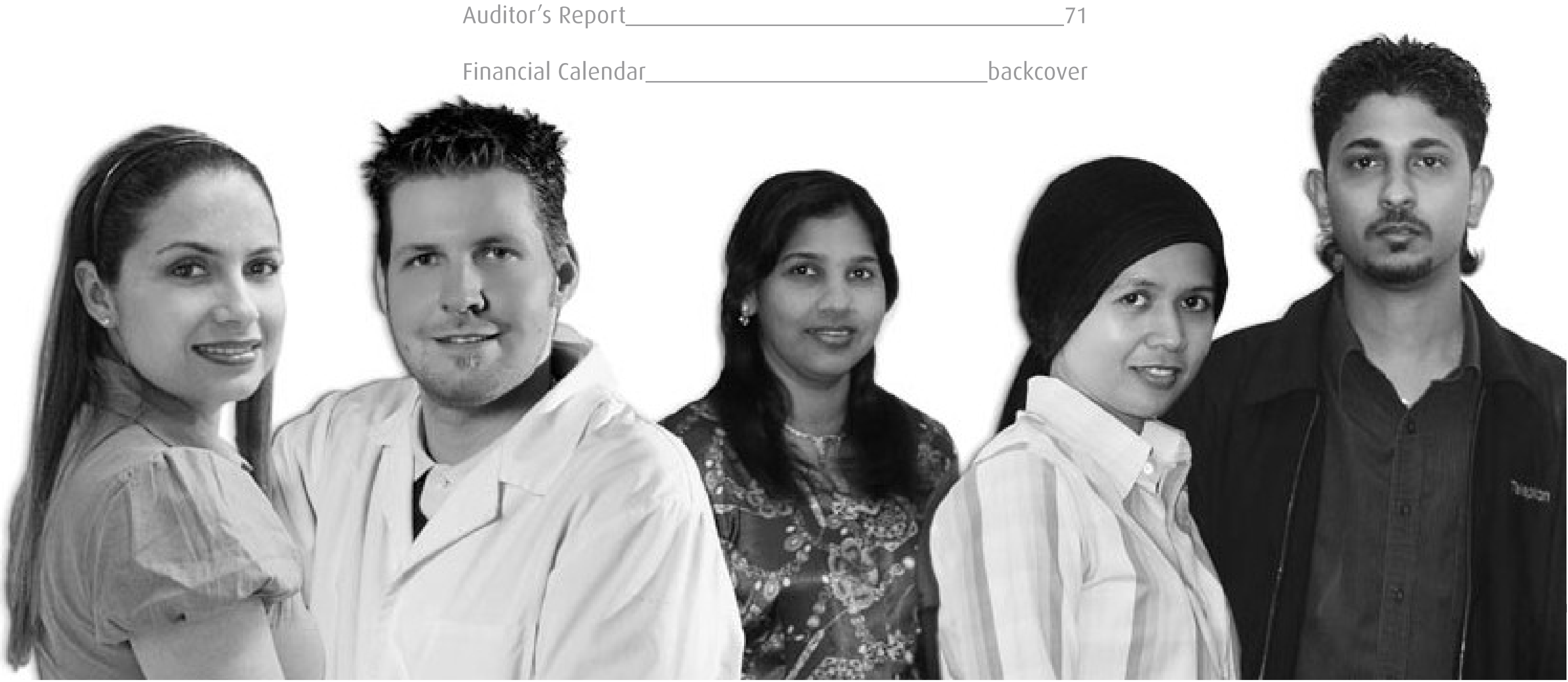
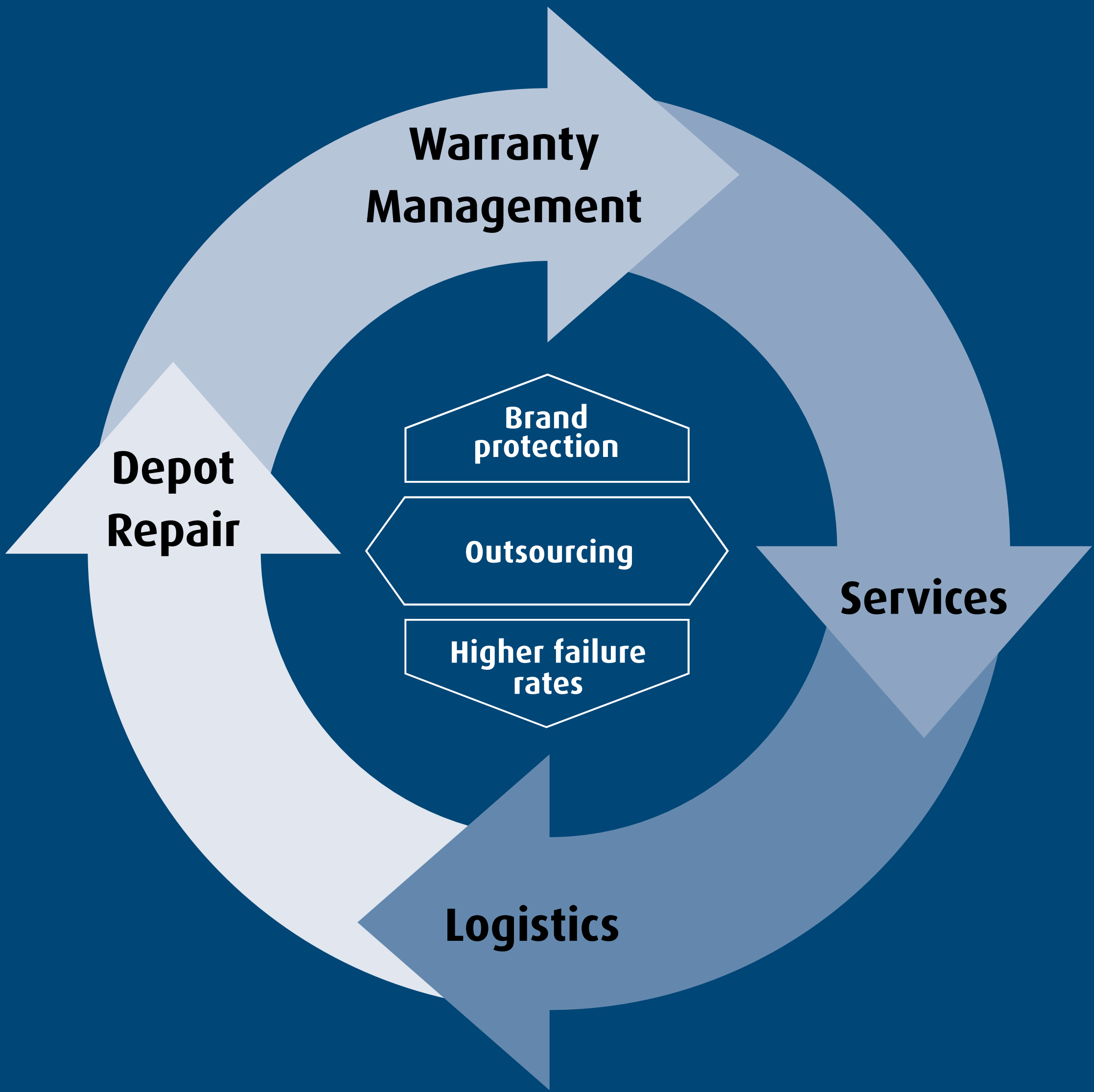




Structural market trends are supporting Teleplan's core competencies

Clear outsourcing strategy on warranty management in the primary markets

Customers are looking for global partners

Professional high-tech after sales services include IT based e-TRAC systems

Shorter product life cycles, shorter time to market

Increased complexity and functionality of the products

Increased mobility of technical devices

End-to-End High-Tech Solutions

Teleplan offers high-tech solutions for the entire value chain ranging from logistics, repair, warranty service, out of warranty service and other value-added services in numerous business fields.
We furthermore customize our end-to-end high-tech solutions, thereby relieving our customers of the activities outside their core areas of expertise.
Our goal is to become more a high-tech solutions provider rather than just a repair house.

Message from the Management Board

TO OUR SHAREHOLDERS, CUSTOMERS, EMPLOYEES AND STAKEHOLDERS OF THE COMPANY

We are proud to report that 2007 was an excellent year for Teleplan. In the year 2006 we had a rather disappointing business development as result of several factors, mainly the year of transition following Teleplan's restructuring. This, however, began to turn around by the end of 2006 and into 2007, when new contracts began to drive the top line growth for all three of the Company's business segments of Computer, Communication and Consumer Electronics. The restructuring, initiated in 2004, has been a success in bringing the business back on track with the enormous potential offered by the growth within the after sales market.

2006 marked the end of the Company's transition from a business based on regional presence to one focusing on Teleplan's target segments, the "3C's". These segments of Computer, Communication and Consumer Electronics combine to make up a total of nine product groups: Storage, Personal Computers & Notebooks, Displays, Printers, Mobile Phones, Networks, Videocom, Gaming and Imaging. The shift away from a regional management with a focus on global Key Account Management has enabled Teleplan to leverage synergies and best practices in the technological field. This has contributed to the Company's success, making it more customer and global focused at the same time.

The new structure, introduced in 2006, is proving a success for Teleplan. Growth of 16% was achieved on a euro basis and, as result of the weak performance of the dollar, 20% on a constant US dollar basis. For the first time since 2002, and in spite of over-proportionately high financing costs due to the refinancing, the Company has achieved a net profit. We are also pleased to report that not only did the Company as a whole show a profit, but all nine product groups proved profitable as well. The shareholders brought in fresh equity of 5.9 million Euro. Finally, Teleplan refinanced its 65.2 million Euro bank debt with a new 80 million Euro long-term facility in October 2007, an important element in providing financial stability and flexibility for the Company.

The move away from a regionally-based business model does not mean that Teleplan is reducing its presence around the world. On the contrary, 2007 saw the opening of a new location in Jakarta, Indonesia, and our plans for expansion in Asia do not stop there. Our aim for 2008 is to increase global presence with additional plants in Asia. The relocation of many sites from North to South in North America and West to East in Europe has also brought costs down considerably and boosted efficiency. This improved efficiency is a critical success factor if Teleplan is to effectively tap into the potential offered by the current and future market environment.

In addition to the Company's growth, the prospects in the market also remain strong. The digital convergence of the electronics industry is showing no signs of slowing, as the IT market overall continues to achieve year-on-year growth rates of on average 5%. Constant, rapid technological progress continues to facilitate the emergence of new products and new market players as well, thus changing the face of the electronics industry as we know it. Not only does Teleplan intend to keep up with this rapid growth, we are also constantly on the lookout for new ways to expand the scope of our business and become more of a key supplier for the entire length of the value chain. Taking this one step further, we also aim to become a pioneer in paving the way for a new, more comprehensive service spectrum.

Mr. Mark Twaalfhoven (1960) *left*

Nationality:	Dutch & Hong Kong resident
Position:	Chief Executive Officer
Date of initial appointment:	17 – 06 – 2005
Current term:	2005 – 2009
Board Memberships:	China Yachting Business Partnership Ltd.

Mr. Gotthard Haug (1958) *right*

Nationality:	German
Position:	Chief Financial Officer
Date of initial appointment:	19 – 08 – 2004
Current term:	2007 – 2009

A further growing trend has been confirmed in the industry, namely that of more and more companies taking the route of outsourcing their after sales services and depot repairs to specialist providers of such services. Not only have we seen many of Teleplan's largest and most important customers increase the degree of outsourcing in this field, but Teleplan has won over entirely new clients that are only now beginning to outsource their warranty obligations.

Many of these companies are turning to Teleplan due to the Company's focus on a full spectrum of services and quality. The success in 2007 can be seen in the recognition received by the outside world. The Society of Turnaround Professionals, London, nominated the Company for turnaround of the year. We were also awarded as the service supplier of the year by several key customers. And the further success in improving Teleplan's efficiency and productivity will shine through as we cautiously but optimistically move into 2008.

Quality is the Key to Our Service

We pride ourselves on offering top-tier customers
across the globe the best possible quality
when it comes to high-tech after sales service for
Computers, Communications and Consumer Electronics.
This represents the core of our business model and,
along with our zero-defect philosophy,
form the basis of our excellent reputation within the
electronics and IT industries throughout the world.

Corporate Story and Company Profile

TELEPLAN'S ROLE IN THE AFTER SALES SERVICES MARKET

Teleplan places a great deal of significance on ensuring that its business model is not only efficient and effective, but also that it reflects the core areas of the IT and electronics industries that come together to make a promising market with sound growth opportunities. These industries are constantly undergoing change, both in terms – technological sophistication involved in creating the products and the global demographics of people using them. These two factors combine to shape the world of information, communication, education and entertainment.

The rise in global sales of computers and electronics seems to be unlimited. The digital convergence seen in the industry continues to draw on the trend towards connecting the different uses for the multitude of products offered. For example, more and more computers are being sold on a global scale due to their increasing use not only for information and communication purposes, but also for video games, music and movies. Another example is the boom in the mobile telephone market, in which manufacturers are forced to keep up with the popularity of mobile phones featuring multiple functions (phone, text/picture messaging, camera, MP3 player, email, etc.).

However, this does not stop with computers and mobile phones. Teleplan has designed its business model in such a way that the focus on the "3C's" of Computer, Communication and Consumer Electronics covers all areas of the IT, communications, education and entertainment industries that make up the Company's core market. These areas are broken down into the nine product groups of Storage, Personal Computers and Notebooks, Displays, Printers, Mobile Phones, Networking, Videocom, Gaming and Imaging. This wide range of expertise offers the advantage of one-stop shopping for all manufacturers and service providers seeking after sales services.

Teleplan's core areas of expertise include world-class high-tech repair, call centers, service, logistics and reverse logistics, warranty management and out-of-warranty management, in short Teleplan can cover the complete after sales services value chain. Given the growth of the market, these value-added services are an important source of growth for Teleplan and go beyond the normal service commitments to customers, including many of the companies aiming to trim their business down to their core competencies. In doing so, more and more product manufacturers and service providers are outsourcing their after sales services and warranty obligations to companies like Teleplan.

Characteristics of the Global IT and Telecommunications Market

One striking characteristic of the market for electronics and information technology is the rapidly growing mobility of the products being produced and marketed around the world. The industry over the last ten years has thrived on making products smaller and more mobile, thus proving to be the lifeline of the industry and one of the major factors behind its rapid growth.

One challenge for manufacturers is to make their products more integrated, easier to use and faster to operate while simultaneously keeping up with the constant, rapidly changing technological advances. Their production processes most importantly have to be carried out efficiently and at low cost in order to make the products affordable for the end-user and to continue to stay in business.

This is where the growing trend of outsourcing comes into play. Several companies within Teleplan's portfolio of customers have outsourced their after sales services in the past and are increasingly seeing the benefits of doing so. In addition, Teleplan is acquiring many new customers who are just beginning to realize the advantages of centering in on their core competencies and passing on their repair and logistical activities to outside partners. The result is faster and more permanent outsourcing of peripheral activities and after sales services by original equipment manufacturers (OEMs), original design manufacturers (ODMs), retailers, subcontractors, distributors and operators. The range of after sales services continues to expand and encompasses services beyond repair, i.e. end-to-end solutions along the entire supply chain including logistics, warranty management etc. After sales and thus Teleplan are benefiting greatly from this, with growth moving at a faster rate than that of the underlying electronics market (the latter having come out to USD 1.3 trillion in 2007).

Teleplan, with its portfolio of blue chip customers, is in a good position to build on this growth and tap into the potential that the market has to offer. The Company's IT expertise makes it attractive to any manufacturer looking for a high-tech after sales service provider that can keep up with its sophisticated technological requirements. Moreover, industries featuring a very high degree of complexity are more linked into companies such as Teleplan for the longer term due to the smaller number of competitors with matching technical skills and capabilities.

Despite shifting its business model to closer reflect the technological aspects of the business than geographic aspects, Teleplan still continues to increase its presence around the globe in order to be a more accessible supplier. The global approach to offering high-tech supply chain solutions has always allowed Teleplan to continue growing, on a comparable basis, while at the same time increasing the efficiency and speed of the logistics solutions offered. This not only takes the logistics burden off Teleplan's customers, thus allowing them to focus on their core areas of expertise, but it also minimizes the turnaround time for their end-users.

In the past year Teleplan went beyond its expansion in 2006 with a consumer electronics plant in Prague and a communications plant in Shanghai by opening up another new location, this time in Jakarta, Indonesia. The plans for 2008 include further expansion in Asia and Eastern Europe.

In terms of the market share, the three areas that make up the "3C's" of Computers, Communications and Consumer Electronics accounted for 71% of the USD 1.3 trillion market for electronics equipment in 2007. This amounted to a share of USD 926 billion comprised of USD 313 billion, USD 316 billion and USD 297 billion, respectively. Of the USD 26 billion after sales market, USD 7 billion referred to the area of depot repair, where Teleplan primarily places its focus. Here the company enjoys a 6% market share up from 5% 2006.

Teleplan's aim overall is to continue on the path of growth. The IT and telecommunications markets will continue to expand, improve upon the technology already offered and tailor to the needs of the end-user. As this industry shows no signs of slowing down and Teleplan continues to collaborate with a rising number of OEMs, ODMs, retailers, service providers and more, there is healthy potential for the Company in the after sales service industry and as a full service provider.

1 Roseville
2 Mexicali
3 Reynosa
4 Dallas
5 Minneapolis
6 Louisville
7 Toronto
8 Philadelphia

9 Havant
10 Colchester
11 Zoetermeer
12 Weiterstadt
13 Norderstedt
14 Prague
15 Bydgoszcz

16 Penang
17 Singapore
18 Jakarta
19 Hong Kong
20 Suzhou
21 Shanghai
22 Sydney

Presence around the Globe

The success of our business depends on our accessibility to companies and individuals across all parts of the globe. The more our business expands into other regions of the world, the better we are able to offer logistical solutions with a combination of local access and turnaround time at the lowest possible price. This is a must in a globalized world and its impacts on business, particularly in an industry relevant to billions of people.

Investor Relations • Teleplan Share

Throughout the year 2007 the stock markets in general were very volatile and there was a clear differentiation between large caps and mid as well as small caps. The large caps measured by the DAX gained +22% whereas the mid-cap segment increased by 5% only and the small-caps faced a 7% decline.

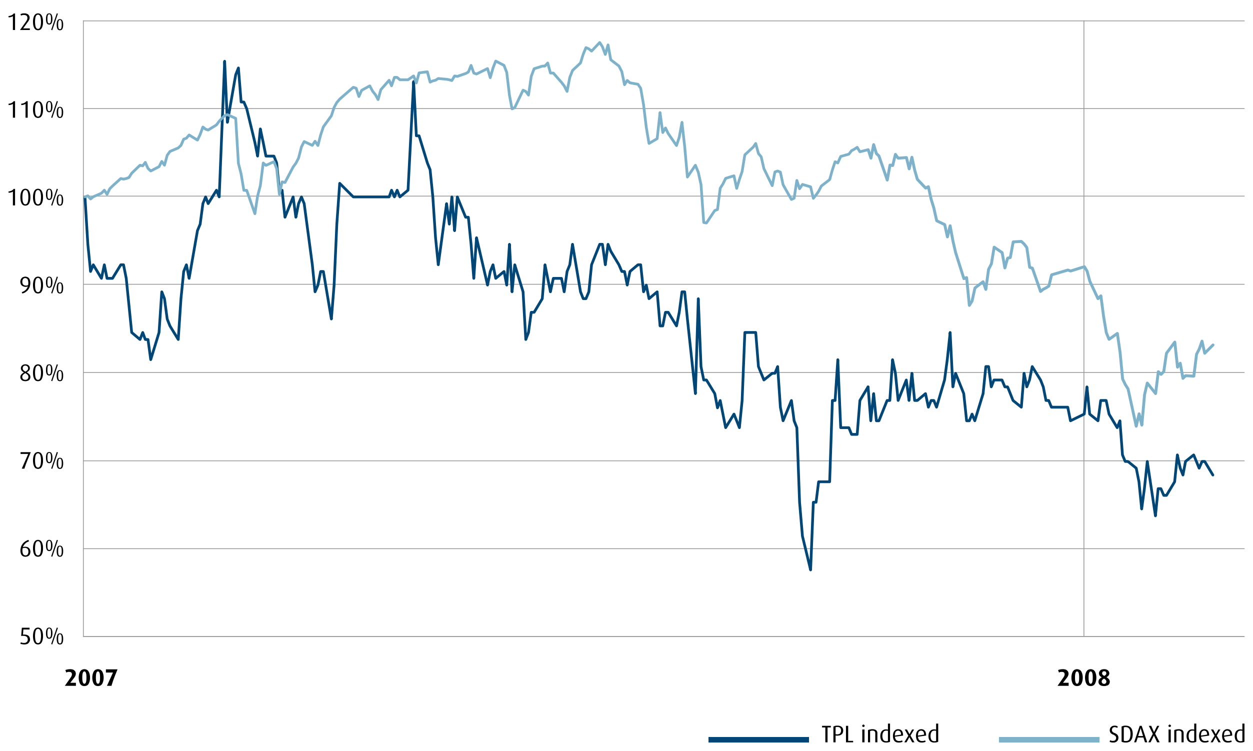
Performance of the Teleplan share 2007 did not reflect the operational performance in 2007. In January and February 2008 the share price could not escape from the volatile market environment and developed in line with the SDAX.

The Management Board will continue to intensify contacts with shareholders, potential investors, financial analysts, and business journalists in continental Europe and the UK. To follow this target of expanding and rebuilding contact with our investors Teleplan is organizing road shows at the main financial centres across Europe. These road shows will be supported by various additional individual meetings with analysts and investors. In addition to reaching out to institutional investors the road shows are also combined with intensified press contacts. Moreover Teleplan is extending coverage from both "buy side" and "sell side" analysts to generate a broader spectrum of opinion. Currently the two investment banks SES Research and Berenberg Bank permanently cover the Teleplan share. In mid November the Teleplan Management Board participated in the German Equity Capital Conference in Frankfurt/Main. The main focus of attention is on analysts and investors who cover primarily technology stocks and small- and mid-cap companies.

Teleplan's Annual Report 2006 has been awarded by the independent jury of the League of American Communications Professionals (LACP) at the Annual Report Competition "2006 Vision Awards". This underpins our commitment to a close and open dialogue with the financial community which will help to provide insight into the Group's operational business and supports the positioning of Teleplan as a transparent

Teleplan vs. SDAX

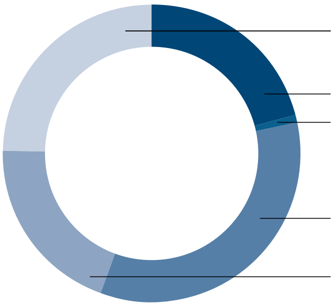
Development of Teleplan share price indexed



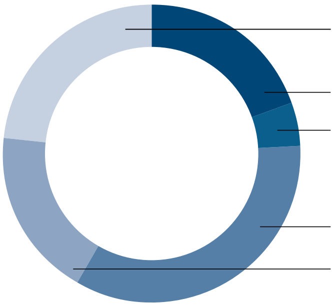
and capital market oriented company. The Teleplan website offers a platform containing a wide range of detailed and up to date information, combined with regular quarterly results conference calls and press releases. Teleplan continues to aim for re-entry into the SDAX as a medium-term target. The Management Board is convinced that the successful turnaround in 2007, continuing positive results and the accomplished restructuring will reinforce investor's confidence in Teleplan and thus lead to a more adequate valuation at the stock market.

Conversion of outstanding bonds, issuance of shares and the exercise of warrants all served to increase share capital by approximately 4.4 million Euro and the number of shares outstanding to around 59.8 million as of December 31, 2007. Two of the Company's main shareholders expanded their holdings whereas one institutional investor sold its stake in the course of 2007. As a result the free float decreased to around 34%. As of year-end the management held 0.9% of the shares outstanding.

Shareholders' structure 2007*



Fully diluted (63.8 million shares)*



** as estimated by the Company*

Key share data

ISIN	NL0000229458
Ticker Symbol	TPL
Reuters Instrument Code	TELP.DE
Bloomberg Instrument Code	TPL:GR
Trading Segment	Prime Standard
Prime Sector	Industrial
Industry Group	Industrial Product & Services
Indices	Prime All Share, Classic All Share
Designated Sponsor	VEM Aktienbank AG
Subscribed Capital as of December 31, 2007	14,959,465 Euro
Class of Shares	Bearer Shares

In Euro	2007	2006	2005	2004	2003
Year end [XETRA]	0.97	1.28	2.14	1.40	4.60
Year high	1.52	2.28	2.66	5.19	8.44
Year low	0.75	1.15	1.31	1.11	3.37
Market capitalization [Year end] million Euro	58.0	54.1	71.8	45.1	114.3
No. of shares traded on average per day [XETRA+Floor]	83,312	52,703	144,107	132,408	526,226
No. of shares outstanding million	59.8	42.3	33.5	32.2	24.8
Earnings Per Share [EPS], basic	0.06	– 0.21	– 0.48	– 2.89	– 1.70
Earnings Per Share [EPS], fully diluted	0.06	– 0.21	– 0.48	– 2.89	– 1.70
Cash Flow Per Share [CFPS]	0.22	0.19	0.30	– 0.87	1.10

A Comprehensive Business Model

Our business model is focused on serving all areas of information, education, entertainment and communication markets. Business units are organized to serve the increasing product range within the segments of Computer, Communication and Consumer Electronics.

In addition to maintaining close contact with our customers, our extensive know-how allows us to provide customized solutions according to their individual and often complex business needs.

Corporate Strategy

ECONOMIC AND BUSINESS ENVIRONMENT

Growth of the global economy in 2007 remained steady at 5.0%, down only one tenth of a percent from the previous year. However, the International Monetary Fund reported in its World Economic Outlook Update from January 2008 that the growth of the world economy slowed considerably in the last three months of 2007, albeit after a stronger third quarter than had previously been expected.

In January 2008 the IMF reported that, in spite of the fact that 2007 did yield some bad news for markets in parts of the industrialized world, several emerging markets and developing countries continue to show strong growth. This particularly pertains to economic giants such as China and India. In China, growth in the year under review came out to 11.4%. The report states that "growth in emerging market economies that are heavily dependent on capital inflows could be particularly affected, while the strong momentum of domestic demand in some emerging market economies provides upside potential."

The IT and telecommunications industries remain key growth markets in the overall global economy, particularly with the rise in prevalence of products from this sector in all areas of business and everyday life. By making this its focus and continuing to center its concentration on the digital convergence, Teleplan still finds itself in an industry characterized by high growth. The Company has an established market position, a visible market share and a growing portfolio of global blue-chip customers.

With the trend of growth away from industrialized economies such as the U.S. and towards emerging markets, the key to success lies in making the Company more global overall and therefore able to adapt to shifts in global economic trends. In geographic terms, Teleplan improved upon the expansion it began in 2006 with a Consumer Electronics plant in Prague and a Communications plant in Shanghai by opening up another new location in 2007, this time in Jakarta, Indonesia. Plans for 2008 involve further openings in Asia. Not only have these steps been effective in reducing the total operating expenses from 59.3% in 2006 to 51.3% in 2007, but they provide Teleplan with access to the high growth emerging markets.

The global electronics equipment market volume in 2007 was worth USD 1.3 trillion. The market is made up of the defense/industrial, automotive, medical, computer, communications and consumer sectors, the latter three being the focus of Teleplan's business model. These three segments are internally referred to as the "3C's". The "3C's" respective global market shares of 24%, 24% and 23% of the global electronics equipment market contribute to an industry worth a total of USD 900 billion (600 billion Euro). The global Computer, Communications and Consumer Electronics markets together produced an after sales market volume of USD 26 billion in 2007, derived from a 2.8 – 2.9 percent warranty claims rate on average. Teleplan is focused on the USD 7 billion of this after sales market pertaining to the field of depot repair. In the year under review Teleplan increased its share of this heavily fragmented market to 6% (previous year 5%).

The main sources of growth within the industry were personal computers and notebooks, mobile phones, network and gaming, and this growth was enhanced by the continuing and intensifying move towards mobility. This move connects different uses for the multitude of products offered, particularly with personal computers and mobile telephones used beyond their information and communication capabilities, but also for increasing video games, music and movies capability. Manufacturers in these fields must tailor to the growing popularity of products offering all of these services in order to keep up with the competition.

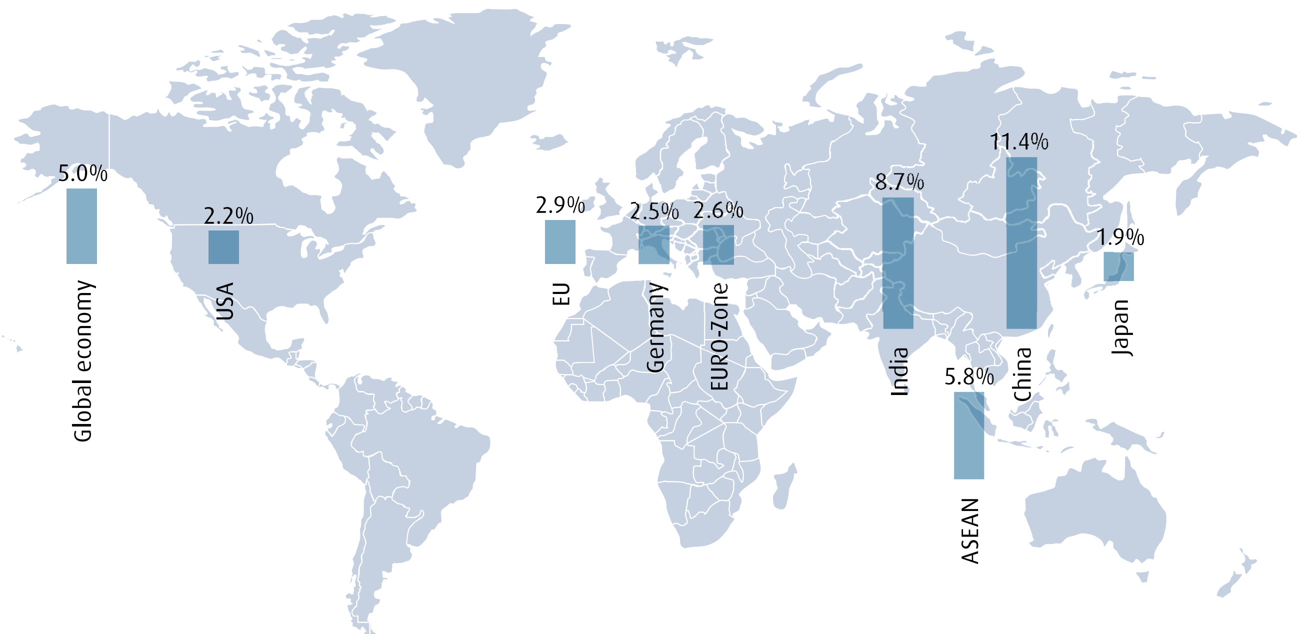
This horizontal integration across communication and entertainment capabilities serve to increase the technical complexity of products. A major part of keeping up with the rapid trends of innovation is manufacturing products that are smaller, faster and easier to use. As most large manufacturers of electronics and IT equipment have made this techological innovation part of their core business, the trend towards outsourcing after sales services not included in their core areas of expertise is growing, and the suppliers of such services must feature high levels of technological know-how.

In respect of the representation of Teleplan's "3C's", the Computer segment continues to be the largest contributor of revenues with a total share of 48% (previous year 55%); next the Consumer Electronics segment 29% (previous year 21%) followed by Communication with 23% (previous year 24%). A shift in the pattern of major orders resulted in Consumer Electronics overtaking Communication in 2007 in terms of contribution to the Group revenues.

The sustainable nature of growth in the global information technology and communications industries combined with digital convergence provide Teleplan with an environment to build on current expansion. As the 5.0% growth of the global economy in the year under review is expected to slow to 4.1% in 2008, the challenge for the future lies in focusing on the geographic areas and technical fields still posting good growth and improving efficiency.

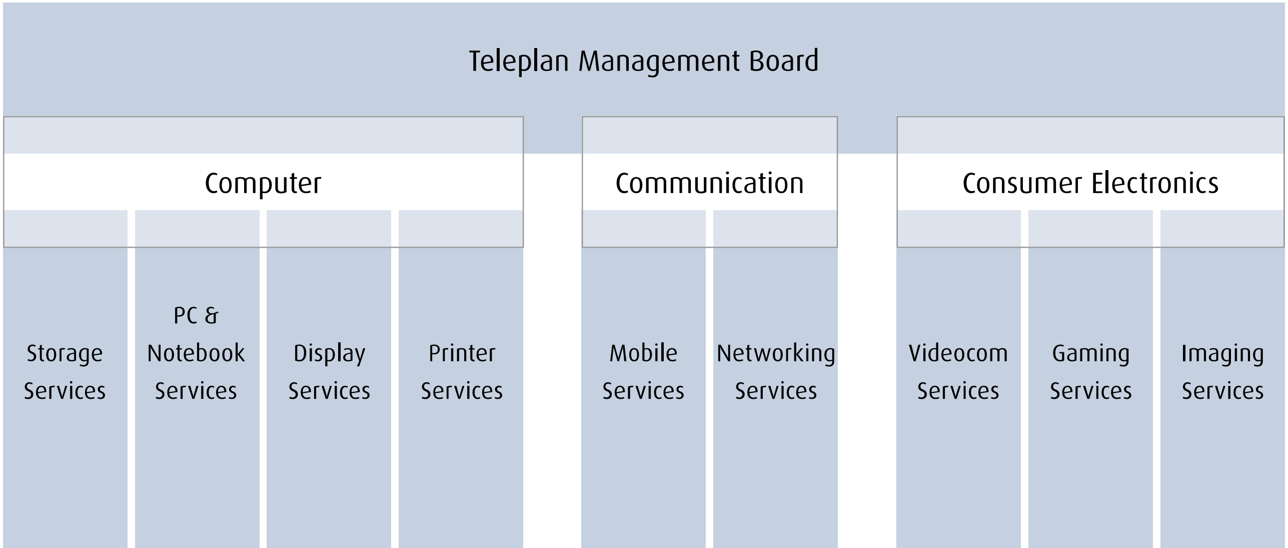
Economic and Business Environment

Growth rates 2007



Sources: IMF International Monetary Fund, World Economic Outlook 01/2008
EUROSTAT, Growth rate real GDP 03/2008
Statistisches Bundesamt Deutschland 02/2008

The "3C's" with its nine product groups



SEGMENT DEVELOPMENT "3C's"

Teleplan's "3C's" referring to the three segments of Computer, Communication and Consumer Electronics make up the core of its business model. The activities in each of the segments are grouped to enable Teleplan to adapt its focus to the needs of the customer and the lines of business.

Each segment is divided into product groups: Storage, PC & Notebook, Display and Printer (Computer), Mobile and Networking (Communication) and Videocom, Gaming and Imaging (Consumer Electronics). In recent years the Group also introduced key account management for international customers, to further support total customer service management.

Computer

In 2007 the Computer segment was again the biggest contributor to Group revenues with 48%. While Storage and Display had a year of stagnation, increasing rates of outsourcing continued to benefit PC & Notebooks. Printers have shown stable growth with new business added in North America and Europe.

Communication

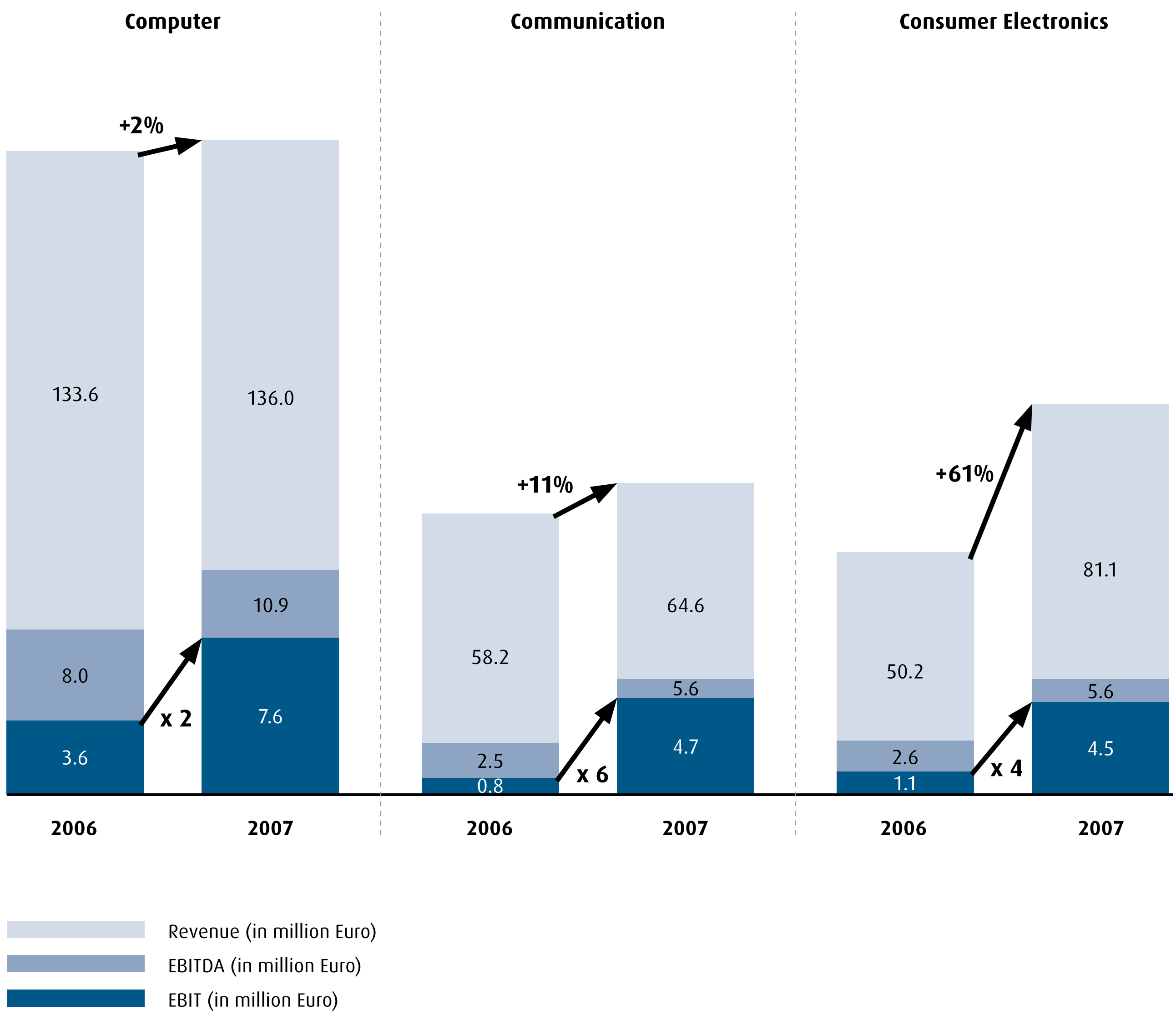
Communication segment generated 23% of the Group's revenues in 2007. Both product groups in this segment, which focus on servicing mobile phones and network equipment, performed well and the portfolio of customers in the segment has expanded. Going forward Teleplan will follow this strategy.

Consumer Electronics

2007 marked a year in which the Consumer Electronics segment overtook the Communication segment in terms of revenue contribution to the Group (29% in 2007). A particular strength has been set top box repair and game console repair markets. Videocom outperformed expectations, enhanced by a shift in operations from North America to Mexico.

The topline performance of the Gaming product group grew significantly in mid–2007. A new location was opened in Prague at the end of 2006. The number of repairs for gaming consoles is up and the Company aims to capitalize on this growth. Finally in the Imaging product group, a reduction in staff costs and other operating expenses contributed to bottom line growth, but significant progress is still needed here to increase revenues in the future.

Revenue growth shows significant operating earnings increase



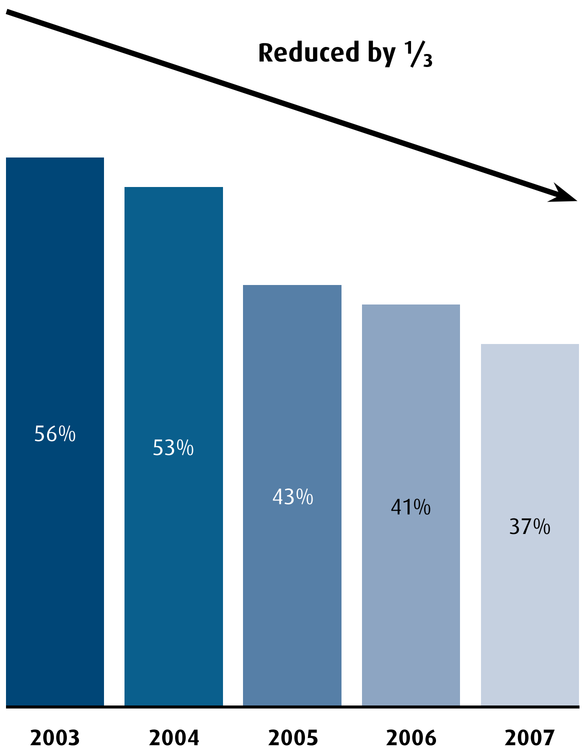
ANALYSIS OF FINANCIAL STATEMENTS

Analysis of the Profit & Loss Account

Revenues for the financial year 2007 amounted to 281.7 million Euro compared to 242.0 million Euro in 2006, representing a 16.4% growth. This represents an acceleration of the 8% growth rate on a like for like basis reported in 2006. The Consumer Electronics segment is the largest contributor to the revenue growth with a strong and growing gaming product group which doubled in size in 2007. The new Shanghai site has also contributed to top line growth. On a constant USD/Euro exchange rate basis revenue growth would have been 20%.

Shrinking personnel costs as percentage of revenues

Reduction of total personnel costs from 163.8 million Euro in 2003 to 104.5 million Euro in 2007



Cost of materials, packaging and transport, as a percentage of revenues, increased from 38.6% in 2006 to 40.8% in 2007. This is the result of customer programs changing from a consigned model to a purchase model. Under the purchase model, Teleplan directly purchases the parts required in the repair process. The re-invoicing of transportation cost represented a higher proportion of total revenue than in 2006. Personnel costs, as a percentage of revenues, have decreased from 41.0% in 2006 to 37.1% in 2007. This is the result of the restructuring measures taken in 2006 as well as the aforementioned higher logistics revenue. Other operating costs decreased by 4.2 million Euro, excluding a 7.8 million Euro restructuring cost incurred in 2006. Underlying other operating costs increased in 2007 by 3.6 million Euro, year on year. This cost increase is primarily the result of accelerated growth of the Prague site and start-up costs for the Jakarta site. As a consequence of improved operating efficiency, and the contribution from new activities, earnings before interest, taxes, depreciation, and amortization (EBITDA) increased to 22.1 million Euro versus 5.2 million Euro achieved in 2006.

Depreciation of property, plant & equipment decreased to 4.2 million Euro in 2007. This decrease is mainly the result of the reduced volume of capital expenditures during the restructuring phase in 2005 and 2006. Operating income (EBIT) as reported for 2007 was 16.8 million Euro, a substantial improvement over the EBIT loss of –2.3 million Euro reported in 2006.

Financial expenses increased by 7.4 million Euro to 12.9 million Euro due to the cost of the refinancing completed in 2007. Total cost associated with the refinancing amount to 4.5 million Euro and covered termination costs of the previous facilities and fees paid in connection with establishing the new facilities. Net income was 3.6 million Euro in 2007, compared with –8.1 million Euro in 2006. Net income per share improved to 0.06 Euro in 2007 compared with –0.21 Euro reported in the previous year.

Discussion of Cash Flow and the Balance Sheet

Cash generated from operations amounted to 12.4 million Euro versus 7.3 million Euro in 2006. Excluding a payment made in 2007 of 6.2 million Euro in connection with a restructuring case fully provided for in the previous year, cash generated from operations would have been 18.6 million Euro representing a substantial improvement over 2006. Restructuring payments in 2006 did not exceed 1.0 million Euro. Net cash from operating activities, after financial expenses and taxes paid was 5.1 million Euro in 2007, compared with 1.0 million Euro in 2006. In 2007, other financial expenses paid include a fee paid to the previous lending group upon termination of the old borrowings facility. Excluding both non-recurring elements in 2007, net cash from operating activities is 12.1 million Euro, again representing a substantial improvement over 2006.

Capital expenditure in 2007 amounted to 3.2 million Euro, a similar level to that of 2006 (3.4 million Euro). Depreciation totaled 4.2 million Euro in 2007, compared with 5.4 million Euro in the prior year.

Cash from financing activities resulted mainly from the issuance of shares in April 2007. The refinancing provided the Company with a 80 million Euro total facility out of which 70 million Euro was utilized as of 31 December 2007. Financial expenses of 6.6 million Euro for both termination of the previous loan facilities and fees and expenses in connection with establishing the new facilities were incurred in the year under review.

Cash from operations, net of investments in property plant and equipment and the cash inflow from the issuance of shares increased cash from 10.6 million Euro as of 31 December 2006 to 15.5 million Euro at the end of the current reporting year.

Total assets as of 31 December 2007 remained at a similar level to 2006 despite significant growth of the business in 2007. The decrease of intangible assets is the result of the normal annual amortization of the Group's ERP software and exchange rate differences related to goodwill. With effect from 1 January 2007, the Company has increased the useful life of its ERP system from 2.5 years to 5 years. A further decrease of non-current assets in 2007 amounting to 5.0 million Euro was achieved, continuing the previous year's trend when a reduction of 7.9 million Euro was reported.

Total current assets, excluding cash, increased by 1.6 million Euro to 69.0 million Euro as of 31 December 2007. This was mainly due to an increase in receivables which was partially offset by a decrease in inventories. In contrast, to the absolute increase in receivables, the continued organizational focus on collection of trade receivables and reducing levels of un-invoiced revenues has resulted in an improvement in days sales outstanding performance from a level of 63 days at 31 December 2006 to 50 days at the end of the current reporting period. Inventories have decreased as a result of improved materials management, liquidation of excess stock and success in returning excess inventory to both customers and vendors.

Total equity increased from 12.2 million Euro in 2006 to 25.3 million Euro in 2007 mainly due to the issuance of 6.0 million Euro shares and the conversion of 7.4 million Euro convertible bonds into shares. The foreign currency translation impact in 2007 resulted in a decrease to equity of 3.8 million Euro, mainly due to the US Dollar exchange rate variance in 2007. Total equity as a percentage of the balance sheet total more than doubled to 16.9% in 2007 versus 8.2% in 2006.

Total liabilities decreased by 11.7 million Euro to 124.6 million Euro. Non-current liabilities increased due to the new borrowings facility replacing the previous short-term facility. The new facility has brought long-term stability to the Group and brings current liabilities back to a level more in line with current assets excluding cash. In contrast with the Group's substantial growth in 2007, trade and other payables grew by only 4.5%. This is due largely to a decrease in days payable outstanding, from 62 at year end 2006, to 54 at the end of 2007 bringing payments terms in line with the group's long term target.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

No events to be mentioned have taken place since the end of the financial year.

OUTLOOK

The global electronics equipment market grew nearly in line with expectations in 2007 at 4.9%. This figure is expected to be between 4-5% in the coming year.

Strong growth continues in emerging markets and developing regions such as Asia and Eastern Europe. In 2007, for the first time, these regions posted the greatest country-level contributions to global growth in term of purchasing-power parity. In addition, the global IT & telecommunications industry is and will remain one of the key growth markets of the world economy and will, therefore, be affected less by slowing economic prospects. With its established market position, a visible market share and a portfolio of blue chip customers that operate around the globe Teleplan should continue to benefit from these prospects.

The ongoing trend of outsourcing, which has become increasingly important to the market, supports this development. Manufacturers are moving away from performing warranty management and after sales services themselves, as they are perceived to have lower margins compared to their respective core businesses. When not part of a company's core competencies, the services also tie up important resources and lack economies of scale that make the business efficient. As such, the penetration rate of outsourcing is expected to double within the next 10 years. The outsourced after sales service market is also growing faster than the underlying electronics market.

Future Prospects Based on Teleplan's Business Model and Performance

At the beginning of 2006 Teleplan introduced the "3C's" business unit structure. The aim in doing so was to shift the business focus away from its geographic presence and more towards the different areas of technological expertise as well as global Key Account Management. This was supplemented by an ongoing geographic expansion and improved logistical solutions in order not to lose sight of the importance of a global presence.

The result has been greater focus on developing the business on a global scale, which will prove an advantage and even a necessity as regions like Asia become the new global giants. Additional efforts on the part of the Company will be needed to keep up in this regard. After the Company's earlier guidance of 2007 was confirmed with high single-digit growth and a high single-digit EBITDA percentage, Teleplan is optimistic that the market will continue offering opportunities for growth.

The Company has assumed a Euro/USD exchange rate of 1.50 for 2008. Further productivity enhancing projects on all cost lines have been initiated and are expected to contribute to the improvement of the bottom line. Moreover, noticeable enhancements are expected to be made for the top and bottom lines in each of the "3C's". Finally, the Company aims to increase its capital expenditures in the coming year to accompany the new revenue opportunities and pilot projects following strategy initiatives, and the headcount should grow beyond 6,500 employees.

As seen in the past, efficiency improvements and substantially lower costs resulting from the transition from high-cost to low-cost countries will continue in 2008 and contribute to sustainable profit growth. New contracts are currently being discussed and concluded with some of the Company's key customers. Finally, Teleplan's focus on rising efficiency as well as growth in all three of its segments through its technological expertise, quality service and world class execution should enable it to continue gaining market shares in spite of uncertain economic developments.

ADDITIONAL DISCLOSURES

The German Act implementing Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonization of transparency requirements (Transparency Directive Implementing Act) extended the reporting obligations of issuers whose securities are admitted to trading on a regulated market in a member state of the European Union.

The Company's authorized share capital amounts to 15,950,000 Euro and is divided into 63,800,000 shares. Each share is an ordinary bearer share with a par value of 0.25 Euro and carrying full dividend rights in accordance with the Company's Articles of Association. Each share must be paid in full upon issue.

Each share entitles to cast one vote at the General Meeting of Shareholders, except for shares belonging to the Company or a subsidiary of the Company.

Direct or indirect stakes in the share capital of the Company exceeding 10 per cent of voting rights existed as of 31 December 2007, as estimated by the Company, in favour of Cycladic Catalyst Master Fund (with a stake of 23.9%), Sterling Strategic Value Limited (with a stake of 21.0%) and Absolute Capital Funds (with a stake of 19.6%).

The appointment, suspension and dismissal of members of the Management Board are effected by the General Meeting of Shareholders in accordance with the Articles of Association of the Company. Resolutions with regard to the amendment of the Articles of Association of the Company may only be passed by the General Meeting of Shareholders on a prior proposal to that extent of the Management Board, which proposal is subject to the prior approval of the Supervisory Board.

The issue of shares shall be effected pursuant to a resolution of the General Meeting of Shareholders or of the Management Board if it has been designated for that purpose. Any resolution of the Management Board to issue shares, if designated to do so, is subject to the prior approval of the Supervisory Board. Currently, the Management Board is authorized, subject to the approval of the Supervisory Board and within the limits of the authorized share capital, to issue shares and grant rights to acquire shares for a period until 30 June 2008. With regard to shares issued for the purpose of the management equity incentive plan of the Company, the Management Board is also authorized to cancel or limit pre-emptive rights upon the issue of shares and the granting of rights to acquire shares. The Company may acquire its own fully paid shares or depository receipts for shares for valuable consideration, subject to certain provisions of Dutch Law and the Articles of Association of the Company. Such acquisitions may only take place if the General Meeting of Shareholders has authorized the Management Board to that end, which is currently not the case.

The Company's borrowing facility agreements as well as most of the Company's commercial contracts contain standard change of control clauses under which some or all of the respective commitments may be cancelled.

The Company has entered into transaction bonus agreements with each member of the Management Board. In case of a change of control as a result of a take-over transaction, a reasonable part of in principle 5% of the transaction price, limited to a maximum amount of 4.5 million Euro in the aggregate, shall be allocated to the Management Board, further to be determined by the Company's Supervisory Board and under the condition subsequent of the General Meeting of Shareholders approving the compensation prior to the completion of the transaction.

Teleplan's business model is service and relationship driven – not price driven

Performance highlights as emphasized by customers*)

*) Q2/Q3 2007 study by Roland Berger about the stickiness of Teleplan's customers

Roland Berger interviewed all customers representing 60% of Teleplan's revenues

Continuing Efficiency

Key to offering quality service at competitive pricing is the mindset of permanent improvement to guarantee a high level of efficiency. This begins with excellent know-how in information technology, thus allowing us to operate rapidly without sacrificing quality. Start-up times are thereby minimized and costs are reduced. Our global presence with sites on four continents combined with top-quality logistical services gives us a prominent degree of scalability. Finally, our expansion to areas closer to the world's hardware production centers in Asia allows for even lower service costs.

Corporate Governance Report

COMPANY • STRUCTURE • MANAGEMENT

Teleplan subscribes to the basic principle stated in the Dutch Corporate Governance Code (the "Code") that a company is a long-term form of collaboration between the various stakeholders. The majority of the principles and best practice provisions are already common practice in the Company. Integrity, openness, supervision, transparent reporting and accountability are considered the pillars of Teleplan's corporate governance policy.

(I) COMPANY PROFILE

Teleplan International N.V. ("Teleplan") was incorporated under Dutch law as a public limited liability company (naamloze vennootschap) on 13 August 1998. Teleplan has its corporate seat in Amsterdam, the Netherlands, and its head office in Zoetermeer, the Netherlands. Teleplan is registered with the Commercial Register at the Chamber of Commerce and Industry for Haaglanden, the Netherlands, under no. 10044356. Teleplan's Articles of Association were most recently amended by a notarial deed executed on 23 March 2007. Teleplan's fiscal year coincides with the calendar year. Teleplan is listed in the Prime Standard of the German Stock Exchange and traded on (i) XETRA, (ii) the official markets in Frankfurt, and (iii) the regulated unofficial markets in Berlin, Bremen, Düsseldorf, Hamburg, Munich, and Stuttgart.

(II) STRUCTURE

Teleplan has a two-tier board structure. Teleplan's Management Board is collectively responsible for the management of Teleplan and thus for the realization of Teleplan's (strategic) objectives and for its strategy and policy. Teleplan's Supervisory Board is responsible for supervising and advising the Management Board, and for supervising the general performance of the Company. By supervising and advising the Management Board, the Supervisory Board also monitors the general affairs of the affiliated enterprises of the Company. The Supervisory Board has been carefully selected to include Members with a background and experience in fields that are related to Teleplan's core activities and international experience in the foreign markets in which Teleplan is active. The Supervisory Board is assisted by the Company Secretary.

The Supervisory Board's supervision concentrates on the realization of Teleplan's objectives, its strategy and the implementation thereof. Furthermore, the Supervisory Board monitors the design and operation of the internal risk management and control systems. Supervisory Board approval is required for certain Management Board resolutions as reflected in Teleplan's Articles of Association and in the respective rules and regulations of both the Supervisory Board and the Management Board. Currently, the Supervisory Board has not appointed any committees from among its Members.

Teleplan's General Meeting of Shareholders has the power to appoint, suspend and dismiss the Members of the Management Board and the Members of the Supervisory Board. The approval of the General Meeting of Shareholders is required for decisions by the Management Board leading to an important change in Teleplan's or its business enterprise's identity or character, as regulated in the Company's Articles of Association. Furthermore the General Meeting of Shareholders resolves upon alterations of the Articles of Association, legal mergers or demergers, the adoption of the financial statements and the profit appropriation. Finally, the General Meeting of Shareholders sets the remuneration policy for the Management Board, determines the remuneration of the Members of the Supervisory Board, and may additionally remunerate the Members of any Supervisory Board committees for their services.

(III) DUTCH CORPORATE GOVERNANCE CODE

Dutch companies listed at a government-recognized stock exchange, whether in the Netherlands or elsewhere, are required to dedicate a chapter in their annual report to their compliance with the Code. Each company must indicate in its annual report to what extent it has complied with the principles and best practice provisions of the Code, and if not, give explanation. This is called the "comply or explain" principle.

Teleplan subscribes to the basic principle stated in the Code that a company is a long-term form of collaboration between the various stakeholders. The majority of the principles and best practice provisions of the Code are already common practice in the Company.

Integrity, openness, supervision, transparent reporting and accountability are considered the pillars of Teleplan's corporate governance policy. Therefore, it is Teleplan's pursuit to ensure that its practice and procedures shall comply to the extent possible and desirable with the Code, taking into account the specific circumstances of the Company.

During 2007, Teleplan has continued to align its practice and procedures to the Code and to the recommendations made by the Monitoring Committee Corporate Governance (Committee Frijns).

(IV) COMPLIANCE WITH AND ENFORCEMENT OF THE CODE

After evaluation of its corporate governance in light of the principles and best practice provisions set out in the Code, Teleplan concluded that, in 2007, it has substantially complied with the principles and best practice provisions, in so far as they are applicable to it. There are, however, a few exceptions, of which the most important ones are listed below. The numbering in this section follows the structure of the Code.

In relation to the Management Board

Best Practice provision II.1.3 (Implementation of an internal risk management and control system)

Teleplan is in the process of finalizing a code of conduct which, once finalized, will be published on Teleplan's website.

In relation to the Supervisory Board

Best Practice provision III.2.1 (Independence of Supervisory Board Members)

Currently, two Members of Teleplan's Supervisory Board are not independent within the meaning of best practice provision III.2.2 of the Code. As a result of his previous appointment as Member of the Management Board of the Company in the years 2004 and 2005, Mr. Rolf Huber is deemed not to be independent according to best practice provision III.2.2(a) of the Code. As Managing Partner and Chief Investment Officer of Cycladic Capital LLC, an investment management firm managing one of the Company's major shareholders (Cycladic Catalyst Master Fund), Mr. Dimitri Goulandris is deemed not to be independent according to best practice provision III.2.2(f) of the Code.

At its meeting of 21 March 2007, the General Meeting of Shareholders amended the Articles of Association of the Company accordingly, and appointed both Mr. Huber and Mr. Goulandris as Members of the Supervisory Board. Teleplan is of the opinion that in view of their knowledge and experience, such appointment was in the best interest of the Company.

Best Practice principle III.5 (Composition and role of three key committees of the Supervisory Board)

In 2007, amongst others due to the frequency of meetings in which all Members were present, the Supervisory Board resolved not to appoint any committees. The duties previously carried out by the Company's Audit Committee and by the combined Remuneration, Selection and Appointment Committee were carried out by the entire Supervisory Board. The Supervisory Board, however, appointed special delegates from among its Members with regard to the topics Human Resources, Strategy, Finance and Investor Relations. Whereas each delegate specifically focused on his topic and reported to the other Supervisory Board Members, all deliberations, findings and decisions were taken by the whole Supervisory Board.

Best Practice provision III.7.1 (Remuneration)

In 2007, two Members of the Supervisory Board elected to receive their entire annual remuneration in the form of rights to ordinary shares of the Company. For this purpose, 150,000 stock options were granted. The possibility to elect to receive stock options as remuneration was authorized by the General Meeting of Shareholders held on 21 March 2007.

In relation to the shareholders and General Meeting of Shareholders

Best Practice provision IV.3.6 (Posting of information on website which the company is required to publish or deposit)

Teleplan is currently updating its website and will continue to do so in 2008. It is expected that all relevant information required to be posted will be available later this year.

(V) RISK MANAGEMENT

Risk Management Approach

The Management Board views risk management as an integral part of running Teleplan's business. It is responsible for ensuring that the Company complies with applicable laws and regulations, for properly financing the Company and managing the risks that the Company is facing. It periodically reports on and accounts for internal risk management and control systems to the Supervisory Board.

Risk Profile

Under the explicit understanding that this is not an exhaustive enumeration, Teleplan faces the following main business risks, not listed in order of importance:

- Rapid developments in the IT and telecommunication industry, which may adversely affect Teleplan's services;
- Dependence on the outsourcing trends by manufacturers and integrators and on continued consumer demand for in-warranty and after sales service;
- Limited entrance barriers for new competitors and consolidation by existing competitors in certain business units;
- Greater complexity than anticipated when integrating prior acquisitions and managing restructurings;
- Dependence on a limited number of key customers in certain sites;
- Suboptimal capacity planning and usage due to the unpredictability of the volume of repair services demanded;
- Dependence on key personnel;
- Foreign exchange and interest rate exposure;
- Inability to comply with financing covenants.

There may be current risks that the Company has not fully assessed or that are currently identified as not having a significant impact on the business, but which could in a later stage develop into a significant potential impact on the Company's business. The current risk management and control systems and the planned improvements (see below) are aimed at timely discovery of those developments.

Effectiveness

The proper design of risk management and control systems reduces but cannot fully eliminate the possibility of poor judgment in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances. The Management Board is aware of the fact that the risk management and control systems can only provide reasonable assurance that objectives will be met in the areas of strategy, operations, reporting and compliance, also due to cost/benefit considerations regarding possible risk responses. In this context "reasonable assurance" refers to the degree of certainty that would be satisfactory for a prudent manager in the management of her/his affairs in the given circumstances.

Taking into consideration the above limitations, the Management Board is of the opinion that the internal reporting mechanisms, the planning and control cycle and the existing charters, policies, procedures, instructions and manuals provide reasonable assurance that, as to financial reporting:

- it does not contain any material inaccuracies;
- the internal risk management and control systems worked properly during 2007;
- there are no indications that they will not work properly in 2008.

Control Systems

The Management Board is responsible for managing the risks the Company is facing. The Company's internal risk management and control systems include the following key elements:

- The structure of the Company is such that everyone's responsibility is clearly defined and results are measurable. In 2007, the market oriented business unit structure ("3C's") continued to support this philosophy;
- Market coverage and market analysis on business unit level, in order to identify developments and trends in the industry, to react on changing customer demand as well as to acquire new customers;
- Regular strategic meetings on corporate and business unit level pointed at preserving and expanding the competitiveness of the Company, and at possible strategic acquisitions and restructurings and the integration thereof;
- Local management provides representation letters regarding their financial reporting;
- Monitoring of the operations is achieved through monthly performance reviews by the Management Board, in which the efficiency program has played an important role. These reviews also addressed capacity planning and effective HR management;
- A planning and control cycle is in place. Regular budget-forecast-actuals variance analyses are made. Financial Key Performance Indicators (KPI's) have been formalized for the Company;
- The treasury function operates according to formalized procedures;
- The Company takes recommendations by the external auditors seriously;
- The Company's centralized data center has been outsourced to a large professional partner;
- It is common practice that customers conduct site or program audits. In addition, quarterly business reviews are performed together with major customers.

The review of the Company's risk management and control systems was effectively done by the Company's internal auditor and through periodical operations reviews by the Management Board. The findings and results were discussed between the Management Board and the Supervisory Board.

Weaknesses and failings

The Company has not identified material weaknesses or failings regarding the achievement of the Reporting, Strategic, Operational and Compliance objectives. The achievement of these objectives in 2008 will be further secured through the implementation and further application of the improvements discussed in the next paragraph.

Improvements planned

Teleplan will continue to further formalize the relevant policies and procedures. In pursuing continuous improvement of the adequacy and effectiveness of the risk management and control system, the continued emphasis will be on the following during 2008:

- Further formalizing and improving internal representations from various management levels through adapted regulations;
- Through the implementation and application of both internal and external authority regulations, the efficiency of the control system will be further improved;
- Implementation of a code of conduct;
- Improving the employee performance review process through standardized processes and procedures linked to the performance of the individual employees and adaptable to the needs of the organization;
- Further monitoring of the embedded risk and control reporting in the existing management information process;
- Increasing the formalization and rationalization of the financial statement closing process;
- Detailed reporting from the Group's internal auditor, with regular updates to the Supervisory Board and subsequent discussions;
- Further improving customer profitability and program analysis through a more integrated reporting structure on business unit and site level, thereby generating more consistent management information.

The above points have been discussed with the Supervisory Board.

CONFLICTS OF INTEREST

On 21 March 2007 Teleplan agreed with its then lending group to extend the Company's credit facilities. This extension required amendments to the relevant financing agreements and to other transactions entered into by the Company in this respect (collectively the "Transactions").

In some cases, a director of Teleplan International N.V. was the director of certain subsidiaries of it as well. This indicated that there might have been a conflict of interest, and as a result thereof there was a risk that the Companies were not validly represented. To ensure that the Companies were validly represented for the entering into of the various amendment agreements relating to the Transactions, the General Meeting of Shareholders on 16 May 2007 appointed each managing director to be the Company's special representative, in which way representation of the Company in a (potential) conflict of interest situation was valid. Article 2:146 and 2:256 of the Dutch Civil Code provide for this.

No other (potential) conflicts of interests between Teleplan and its Members of the Management Board or between Teleplan and legal or natural persons who hold at least ten percent of the shares in Teleplan have been reported during the financial year 2007.

ANTI-TAKEOVER MEASURES

Teleplan does not have any other anti-takeover measures which exclusively or almost exclusively have the purpose to frustrate future public bids on the shares in the capital of Teleplan in case no agreement is reached with the Management Board on such public bid.

Furthermore, Teleplan does not have measures which specifically have the purpose that a bidder, also once it has acquired 75% of the shares in the capital of Teleplan, is frustrated in appointing or dismissing Members of the Management Board and subsequently amending the Articles of Association of Teleplan. For the avoidance of doubt it should be noted that also in the event of (an attempt to) a hostile takeover, the Management Board and the Supervisory Board are authorized to exercise in the interest of Teleplan all powers attributed to them.

Composition of the Supervisory Board

Mr. Adrian S. Schmassmann (1959)	Chairman
Nationality	Swiss
Date of initial appointment	19-08-2004
Occupation	Chairman of Katadyn Produkte AG, Switzerland
Board Memberships	Philipp Schwander AG, Switzerland
Current term	2007 – 2011

Mr. Dimitri J. Goulandris (1966)	
Nationality	Greek
Date of initial appointment	23-03-2007
Occupation	Managing Partner and Chief Investment Officer, Cycladic Capital LLP, U.K.
Board Memberships	Permasteelisa S.p.A., Italy Knightsbridge School Limited, U.K. Institute for Contemporary Arts, U.K.
Current term	2007 – 2011

Mr. Rolf Huber (1965)	
Nationality	Swiss
Date of initial appointment	23-03-2007
Occupation	Founder and Owner, Ceres Capital AG, Switzerland
Board Memberships	Caatoosee AG, Germany
Current term	2007 – 2011

Mr. Robert M. Westerhof (1943)	
Nationality	Dutch
Date of initial appointment	19-05-2006
Board Memberships	Nucletron N.V. (Chairman), Brand Loyalty, VKA & Associates, TCL Multimedia Ltd. TVIM (Brussels), MeDaVinci PLC.
Current term	2007 – 2011

Mr. Sigfridus J.L.H. van der Zee (1949)	
Nationality	Dutch
Date of initial appointment	19-08-2004
Occupation and Board Memberships	Board Member at Fairwind Ltd., Cyprus Management Consultant at BOVO N.V., Belgium
Current term	2007 – 2011

Report of the Supervisory Board

RESIGNATIONS, APPOINTMENTS

There were several changes in the composition of the Supervisory Board during the year 2007. Dr. G. Kellinghusen resigned from the Supervisory Board on 21 March 2007. At the Extraordinary General Meeting of Shareholders of 21 March 2007, Mr. Huber and Mr. Goulandris were appointed as Members of the Supervisory Board with effect as of 23 March 2007, whereas Mr. Schmassmann, Mr. Westerhof and Mr. van der Zee were reappointed as Supervisory Board Members.

During 2007, Teleplan did not comply with best practice provision III.2.1 of the Dutch Corporate Governance Code (the "Code"), requiring that all Supervisory Board Members shall be independent with the exception of not more than one Member. As a result of his previous appointment as Member of the Management Board of the Company in the years 2004 and 2005, Mr. Huber is deemed not to be independent according to best practice provision III.2.2(a) of the Code. As Managing Partner and Chief Investment Officer of Cycladic Capital LLC, an investment management firm managing one of the Company's major shareholders (Cycladic Catalyst Master Fund), Mr. Goulandris is deemed not to be independent according to best practice provision III.2.2(f) of the Code.

Financial Statements and Allocation of Net Result

Teleplan submits to the shareholders the financial statements and the report of the Management Board of the Company for the financial year 2007, as prepared by the Management Board and agreed by the Supervisory Board.

The 2007 financial statements were audited by Ernst & Young. The Auditors' Report appears on page 71. The 2007 financial statements were discussed between the Auditor, the Supervisory Board and the Management Board. Based on these discussions, the Supervisory Board believes that the 2007 financial statements represent the required correctness and transparency. The Supervisory Board considers that these financial statements form a good basis to account for the supervision provided and recommends that the shareholders of Teleplan adopt the financial statements for 2007 as presented in this Annual Report.

It is noted that due to the 2007 financial restructuring Teleplan is restricted in paying dividends to its shareholders. As to the net result over 2007, it is proposed to the Annual General Meeting of Shareholders to credit the relevant amount to the retained earnings reserve.

In addition, we request the shareholders at the coming Annual General Meeting of Shareholders to grant discharge to the Members of the Management Board for the performance of their management during 2007, and to the Members of the Supervisory Board for the performance of their supervision of the Management Board during 2007.

SUPERVISORY BOARD ACTIVITIES

Meetings and Attendance

During 2007, the Supervisory Board held thirteen meetings, four of which as conference calls. All meetings took place in the presence of the Management Board. In these meetings the Supervisory Board evaluated its procedures, working methods, its own functioning, the functioning of the Management Board and its individual Members, and its relationship with the Management Board. It also discussed the composition of the Supervisory Board. The Supervisory Board discussed all relevant issues in connection with Teleplan's performance, strategy, corporate governance, risk management and restructuring measures. Regular agenda items included: budget presentation, business and (financial) restructuring status, financial results, organization of shareholder's meetings, investor relations, initiatives, business unit presentations.

The Supervisory Board as a whole took over the tasks previously carried out by the Audit Committee and regularly discussed the financial statements, as well as Teleplan's Annual Report, internal and external control procedures, risk management, and the external auditor's performance and independence. In 2007, two Supervisory Board meetings were held in the presence of the Company's Auditor.

In 2007, the Supervisory Board as a whole took over the tasks previously carried out by the combined Remuneration, Selection and Appointment Committee and discussed the review and selection processes, as well as remuneration and remuneration policy for the Members of the Management Board, including personal targets.

Corporate Governance

During 2007, Teleplan has continued to review its existing regulations in the light of the Code and the recommendations made by the Monitoring Committee Corporate Governance Code (Committee Frijns). Teleplan has adopted or amended its rules and regulations accordingly, or will do so in 2008. For a detailed description of Teleplan's corporate governance reference is made to page 26.

Conflicts of interests

No (potential) conflicts of interests between Teleplan and Members of the Supervisory Board have been reported during the financial year 2007.

Committees

In the 2007 financial year, the Supervisory Board decided not to appoint any committees. The duties previously carried out by the Company's Audit Committee and by the combined Remuneration, Selection and Appointment Committee were carried out by the entire Supervisory Board. The Supervisory Board, however, appointed special delegates from among its Members with regard to the topics Human Resources, Strategy, Finance and Investor Relations. Whereas each delegate specifically focused on his topic and reported to the other Supervisory Board Members, all deliberations, findings and decisions were taken by the whole Supervisory Board.

Remuneration of the Supervisory Board

The General Meeting of Shareholders determines the remuneration of the Members of the Supervisory Board. In 2007, the General Meeting of Shareholders amended the remuneration for the Members of the Supervisory Board once, on 21 March 2007.

The Supervisory Board currently receives a fixed remuneration, being 60,000 Euro annually for the Chairman of the Supervisory Board and 40,000 Euro annually for each other Supervisory Board Member. There is no additional remuneration for committee memberships or delegate activities.

The Extraordinary General Meeting of Shareholders held on 21 March 2007 decided that Members of the Supervisory Board could, in deviation of the Code, elect to receive (part of) their compensation in options for ordinary shares in the Company, in lieu of (that part of) their cash compensation. In 2007, two Members of the Supervisory Board elected to receive their entire annual remuneration in the form of options for ordinary shares of the Company. For this purpose, 150,000 stock options were granted to Supervisory Board Members. For additional information with regard to the remuneration of the Supervisory Board during 2007, reference is made to page 66.

Remuneration Report and Policy

The Supervisory Board reviews the compensation and benefits for the Members of the Management Board, and authorizes the general compensation and benefit programs. For this purpose, the Supervisory Board considers, among other factors, the desired levels of remuneration and emphasis on particular aspects of Teleplan's short and long-term performance, and its current compensation and benefits structures and levels benchmarked against relevant peer companies.

Teleplan's remuneration policy was adopted by the Annual General Meeting of Shareholders on 19 May 2005. The policy including all structures and policies related to the remuneration and employment contracts of the Management Board was and is continuously being reviewed in light of the Code. The total remuneration package of the Members of the Management Board currently consists of five components: Base salary, performance-related (variable) annual cash incentive, performance-related (variable) stock option incentive, (pension) benefits, and pre-determined severance payments. For additional information with regard to the remuneration of the Management Board during 2007, reference is made to page 66.

Finally, the Supervisory Board acknowledges the contributions made by everyone associated with the Company during 2007, and expresses its appreciation in particular to all employees of Teleplan.

Zoetermeer, 21 April 2008
The Supervisory Board

More Transparent for the Customer

The ever-increasing prevalence of internet services has lifted the standards of transparency for our customers. We have established an online tracking service, e-TRAC, as a vital component of our repair services. This gives customers complete insight into our repair processes and effective reverse supply chains and allows them to access a wide range of IT reporting. e-TRAC closely connects multiple suppliers via our web-based electronic tracking, reporting and controlling portal. The service goes one step further in that it supports customers at all stages of contact by giving them access to our call centers.

Consolidated Income Statement

Amounts in thousands of Euro unless stated otherwise	Notes	2007	2006
Revenue	4	**281,698**	**241,982**
Raw materials and consumables used		115,063	93,348
Personnel costs	5	104,488	99,131
Other operating costs		40,087	44,314
EBITDA		**22,060**	**5,189**
Amortization of intangible fixed assets and impairment of goodwill	10	1,042	2,074
Depreciation of fixed assets	11	4,205	5,434
Operating income (EBIT)		**16,813**	**– 2,319**
Interest income		304	343
Interest expense and other financial charges		13,199	5,796
Financial expenses, net	6	12,895	5,453
Income before taxes		**3,918**	**– 7,772**
Income tax	7	314	306
Result for the year		**3,604**	**– 8,078**
Attributable to:			
Equity holders of the parent		3,604	– 8,078
Minority interests		–	–
		3,604	**– 8,078**
Earnings per share in Euro:	9		
Basic, for profit for the year attributable to ordinary equity holders of the parent		0.06	– 0.21
Fully diluted, for profit for the year attributable to ordinary equity holders of the parent		0.06	– 0.21

Consolidated Cash Flow Statement

Amounts in thousands of Euro unless stated otherwise	Notes	2007	2006
Operating Activities			
Profit/loss before tax from continuing operations		3,918	– 7,772
Profit/loss before tax		3,918	– 7,772
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and impairment of property plant & equipment	11	4,205	5,434
Amortization and impairment of intangible assets	10	1,042	2,074
Share - based payments expense	18	695	1,385
Finance and interest expense	6	12,895	5,453
		22,755	**6,574**
Movements in working capital			
Decrease/increase in inventories		– 1,994	993
Decrease/increase in trade and other receivables		– 3,855	3,075
Increase/decrease in trade and other payables		3,270	– 4,478
Movement in provisions and retirement benefit obligations		– 7,758	1,185
Cash generated from operations		**12,418**	**7,349**
Interest paid		– 5,515	– 4,939
Other financial expenses		– 1,565	– 717
Income taxes paid		– 204	– 709
Net cash from operating activities		**5,134**	**984**
Investing Activities			
Investment in property, plant and equipment	11	– 3,259	– 3,435
Disposal of property, plant and equipment	11	83	105
Investment in intangible assets	10	– 9	– 28
Net cash used in investing activities		**– 3,185**	**– 3,358**
Financing Activities			
Proceeds of borrowings		67,900	–
Repayment of borrowings		– 65,221	– 7,433
Fees and other charges in connection with refinancing	6	– 4,535	–
Issuance of shares	15	5,974	275
Exercise of warrants	15	75	120
Net cash from/used in financing activities		**4,193**	**– 7,038**
Net increase/decrease in cash and cash equivalents		6,142	– 9,412
Net foreign exchange rate difference		– 1,313	– 880
Cash and cash equivalents at 1 January		**10,626**	**20,918**
Cash and cash equivalents at 31 December	14	**15,455**	**10,626**

Consolidated Balance Sheet

Amounts in thousands of Euro unless stated otherwise	Notes	31 Dec 2007	31 Dec 2006
Assets			
Non-current assets			
Intangible assets	10	46,055	48,729
Property, plant & equipment	11	13,008	14,710
Deferred tax assets	7	6,327	6,915
Total non-current assets		**65,390**	**70,354**
Current assets			
Inventories	12	14,729	15,565
Trade and other receivables	13	50,390	49,297
Prepaid expenses		3,579	1,976
Current income tax		337	589
Cash and short-term deposits	14	15,455	10,626
Total current assets		**84,490**	**78,053**
Total assets		**149,880**	**148,407**

	Notes	31 Dec 2007	31 Dec 2006
Equity and Liabilities attributable to the equity holders of the parent			
Equity			
Issued capital	15	14,959	10,574
Share premium	15	156,044	141,579
Retained earnings		– 95,693	– 100,067
Currency translation reserve		– 50,596	– 46,777
Convertible bonds – equity component	16	0	5,450
Share warrants	17	1,325	1,400
Other reserves		– 720	–
Total equity		**25,319**	**12,159**
Minority interests	8	–	–
Non-current liabilities			
Long-term borrowings	19	65,768	0
Convertible bonds - debt component	16	0	7,123
Retirement benefit obligations	20	3,341	3,327
Provisions	21	1,002	1,688
Derivative financial instruments	26	720	–
Total non-current liabilities		**70,831**	**12,138**
Current liabilities			
Short-term borrowings	19	2,000	66,196
Trade and other payables	22	39,191	37,509
Accrued liabilities		8,961	9,394
Current income tax		1,564	1,732
Provisions	21	2,014	9,279
Total current liabilities		**53,730**	**124,110**
Total liabilities		**124,561**	**136,248**
Total equity and liabilities		**149,880**	**148,407**

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the parent							
Amounts in thousands of Euro	Share capital	Share premium	Retained earnings	Currency translation reserve	Convertible bonds	Share warrants	Other reserves	Total
Balance as of 1 January 2006	**8,388**	**134,717**	**– 93,494**	**– 40,045**	**9,273**	**1,520**	**–**	**20,359**
Currency translation adjustment	–	–	–	– 6,732	–	–	–	– 6,732
Total income and expense for the year recognized directly in equity	–	–	–	– 6,732	–	–	–	– 6,732
Net income 2006	–	–	– 8,078	–	–	–	–	– 8,078
Total income and expense for the year	–	–	– 8,078	– 6,732	–	–	–	– 14,810
Conversion of bonds into shares	2,124	6,529	–	–	– 3,823	–	–	4,830
Exercise of warrants	33	87	120	–	–	– 120	–	120
Issuance of shares	29	246	–	–	–	–	–	275
Share-based payment (Note 18)	–	–	1,385	–	–	–	–	1,385
Balance as of 31 December 2006	**10,574**	**141,579**	**– 100,067**	**– 46,777**	**5,450**	**1,400**	**–**	**12,159**
Balance as of 1 January 2007	**10,574**	**141,579**	**– 100,067**	**– 46,777**	**5,450**	**1,400**	**–**	**12,159**
Net loss on cash flow hedges	–	–	–	–	–	–	– 720	– 720
Currency translation adjustment	–	–	–	– 3,819	–	–	–	– 3,819
Total income and expense for the year recognized directly in equity	–	–	–	– 3,819	–	–	– 720	– 4,539
Net income 2007	–	–	3,604	–	–	–	–	3,604
Total income and expense for the year	–	–	3,604	– 3,819	–	–	– 720	– 935
Conversion of bonds into shares	3,007	9,794	–	–	– 5,450	–	–	7,351
Exercise of warrants	20	55	75	–	–	– 75	–	75
Issuance of shares	1,358	4,616	–	–	–	–	–	5,974
Share-based payment (Note 18)	–	–	695	–	–	–	–	695
Balance as of 31 December 2007	**14,959**	**156,044**	**– 95,693**	**– 50,596**	**–**	**1,325**	**– 720**	**25,319**

There is no difference between Total Equity and Equity Attributable to the equity holders of the parent because Minority Interests were negative as of 31 December 2007 and 2006 and therefore deducted from retained earnings in the year that the value became negative.

Notes to the Consolidated Financial Statements

NOTE 1 CORPORATE INFORMATION

The consolidated financial statements of Teleplan International N.V. ('Teleplan', the 'Company' or the 'Group') were authorized for issue in accordance with a resolution of the Supervisory Board on 21 April 2008. Teleplan International N.V. is a limited liability company incorporated on 13 August 1998 with the corporate seat in Amsterdam and the head office in Zoetermeer, the Netherlands. The shares of Teleplan are publicly traded.

The principal activities of the Group are described on Page 8 of this annual report.

NOTE 2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value as described further in the notes below. The consolidated financial statements are presented in Euros and all values are rounded to the nearest thousand Euro (000 Euro) except when otherwise indicated.

Statement of compliance
The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS). This report only comprises the consolidated financial statements and therefore does not constitute the Dutch statutory financial statements as required under Dutch law.

Basis of consolidation
The consolidated financial statements comprise the financial statements of Teleplan International N.V. and its subsidiaries as of 31 December of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company using consistent accounting policies.

All Intra-Group balances, transactions, income and expenses and profit and losses resulting from Intra-Group transactions are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. For a list of subsidiaries reference is made to note 24 of these financial statements.

Minority interests represent the portion of profit or loss and net assets in Teleplan Taiwan Ltd., Taiwan, and Teleplan Technologies KK, Japan, not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from equity attributable to the parent. Both companies are dormant companies which have gone into liquidation. The negative value of these minority interests is deducted from retained earnings in the year that the value became negative. Therefore minority interests in the consolidated balance sheet are zero.

NOTE 2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group 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 Group. They did however give rise to additional disclosures.

- IFRS 7 Financial Instruments: Disclosures
- IAS 1 Amendment – Presentation of Financial Statements
- IFRIC 8 Scope of IFRS 2
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 10 Interim Financial Reporting and Impairment

The principal effects of these changes in policies are discussed below.

IFRS 7 Financial Statements: Disclosures
This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from these financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results, comparative information has been revised where needed.

IAS 1 Presentation of Financial Statements
The amendment requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. The new disclosures are shown in Note 25.

IFRIC 8 Scope of IFRS 2
This interpretation requires IFRS 2 to be applied to any arrangements in which the entity cannot identify specifically some or all of the goods received, in particular where equity instruments are issued for consideration which appears to be less than fair value. As equity instruments are only issued to employees and directors in accordance with the Management Equity Incentive Plan, the interpretation had no impact on the financial position or performance of the Group.

IFRIC 9 Reassessment of Embedded Derivatives
IFRIC 9 states that the date to assess the existence of an embedded derivative is the date that 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. As the Group has no embedded derivative requiring separation from the host contract, the interpretation had no impact on the financial position or performance of the Group.

IFRIC 10 Interim Financial Reporting and Impairment
The Group adopted IFRIC interpretation 10 as of 1 January 2007, which requires that an entity must not reverse an impairment loss recognized in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. As the Group had no impairment losses previously reversed, the interpretation had no impact on the financial position or performance of the Group.

Future changes in accounting policies
The Group has not early adopted:

- IFRS 8 (Operating Segments)
- IFRIC 11 (IFRS 2 Group and Treasury Share Transactions)

The following standards are issued but not yet effective:

- IAS 23 (Borrowing Costs)
- IFRIC 12 (Service Concession Arrangements)
- IFRIC 13 (Customer Loyalty Programs)
- IFRIC 14/IAS 19 (The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)

NOTE 2.3 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill

The Group 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 the value in use requires the Group to make an estimate of the future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. More details are given in note 10.

Share-based payment

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used are disclosed in Note 18.

Deferred Tax Assets

Deferred tax assets are recognized for timing differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 7.

Pension and Other Post Employment Benefits

The cost of defined benefit pension plans and other post employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 20.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currencies

The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency. The functional currency of foreign operations is generally the local currency, unless the primary economic environment requires the use of another currency. The foreign operations outside the Euro zone are to be regarded as foreign entities since they are financially, economically and organizationally autonomous.

Transactions in foreign currencies for all group entities are initially recorded by these entities in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to profit and loss, with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognized in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in 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. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The assets and liabilities of foreign subsidiaries are translated into the presentation currency of the Group at the rate of exchange ruling at the balance sheet date. The foreign subsidiaries' income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the income statement.

Revenue recognition

Revenue is recognized when services are rendered, all the terms of the sales contracts are met and Teleplan is entitled to all associated benefits. This situation exists when repair and other after-sales services are rendered to customers or the product or merchandise has been delivered or a sales transaction has otherwise occurred. Revenues are presented net of sales taxes, customer discounts, rebates and similar charges.

Taxation

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

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of the 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 related 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, where deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the 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 substantially enacted at the balance sheet date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Revenues, expenses and assets are recognized net of sales taxes except:

- where the sales tax incurred on a purchase of assets or service 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 reported under receivables or payables in the balance sheet.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's 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 is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to these units or groups of units. Each unit or group of units to which the goodwill is so allocated:

- Represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- Is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with IAS 14 Segment Reporting.

Impairment is determined by assessing the recoverable amount of the cash generating unit (group of cash generating units), to which the goodwill relates. Where the recoverable amount of the cash generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of the disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement under amortization of intangible fixed assets. The Group has no intangible assets with an indefinite useful life.

Property, plant & equipment

Property plant and equipment are carried at cost and any directly attributable costs of bringing the asset to working condition for its intended use, less accumulated depreciation and accumulated impairment. The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is calculated using the straight-line method over the expected economic life of the assets. The useful life and method of depreciation of an item of plant and equipment is reviewed yearly and, if expectations are significantly different from previous estimates, the depreciation charge or depreciation method for the current and future periods is adjusted.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Borrowing costs
Borrowing costs are recognized as an expense when incurred.

Inventories
Inventories are stated at the lower of cost and net realizable value. The cost of inventories, determined on a first-in first-out basis (FIFO), comprises all costs of purchase and other costs incurred bringing the inventories to their present location and condition.

Net realizable value represents the estimated selling price taking into account all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Trade and other receivables
Trade and other receivables are carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. The Group has no credit facilities and therefore none of the Group's bank accounts can be in an overdraft position.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Share-based payment transactions
In October 2005, the Company introduced a Management Equity Incentive Plan under which members of the Management Board and senior executives of the Group receive remuneration in the form of share-based payment transactions, whereby employees render service as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they were granted. The fair value is determined by an external valuer using the Black-Scholes option pricing model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Teleplan International N.V. ("market conditions"), if applicable.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or 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 Group's best estimate of the number of equity instruments that will ultimately vest. The income statement charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

In 2007 the Company issued phantom options which are cash settled. The cost of cash-settled transactions with employees is measured by reference to the fair value at the date on which they were granted and recognized as personnel costs with a corresponding increase of short-term liabilities. At year-end and each subsequent year-end the fair value of the cash settled instruments is re-calculated. The difference between the initial recognition and the fair value at each year-end and each subsequent year-end is reported as personnel costs. The fair value is determined by an external valuer using the Black-Scholes option pricing model. In valuing cash-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Teleplan International N.V. ("market conditions"), if applicable.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

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 the 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. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Interest-bearing loans

Interest-bearing loans are classified as originated loans and recognized initially at an amount equal to the proceeds received (cost) less directly attributable transaction costs. Subsequently, the borrowings are stated at amortized cost using the effective interest rate method. Gains and losses are recognized through the amortization process.

Employee benefit obligations

The Group operates defined benefit as well as defined contribution pension schemes. Defined benefit plans are either externally funded, with the assets of the scheme held separately from those of the Group in independently administered funds, or unfunded with the related liabilities carried in the balance sheet. The pension provisions for defined benefit plans are calculated in accordance with IAS 19 (Employee Benefits) by the projected unit credit method. The future benefit obligations are valued by actuarial methods on the basis of an appropriate assessment of the relevant parameters. All defined benefit plans necessitate actuarial computations and valuations. All actuarial gains and losses of defined benefit plans are recognized as income or expense when the cumulative unrecognized actuarial gain or loss for each individual plan exceeds 10% of the higher of defined obligation and the fair value of plan assets. These gains and losses are recognized over the expected average remaining working lives of the employees participating in the plans. For other employee benefit plans, the actuarial gains and losses are in accordance with IAS 19 accounted for in the income statement in the year as they occur.

The past service cost is recognized as an expense on a straight line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognized immediately.

The defined benefit liability comprises the present value of the defined benefit obligation less past service costs not yet recognized and less the fair value of the plan assets out of which the obligations are to be settled directly. The value of any asset is restricted to the sum of any past service cost not yet recognized and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

In the case of defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Company has no further obligations.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the 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 leases are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognized as expense in the income statement on a straight-line basis over the lease term.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Restructuring provisions are accounted for if Teleplan has a plan for a restructuring which meets the requirements set forth in IAS 37. Restructuring provisions normally comprise lease termination penalties and employee termination payments, and are recognized in the period in which the Group becomes legally or constructively committed to payment.

Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risk associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value on derivatives during the year that do not qualify for hedge accounting, are directly taken to net profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

NOTE 4 SEGMENT INFORMATION

The primary segment reporting is determined to be business segments as the Group's risks and rates of returns are affected predominantly by differences in the services delivered. Secondary information is reported geographically. The Group's nine business units are grouped into the segments Computer, Communication and Consumer. Each of the three segments represents a strategic business offering different products and serving different markets. Segment revenue does not include transfers between the business segments. In a number of the Group's locations the business segments share resources which are allocated to each segment on the basis of the use that these segments make of the shared resources.

Secondary information is reported geographically. The Group's geographical segments are based on the location of the Group's assets. Geographical segment revenue, segment expense and segment result include transfers between these segments, which are eliminated in consolidation.

	Computer		Communication		Consumer Electronics		Total	
Amounts in thousands of Euro	2007	2006	2007	2006	2007	2006	2007	2006
Revenue								
External revenue	135,977	133,561	64,652	58,167	81,069	50,254	281,698	241,982
Inter segment revenue	–	–	–	–	–	–	–	–
Total revenue	135,977	133,561	64,652	58,167	81,069	50,254	281,698	241,982
Results								
Depreciation and amortization	3,244	4,326	942	1,702	1,061	1,480	5,247	7,508
Segment results	7,649	3,648	4,650	758	4,514	1,077	16,813	5,483
Unallocated charge							–	7,802
Net finance costs							12,895	5,453
Income (loss) before income taxes							3,918	– 7,772
Income tax charge							314	306
Net income (loss)							3,604	– 8,078
Assets and liabilities								
Segment assets	81,331	89,271	18,313	18,114	21,881	15,210	121,525	122,595
Unallocated corporate assets							28,355	25,812
Total consolidated assets							149,880	148,407
Segment liabilities	19,984	23,777	9,370	7,993	13,109	6,994	42,463	38,764
Unallocated corporate liabilities							82,098	97,484
Total consolidated liabilities							124,561	136,248
Other segment information								
Capital expenditure – Tangible fixed assets	716	2,044	772	450	1,747	897	3,235	3,391
Intangible fixed assets	9	6	–	–	–	22	9	28
Unallocated capital expenditure – Tangible fixed assets							24	44
Intangible fixed assets							–	–
Total capital expenditure							3,268	3,463

The following table presents revenue, expenditure and certain assets information regarding the Group's geographical segments:

	Americas		EMEA		APAC		Total	
Amounts in thousands of Euro	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Revenue and results								
Total revenue	111,697	112,023	132,597	109,389	48,866	43,754	293,160	265,166
Intra-Group revenue	6,541	6,296	4,425	16,866	496	22	11,462	23,184
Segment revenue	105,156	105,727	128,172	92,523	48,370	43,732	281,698	241,982
Other segment information								
Segment assets	40,629	48,458	67,713	63,054	19,418	20,033	127,760	131,545
Unallocated corporate assets							22,120	16,862
Total assets							149,880	148,407
Capital expenditure – Tangible fixed assets	864	1,464	1,694	720	701	1,251	3,259	3,435
Intangible fixed assets	–	–	9	28	–	–	9	28
Unallocated capital expenditure	–	–	–	–	–	–	–	–
Total capital expenditure							3,268	3,463

NOTE 5 PERSONNEL COSTS

Amounts in thousands of Euro	Notes	2007	2006
Salaries and wages *		86,571	82,940
Social security costs		8,305	7,882
Pension costs	20	1,292	202
Expense of share based payment	18	1,053	1,385
Other staff costs		7,267	6,722
Total personnel costs		**104,488**	**99,131**

** Including agency temps and other temporary staff*

Number of employees*

Amounts in thousands of Euro	2007	2006
Weighted average	5,564	5,025
As as of 31 December	6,217	5,206

** Including agency temps and other temporary staff*

NOTE 6 FINANCIAL EXPENSES

Amounts in thousands of Euro	2007	2006
Interest income and other financial income	– 304	– 343
Bank loans and overdrafts	7,282	5,270
Foreign currency exchange gains and losses	– 917	– 2,082
Other financial expense	6,834	2,608
Financial expenses	**12,895**	**5,453**

Other financial expenses in 2007 include 4.5 million Euro bank fees and other costs in connection with the refinancing completed in October 2007.

NOTE 7 INCOME TAX

The components of income tax in the consolidated income statement are as follows:

Amounts in thousands of Euro	2007	2006
Current tax	1,439	606
Deferred tax		
from temporary differences	– 1,125	–
Consisting of		
Amortization of goodwill	– 12	–
Inventory valuation	– 827	–
Other	– 286	–
from loss carry-forwards	–	– 300
Income tax expense	**314**	**306**

The reconciliation between tax expense and the product of accounting profit multiplied by the Group's domestic tax rate for the years ended 31 December 2007 and 2006 is as follows:

Amounts in thousands of Euro	2007	2006
Accounting profit/(loss) before tax	3,918	– 7,772
At the Group's statutory tax rate of 25.5% (2006: 29.6%)	999	– 2,301
Tax losses 2007 (2006) which are not recognized as deferred tax asset	4,096	5,881
Other, including lower tax rates in certain countries	– 4,781	– 3,274
At the effective income tax rate of 8% (2006: -4%)	314	306

Deferred income tax as of 31 December is built up as follows:

Amounts in thousands of Euro	2007	2006
Deferred tax assets	6,327	6,915
Deferred tax liabilities	–	–
Total deferred tax	**6,327**	**6,915**

Deferred tax assets relates to timing differences in the US region and consists of the following elements:

Amounts in thousands of Euro	2007	2006
Amortization of goodwill	4,255	5,846
Inventory valuation	1,709	983
Other	363	86
Total deferred tax	**6,327**	**6,915**

Total tax losses for which no deferred tax assets have been recognized amount to 158.5 million Euro as of 31 December 2007, mainly arising from the Netherlands and Germany. Both countries have limited the periods during which these losses can be carried forward.

The movement of the deferred tax assets is as follows:

Amounts in thousands of Euro	2007	2006
Balance as of 1 January	6,915	8,072
Timing differences in the USA	1,125	–
Utilized	– 38	– 300
Valuation adjustment	– 1,000	–
Exchange rate differences	– 675	– 857
Balance as of 31 December	**6,327**	**6,915**

The Group has not set up a deferred tax asset for the following tax losses available for offset against future taxable profits because they cannot be used to offset taxable profits elsewhere in the Group or have arisen in subsidiaries that have been loss-making for some time.

Amounts in thousands of Euro	2007	2006
Netherlands	130,560	118,587
Germany	22,984	26,050
France	–	15,118
Other countries	4,931	4,447
Total	**158,475**	**164,202**

As of 31 December 2007 the net operating losses in France have been excluded due to the fact that the French entities are now in final stage of liquidation and it is considered unlikely that these losses can be utilized in the future.

NOTE 8 MINORITY INTEREST

Minority interest as of 31 December 2006 and 2005 relates to the 15% third party interest in Teleplan Taiwan Ltd of Taiwan and the 30% third party interest in Teleplan Technologies KK of Japan. Both companies are dormant companies which have gone into liquidation. The negative value of these minority interests is deducted from retained earnings in the year that the value became negative.

NOTE 9 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to the ordinary equity holders of the Company (after deducting interest on the convertible bonds and amortization of the warrants) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

Amounts in thousands of Euro	2007	2006
Net profit attributable to ordinary equity holders of the parent	3,604	– 8,078
Effective interest allocated to the convertible bonds	227	1,308
Amortization of cost of warrants	507	507
Net profit attributable to ordinary equity holders of the parent adjusted for the effect of the convertible bonds and warrants	**4,338**	**– 6,263**

Thousands of shares	2007	2006
Weighted average number of ordinary shares for basic earnings per share	55,469	37,789
Effect of dilution:		
Issuance of shares	–	5,432
Share options, excluding phantom options	1,943	2,692
Warrants	1,469	1,553
Conversion of bonds	–	12,027
Weighted average number of ordinary shares adjusted for the effect of dilution	**58,881**	**59,493**

On 24 April 2007, the Company issued 5,432,225 ordinary shares.

One of the warrant holders exercised 83,333 share warrants against an exercise price of 0.90 Euro per warrant and subscribed for the same number of ordinary shares in the Company.

In 2007 a total of 10,824,561 convertible bonds were converted into 12,027,289 ordinary shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

NOTE 10 INTANGIBLE ASSETS

Amounts in thousands of Euro	Goodwill	Other assets	Total
Balance as of 1 January 2006:			
Cost	56,236	10,736	66,972
Accumulated impairment and amortization	– 10,701	– 3,601	– 14,302
Book value	45,535	7,135	52,670
Changes in book value:			
Additions	–	28	28
Impairment losses	–	–	–
Amortization charge	–	– 2,074	– 2,074
Disposals	–	–	–
Exchange rate adjustment	– 1,888	– 7	– 1,895
Book value	43,647	5,082	48,729
Balance as of 31 December 2006:			
Cost	53,197	10,757	63,954
Accumulated impairment and amortization	– 9,550	– 5,675	– 15,225
Book value	43,647	5,082	48,729
Amortization rates		10% - 25%	

Amounts in thousands of Euro	Goodwill	Other assets	Total
Balance as of 1 January 2007:			
Cost	53,197	10,757	63,954
Accumulated impairment and amortization	– 9,550	– 5,675	– 15,225
Book value	43,647	5,082	48,729
Changes in book value:			
Additions	–	9	9
Impairment losses	–	–	–
Amortization charge	–	– 1,042	– 1,042
Disposals	–	–	–
Exchange rate adjustment	– 1,641	–	– 1,641
Book value	42,006	4,049	46,055
Balance as of 31 December 2007:			
Cost	48,658	10,763	59,421
Accumulated impairment and amortization	– 6,652	– 6,714	– 13,366
Book value	42,006	4,049	46,055
Amortization rates		10% - 25%	

Other intangible assets mainly consist of licenses and development and implementation activities in relation to Teleplan's IFS ERP platform. With effect from 1 January 2007, the Company has reassessed the useful life of its IFS ERP system increasing the useful life from 2.5 years to 5 years.

Impairment testing of goodwill

Goodwill acquired through business combinations and patents and licenses with indefinite lives has been allocated to the relevant cash generating units for impairment testing. The cash generating units are the Group's nine business activities. Prior to 2006 the sites were the cash generating units. With effect from 2006, the goodwill which is still carried at site level is now allocated to the business activity that is the dominant activity for each site.

The carrying amount of goodwill is allocated to the main cash-generating units and included in the three segments below:

Amounts in thousands of Euro	2007	2006
Computer	35,052	36,094
Communication	6,514	7,063
Consumer Electronics	439	490
Total	**42,005**	**43,647**

The recoverable amount for each of the cash generating units has been determined based on a value in use calculation using cash flow projections based on the annual financial budgeting process. This process is based on a "bottom up" approach whereby management of each of the cash generating unit presents their projections for the coming year. These budget projections are subjected to formal scrutiny, critical review, and finally approval of senior management. Cash flows for the year following the budget period are extrapolated based on the run rate of the budget year's final quarter; the next three subsequent years extrapolated using a 2% growth rate (2006: 2%), and cash flows beyond five years are assumed to exhibit zero growth. The growth rates used are below the long-term average growth rate for the IT and telecommunication industry.

The pre-tax discount rate applied to cash flow projections is 12.5% (2006: 15.4%) and is based on the Company's weighted average cost of capital.

Key assumptions used in value in use calculations

The calculations of the value in use for the cash generating units are most sensitive to assumptions for revenue development. Gross margin and staff costs as a percentage of revenue for the main cash generating units were relatively stable and are not expected to change. As a consequence of the Group's recently concluded financing agreement, including a substantial portion of fixed interest financing, Teleplan's management do not believe that it is exposed to significant increases in its weighted average cost of capital.

Revenue development in the next two years is based on the existing business which includes the impact of known customer losses and new business won at the time of establishing the budget.

Sensitivity to changes in assumptions

In one of the cash generating units which is part of the Computer segment there are reasonably possible changes in key assumptions on revenue growth which could cause the carrying value of the goodwill to exceed its recoverable amount. The actual recoverable amount for the computer unit exceeds its carrying amount by 1.9 million Euro (2006: 9.7 million Euro). Should the growth rate assumptions used in the budget be lower by 3.5% then the computer units value in use would be reduced to its carrying value.

NOTE 11 PROPERTY, PLANT AND EQUIPMENT

Amounts in thousands of Euro	Land and buildings	Equipment	Other assets	Total
Balance as of 1 January 2006:				
Cost	8,653	39,143	11,522	59,318
Accumulated depreciation	– 2,861	– 28,350	– 10,546	– 41,757
Book value	5,792	10,793	976	17,561
Changes in book value:				
Additions	197	2,510	728	3,435
Impairment losses	–	–	–	–
Depreciation charge	– 687	– 4,110	– 637	– 5,434
Disposals	–	– 103	– 2	– 105
Exchange rate adjustment	– 300	– 278	– 169	– 747
Book value	5,002	8,812	896	14,710
Balance as of 31 December 2006:				
Cost	8,408	37,850	11,326	57,584
Accumulated depreciation	– 3,406	– 29,038	– 10,430	– 42,874
Book value	5,002	8,812	896	14,710
Depreciation rates	4%	20% - 33%	10% - 20%	

Amounts in thousands of Euro	Land and buildings	Equipment	Other assets	Total
Balance as of 1 January 2007:				
Cost	8,408	37,850	11,326	57,584
Accumulated depreciation	– 3,406	– 29,038	– 10,430	– 42,874
Book value	5,002	8,812	896	14,710
Changes in book value:				
Additions	439	2,718	102	3,259
Impairment losses	–	–	–	–
Depreciation charge	– 352	– 3,494	– 359	– 4,205
Disposals	–	– 83	–	– 83
Exchange rate adjustment	– 279	– 343	– 51	– 673
Book value	4,810	7,610	588	13,008
Balance as of 31 December 2007:				
Cost	8,444	38,618	10,780	57,842
Accumulated depreciation	– 3,634	– 31,008	– 10,192	– 44,834
Book value	4,810	7,610	588	13,008
Depreciation rates	4%	20% - 33%	10% - 20%	

Land and buildings, equipment and other assets with a carrying amount of 57,279,000 Euro are pledged to secure the Group's bank loans (Note 19).

NOTE 12 INVENTORIES

Amounts in thousands of Euro	2007	2006
Repair parts and consumables	11,947	12,323
Work in progress	2,218	2,777
Finished goods	564	465
	14,729	15,565
Gross inventory value	20,278	21,316
Provision for excess and obsolete inventory	5,549	5,751
	14,729	**15,565**

The amount of write-down of inventories recognized as an expense is 1,988,000 Euro (2006: 2,738,000 Euro), which is reported in materials and consumables used.

NOTE 13 TRADE AND OTHER RECEIVABLES

Amounts in thousands of Euro	2007	2006
Trade receivables	49,175	45,349
Other tax and social securities	–	–
Other receivables	1,215	3,948
	50,390	**49,297**

Trade receivables are non-interest bearing and are generally on 30 – 90 days' terms.

As of 31 December 2007, trade receivables at nominal value of 1,578,000 Euro (2006: 1,866,000 Euro) were impaired and fully provided for. Movements in the provision for impairment of receivables were as follows:

Amounts in thousands of Euro	2007	2006
As of 1 January	1,866	6,663
Charge for the year	453	914
Utilized	– 557	– 3,343
Unused amounts reversed	– 169	– 2,243
Exchange rate adjustment	– 15	– 125
As of 31 December	**1,578**	**1,866**

As of 31 December, the aging analysis of trade receivables is as follows:

Amounts in thousands of Euro	2007	2006
Neither past due nor impaired	40,755	32,875
Past due but not impaired		
< 30 days	6,490	7,498
30 – 60 days	743	1,678
60 – 90 days	256	502
90 – 120 days	228	1,017
> 120 days	703	1,779
Total	**49,175**	**45,349**

NOTE 14 CASH AND SHORT TERM DEPOSITS

Amounts in thousands of Euro	2007	2006
Cash on hand and with banks	15,455	10,626
	15,455	**10,626**

There is no cash attributable to discontinued operations and there are no bank overdrafts. For the purpose of the consolidated cash flow statement, cash and cash equivalents are as disclosed in the table above.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and short-term deposits is 15,455,000 Euro (2006: 10,626,000 Euro).

As of 31 December 2007, the Group had available 10 million Euro of unused committed borrowing facilities.

Cash as of 31 December 2007 is at the free disposal of the Group (as of 31 December 2006 an amount of 210,000 Euro was restricted for use in connection with letters of credit issued).

NOTE 15 SHARE CAPITAL AND SHARE PREMIUM

Authorized share capital of Teleplan International N.V. as of 31 December 2007 was 15,950,000 Euro (2006:14,500,000) and consists of 63,800,000 Ordinary Shares (2006: 58,000,000) with a par value of 0.25 Euro.

Ordinary shares	2007	2006
Issued and outstanding as of 1 January	42,295,012	33,552,952
Issuance of shares	5,432,225	117,500
Conversion of bonds into shares	12,027,289	8,491,227
Exercise of warrants	83,333	133,333
Issued and outstanding as of 31 December	**59,837,859**	**42,295,012**

All holders of the convertible bonds have converted a total of 10,824,561 bonds into 12,027,289 ordinary shares on 21 March 2007. These shares were issued on 26 March 2007.

The Company issued 5,432,225 ordinary shares on 24 April 2007.

On 1 June 2007, 83,333 warrants were exercised against an exercise price of 0.90 Euro.

For the movement in share capital and share premium in 2007 reference is made to the consolidated statement of changes in equity.

NOTE 16 CONVERTIBLE BONDS

The movement in the debt component of the convertible bonds is as follows:

Amounts in thousands of Euro	2007	2006
Balance as of 1 January	7,123	10,569
Calculated effective interest recognized in the income statement	227	1,308
Conversion of bonds into shares	– 7,350	– 4,754
Balance as of 31 December	**–**	**7,123**

On 23 December 2004 Teleplan issued 19,666,667 convertible bonds to a group of investors consisting of Sterling Investment Group Limited, Cycladic Capital Management Limited and FM Fund Management Limited. The convertible bonds carry an issue price of 1.00 Euro each and are convertible into ordinary shares with a nominal value of 0.25 Euro in the capital of Teleplan International N.V.

The nominal value of the convertible (19.7 million Euro) is split into a debt and an equity component. The value of the debt component is determined by applying a 14.97% discount rate (effective interest rate) which is based on the credit spread pertaining to a publicly listed high yield bond with a relatively low credit rating. The equity component is the residual value of the nominal value of the convertible bonds minus the value of the debt component.

On 21 March 2007, all remaining convertible bonds, a total of 10,824,561 bonds, were converted into 12,027,289 ordinary shares with a nominal value of 0.25 Euro each.

NOTE 17 SHARE WARRANTS

As part of the consideration payable by Teleplan for the credit facilities under the old borrowing facility (see note 19) Teleplan issued 1,685,556 share warrants to the lenders. The warrants were part of an exit fee which was due at the end of the term of the credit facilities (see note 19). Each warrant entitles the warrant holder to one ordinary share with a nominal value of 0.25 Euro in the capital of Teleplan International N.V., against an exercise price of 0.90 Euro.

At moment of vesting in December 2004, the share warrants were valued using the Black Scholes model, increasing equity with 1.5 million Euro, netted against borrowings and amortized over a three year period. At 31 December 2007 the share warrants are fully amortized.

NOTE 18 SHARE-BASED COMPENSATION

Employee share options

In 2005 the Company issued a Management Equity Incentive Plan under which share options could be awarded to eligible employees. Under the plan a total of 2 million options are available for awards. The options vest over a period of up to three years starting from one year after the date of the award provided that the employee is still employed by the Group. The options will expire seven years after the date of the grant. These options are equity settled.

In 2007 the Company issued 600,000 phantom options, which are cash settled. These options have vested in 2007 and are in other aspects governed by the rules of the Management Equity Incentive Plan issued in 2005.

Of the total options outstanding as of 31 December 2007, 100,000 options issued in 2004 and 180,000 options issued in 2005 were awarded to former board members. These equity settled options have vested and will expire in the period 2008 – 2010.

The following table summarizes information about the stock options outstanding as of 31 December 2007. With the exception of the phantom options, all options are stock option rights on ordinary shares of Teleplan International N.V. The phantom options are cash settled options:

Options outstanding	Number outstanding	Exercise price (Euro)	Remaining life (years)
2004	100,000	1.00	0-1
2005	270,000	2.03	1-5
2006	322,000	1.10	2-6
2007	1,850,500	1.15	3-7
Total	**2,542,500**	**1.23**	

A summary of the status of the Company's stock option plan as of 31 December 2007 and changes during the year then ended is presented below:

Number of stock options	2007	2006
Outstanding at 1 January	2,691,500	1,848,000
Granted	1,250,500	1,169,500
Exercised	–	–
Cancelled	– 1,333,000	–
Forfeited	– 666,500	– 326,000
Stock options outstanding at 31 December	1,942,500	2,691,500
Phantom options granted	600,000	–
Outstanding as of 31 December	**2,542,500**	**2,691,500**

In 2007, the Company has cancelled 1,333,000 stock options in exchange for:

- 500,000 new options at an exercise price of 1.20 Euro,
- 600,000 phantom (cash settled) options at an exercise price of 1.20 Euro, and
- a cash payment of 348,000 Euro based on a compensation of 1 Euro for every option cancelled and not replaced by a new option.

In addition to the options granted in 2007, 412,000 options with an exercise price ranging from 2.06 Euro to 2.34 Euro were reset to an exercise price of 1.10 Euro.

In 2007, in accordance with IFRS 2, the Group has accounted for an employee benefit expense of 1,053,000 Euro (2006: 1,385,000 Euro), an increase of equity of 695,000 Euro (2006: 1,385,000 Euro) in connection with the stock options granted in 2007 and previous years and a liability of 358,000 Euro (2006: 0) in connection with the phantom options.

Board members and former board members held 1,630,000 stock options and 600,000 phantom options as of 31 December 2007 (2006: 1,800,000 stock options). Other employees held 312,500 options as of 31 December 2007 (2006: 891,500).

The fair value of equity-settled share options granted is estimated at the date of grant using the Black & Scholes 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 the year ended 31 December 2007.

Dividend yield (%)	0
Expected volatility (%)	65
Historical volatility (%)	65
Risk-free interest rate (%)	4.1 – 4.7
Expected life of option (years)	4.4 – 7.0
Weighted average share price (Euro)	0.98 – 1.31

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical 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.

NOTE 19 BORROWINGS

Amounts in thousands of Euro	Effective interest rate	Maturity	2007
Euro 20,000,000 bank loan (A)	8.76%	30 Sep 2013	19,449
Euro 20,000,000 bank loan (B)	8.56%	30 Sep 2014	19,441
USD 42,120,000 bank loan	15.76%	30 Sep 2015	28,878
Total borrowings			**67,768**
Repayable as follows:			
Within one year			2,000
Later than one year but not later than five years			13,200
After five years			52,568
			67,768

In addition to these facilities, the Company has a committed revolving credit facility of 10 million Euro which was not utilized as of 31 December 2007. The effective interest rate is identical to the 20 million Euro bank loan (A). This facility expires on 30 September 2013.

The detail of borrowings as at 31 December 2006, which have been fully repaid in 2007, was as follows:

Amounts in thousands of Euro	2006
Variable rate loan in USD	28,058
Variable rate loan in Euro	34,485
Variable rate loan in GBP	3,087
Variable rate loan in MYR	896
Variable rate interest-bearing loans	66,526
Netting of fair value of the warrants issued in December 2004 (Note 17)	– 507
Other borrowing	177
Total borrowings, repayable within one year	**66,196**

On 9 October 2007, the Company refinanced its borrowings facility with a group of lenders consisting of Lloyds TSB Bank plc, ABN AMRO Bank N.V. and DAM Invest s.à.r.l. The facility consists of two 20 million Euro loans, a USD 42.1 million loan and a 10 million Euro revolving credit facility.

The Company is subject to financial covenants which are customary for these types of financing facilities. The covenants consist of Net Debt/EBITDA ratios, Cash flow cover, and maximum Capital Expenditure and Interest Cover ratios. The covenants are tested on a quarterly basis.

The interest costs for the lending facilities consist of EURIBOR for Euro loans and LIBOR USD for US Dollar loans plus agreed margins. The table above sets out the effective interest rates for each of the three loans. For the 20 million Euro loan (A) the EURIBOR rate is capped at 5%. For the 20 million Euro loan (B) and the USD 42.1 million loan the interest rates are swapped to fixed rates of 4.5% and 4.88% respectively.

Pursuant to the refinancing agreements of 9 October 2007 several Group companies (so-called Obligors) have provided securities on inter alia, equipment, inventories and receivables for the credit facilities granted. In addition, the shares in several Group companies as well as inter-company receivables on individual Group companies have been pledged.

As further disclosed in Note 23, the Company has signed an agreement with Lloyds TSB Bank plc in which the Company commits to grant 1% of its total number of shares on a fully diluted basis as warrants to subscribe for ordinary shares in the capital of the Company.

NOTE 20 RETIREMENT BENEFIT OBLIGATIONS

The Group employs a defined benefit early retirement plan in the Netherlands and two small defined benefit retirement plans in Germany and Poland. In addition, a subsidiary company participates in a multi-employer industry-wide pension plan. The industry-wide pension fund is not able to provide the company stand-alone disclosure information required under IAS 19. Therefore, this industry-wide plan has been treated as a defined contribution plan. Under these plans employees are entitled to pension benefits upon retirement.

The amounts recognized in the income statement in relation to the three defined benefit plans and the amounts paid under defined contribution plans are as follows:

Amounts in thousands of Euro	2007	2006
Service costs	42	51
Interest costs	160	140
Return on plan assets	– 28	– 26
Actuarial gains and losses	–	– 32
Amortization of actuarial amounts	– 6	–
Plan curtailments and settlements	–	– 1,514
Expense on employee benefit obligations	168	– 1,381
Gain on divested obligation	–	–
Expense on defined contribution plans	1,124	1,583
Total expense on pension obligations	**1,292**	**202**

All defined benefit plans necessitate actuarial computations and valuations. These are based on life expectancy but also on the following parameters, which vary from country to country according to economic conditions:

Amounts in thousands of Euro	2007	2006
Discount rate	4% to 5%	4% to 5%
Projected future remuneration increases	2% to 3%	2% to 3%
Projected future pension increases	2%	2%
Projected return on plan assets	4%	4%

The funded status and amounts recognized in the balance sheet are as follows:

Amounts in thousands of Euro	2007	2006
Present value of funded obligations	1,236	1,380
Fair value of plan assets	– 562	–578
Funded status	674	802
Present value of unfunded obligations	2,233	2,177
Unrecognized actuarial gains/ (losses)	455	348
	3,362	**3,327**

The movements recognized in the net liability in the balance sheets are as follows:

Amounts in thousands of Euro	2007	2006
Beginning of the year	3,327	5,139
Net expense	168	– 1,715
Contributions paid	– 148	– 122
Acquisitions	–	–
Fair value adjustment	15	–
Divestitures	–	–
Transfer of funds to plan assets	–	–
Translation differences	–	25
End of the year	**3,362**	**3,327**

The movements in the fair value of the plan assets are as follows:

Amounts in thousands of Euro	2007	2006
Beginning of the year	578	590
Expected return	28	26
Contributions by employer	35	35
Benefits paid	– 69	– 70
Actuarial gains / (losses)	– 10	– 3
End of the year	**562**	**578**

NOTE 21 PROVISIONS

The provision for restructuring relates principally to the downsizing and closing of sites in Europe.

Amounts in thousands of Euro	Restructuring
Balance as of 1 January 2007	10,967
Additions	2,119
Utilized	– 9,890
Exchange rate adjustment	– 180
Balance as of 31 December 2007	3,016
Current, payable in 2008	2,014
Non current, payable after 2008	1,002
	3,016
Current 2006	9,279
Non current 2006	1,688
	10,967

The utilization of the restructuring provision in 2007 substantially relates to the restructuring of the Havant site, which has been completed by the end of 2007.

NOTE 22 TRADE AND OTHER PAYABLES

Amounts in thousands of Euro	2007	2006
Trade payables	25,477	23,479
Other tax and social securities	457	3,651
Other payables	13,257	10,379
	39,191	**37,509**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and normally settled on 50 days – 60 days terms.
- Other tax and social securities are normally settled monthly basis throughout the financial year.
- Other payables and accrued liabilities are non-interest bearing and have an average term of six months.

NOTE 23 COMMITMENTS AND CONTINGENCIES

Operational lease/rental agreements

The Group leases facilities, equipment, office space and cars. As of 31 December 2007, the minimum lease commitments are as follows:

Amounts in thousands of Euro

2008	8,487
2009	6,259
2010	3,318
2011	1,465
2012	364
Thereafter	2,169
Total	**22,062**

Service agreements

Commitments under various long-term service agreements regarding facility services and IT infrastructure management services are as follows:

Amounts in thousands of Euro

2008	1,276
2009	1,158
2010	336
2011	336
2012	336
Thereafter	2,156
Total	**5,598**

Bank guarantees

As of 31 December 2007 bank guarantees and letters of credit issued on behalf of the Group amounted to a total of 2.0 million Euro (2006: 3.7 million Euro).

Obligations under the new borrowings facility

As an element of the new borrowings facility, the Company has signed an agreement with Lloyds TSB Bank plc in which the Company commits to grant 1% of its total number of shares on a fully diluted basis as warrants to subscribe for ordinary shares in the capital of the Company. Since the decision to grant warrants requires a resolution of the shareholders of the Company and the value of the warrants to be issued cannot be calculated until the shareholders approve the transaction, the Company's balance sheet and income statement do not include the associated liability and cost. Should the parties not enter into a warrant agreement within 30 days after the Annual General Meeting of Shareholders, the Company is required to pay compensation in cash. Management has assumed that the shareholders will authorize the issuance of the warrants.

Litigation

Teleplan International N.V. or one of its subsidiaries is, from time to time, involved as plaintiff or defendant in litigation arising in the normal course of business. Management has the opinion that there is no reason to assume that the claims will entail any material risk to the financial position of the Company.

Tax contingencies

In certain legal jurisdictions Teleplan is engaged in discussions with tax authorities. This is considered as part of the normal financial operations of the Group. Teleplan has an active policy to reduce the global tax expense, within the opportunities and the boundaries set by international tax regulation on transfer pricing.

NOTE 24 RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of Teleplan International N.V. and the subsidiaries listed in the following table.

Name	Equity participation
Teleplan Holding Europe B.V., Zoetermeer, The Netherlands	100%
Teleplan Holding Asia B.V., Zoetermeer, The Netherlands	100%
Teleplan Central Europe Holding B.V., Zoetermeer, The Netherlands	100%
Teleplan Communications B.V., Zoetermeer, The Netherlands	100%
Teleplan & White Electronics B.V., Zoetermeer, The Netherlands	100%
Teleplan Service Solutions Asia B.V., Zoetermeer, The Netherlands	100%
Teleplan Colchester Ltd., Colchester, United Kingdom	100%
Teleplan Computer Services Ltd., Havant, United Kingdom	100%
Teleplan Germany GmbH, Weiterstadt, Germany	100%
Teleplan Rhein-Main GmbH, Weiterstadt, Germany	100%
Teleplan Repair 2000 GmbH, Norderstedt, Germany	100%
Teleplan Polska Sp. z o.o., Bydgoszcz, Poland	100%
Teleplan Prague s.r.o., Prague, Czech Republic	100%
Teleplan Holding USA, Inc., California, USA	100%
Teleplan Service Logistics, Inc., California, USA	100%
ESL Technologies, Inc., California, USA	100%
ESL Canada Ltd., Toronto, Canada	100%
Teleplan Service Solutions, Inc., California, USA	100%
Teleplan Videocom Solutions, Inc., California, USA	100%
Teleplan Computer Services Georgia, Inc., Georgia, USA	100%
Teleplan Services Texas, Inc., Texas, USA	100%
Teleplan Wireless Services, Inc., Minnesota, USA	100%
Teleplan Nominee, Inc., California, USA	100%
Teleplan Services Ohio, Inc., Ohio, USA	100%
Teleplan Services Oregon, Inc., Oregon, USA	100%
Tecnomex Industrial S.A. de C.V., Mexicali, Mexico	100%
Teleplan de Mexico S.A. de C.V., Reynosa, Mexico	100%
Teleplan Technology Services Sdn Bhd, Penang, Malaysia	100%
Teleplan Technologies (Suzhou) Co. Ltd., Suzhou, China PR	100%
Teleplan Electronic Technology (Shanghai) Co. Ltd., Shanghai, China PR	100%
PT. Teleplan Indonesia, Jakarta, Indonesia	100%

Dormant companies and companies in liquidation:

Name	Equity participation
Teleplan Communications Holding B.V., Zoetermeer, The Netherlands	100%
NATI EURL, France	100%
Teleplan & K'Litex Sarl, France	100%
Teleplan AVC GmbH, Cologne, Germany	100%
ANTA Service partner AB, Sweden	100%
Teleplan Ireland Ltd., Ireland	100%
RFJ Industries, Inc., California, USA	100%
Teleplan Technology (Thailand) Ltd., Thailand	100%
Teleplan Taiwan Ltd., Taiwan	85%
Teleplan Technologies KK, Japan	70%

In 2007 and 2006 Teleplan has not acquired or divested subsidiary companies. There were no changes in the percentage of ownership.

Remuneration of the Management Board and Supervisory Board

The remuneration including pension costs of present and former members of the Management Board amounted to 1.4 million Euro (2006: 0.9 million Euro). In the financial year, 1,550,000 stock option rights were allocated to the members of the Management Board (2006: 540,000), 950,000 stock options were cancelled and 250,000 stock options were re-set. As of 31 December 2007 present and former members of the Management Board held 2,080,000 stock option rights at a weighted average exercise price of 1.26 Euro (see note 18) for further information on stock options).

As of 31 December 2007 members of the Management Board held 535,000 ordinary shares of Teleplan International N.V. (as of 31 December 2006: 450,000 shares).

In accordance with their employment contract members of the Managing Board are entitled to receive a cash bonus and stock options for exceeding the performance targets set by the Supervisory Board. All members of the Management Board have a company car at their disposal or may choose for a car allowance.

The summary of salaries, bonuses accrued, and other amounts paid to the members of the Management Board are:

Amounts in thousands of Euro	2007	2006
M. Twaalfhoven	753	453
G. Haug	655	335
Total	**1,408**	**788**

The breakdown of the compensation of the Management Board is:

Amounts in thousands of Euro	2007	2006
Short term employment benefits *	1,408	788
Post employment pension benefits	–	–
Share based payments	1,011	908
Total compensation of the Management Board	**2,419**	**1,696**

The remuneration of the members of the Supervisory Board amounted to 229,000 Euro (2006: 215,000 Euro). As of 31 December 2007 members of the Supervisory Board held a total of 155,000 ordinary shares in Teleplan International N.V.

The summary below indicates the remuneration of the members of the Supervisory Board:

Amounts in thousands of Euro	2007	2006
A. Schmassmann [1]	76	40
D. Goulandris [2]	38	–
R. Huber [2]	31	–
R. Westerhof [3]	44	27
F. van der Zee	40	40
G. Kellinghusen [4]	–	40
H. Schmitz [5]	–	68
Total	**229**	**215**

[1] On 23 March 2007, the Supervisory Board elected Mr. A. Schmassmann as the new chairman.
[2] Mr. D. Goulandris and Mr. R. Huber were appointed as members of the Supervisory Board effective on 23 March 2007.
[3] On 18 May 2006, Mr. R. Westerhof was appointed as member of the Supervisory Board. He acted as Supervisory Board chairman from 9 November 2006 until 23 March 2007.
[4] On 21 March 2007, Mr. G. Kellinghusen resigned from the Supervisory Board.
[5] On 8 November 2006, Mr. H. Schmitz resigned from the Supervisory Board.

Two members of the Supervisory Board elected to receive 150,000 stock options instead of the regular remuneration. The cost associated with these stock options, 114,000 Euro, has been reported as share based compensation (Note 18).

The summary below provides information on the option holdings of individual members of the Management Board, and the Supervisory Board as of 31 December 2007.

	M. Twaalfhoven	G. Haug	Supervisory Board	Former Board members	Total
Outstanding as of 1 January 2007	950,000	250,000	–	600,000	1,800,000
Granted stock options	700,000	250,000	150,000	–	1,100,000
Granted phantom options	600,000	–	–	–	600,000
Forfeited	–	–	–	– 320,000	– 320,000
Cancelled	– 950,000	–	–	–	– 950,000
Outstanding as of 31 December 2007	1,300,000	500,000	150,000	280,000	2,230,000
Average exercise price	1.17	1.08	1.29	1.96	1.26
Last year of expiration	2014	2014	2014	2010	2014

Compensation of key management personnel of the Group

The compensation of key management personnel of the Group, excluding the members of the Management Board is as follows:

Ordinary shares	2007	2006
Short term employment benefits*	2,331	1,817
Post employment pension benefits	37	56
Share based payments	46	477
Total compensation paid to key management personnel	**2,414**	**2,350**

* includes total termination payments of 317,000 Euro related to three individuals

NOTE 25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Group's principal financial liabilities comprise bank loans and trade payables. The Group has various financial assets such as trade receivables and cash, which arise directly from its operations.

The Group has entered into interest rate swaps and currency option contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

Throughout 2007 and 2006 it has been the Group's policy that no speculative trading in derivatives shall be undertaken.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Management Board reviews and agrees policies for managing each of these risks which are summarized below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations. The Group's policy is to hedge its interest risk exposure using a mix of derivative contracts. To manage this, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. The Group has also entered into an interest rate cap covering 100% of the 20 million Euro bank loan (A) for which the Group pays a premium for protection against the EURIBOR rate increasing above a given maximum level. As of 31 December 2007, after taking into account the effect of interest rate swaps, approximately 71% of the Group's borrowings are at a fixed rate of interest (2006: 0%).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates with all other variables held constant, of the Group's profit before tax.

2007	Increase/ decrease in basis points	Effect on profit before tax
Euro	+ 25	– 50
	+ 50	– 50
	– 25	50
	– 50	100
2006		
Euro	+ 25	– 86
	+ 50	– 172
	– 25	86
	– 50	172
US Dollar	+ 25	– 80
	+ 50	– 160
	– 25	80
	– 50	160

Foreign currency risk

As a result of significant operations in the United States, the Group's balance sheet can be affected significantly by movements in the USD/Euro exchange rates. The Group seeks to mitigate the effect of its structural currency exposure by borrowing in USD.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by operating units in currencies other than the units' functional currency.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Group's profit before tax and the Group's equity.

	Strengthening/ weakening of US dollar versus Euro	Effect on profit before tax	Effect on equity
2007	Stronger by 10%	– 1,280	621
	Weaker by 10%	1,045	– 508
2006	Stronger by 10%	– 1,491	650
	Weaker by 10%	1,219	– 531

Credit risk

The Group trades only with recognized, credit worthy third parties. Due to the nature of the Group's customer portfolio, there is a concentration of trade receivables with approximately ten large customers representing 55% of trade receivables as of 31 December 2007. Continuous customer contact and the monitoring of receivable balances on an ongoing basis have resulted in an insignificant exposure to bad debt. The maximum exposure is the carrying amount as disclosed in Note 13.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying value of these instruments.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of its financial assets (e.g. accounts receivables and short term cash deposits) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of the revolving credit facility. As of 31 December 2007 3% of the Group's debt will mature in less than one year (2006: 100%).

The table below summarizes the maturity profile of the Group's financial liabilities as of 31 December 2007 based on contractual undiscounted payments.

Amounts in thousands of Euro

Year ended 31 December 2006	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Borrowings and interest payable	–	–	11,082	60,891	–	71,973
Convertible bonds	–	–	–	7,123	–	7,123
Trade and other payables	15,140	15,276	7,093	–	–	37,509
	15,140	**15,276**	**18,175**	**68,014**	**–**	**116,605**

Amounts in thousands of Euro

Year ended 31 December 2007	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Borrowings and interest payable	–	1,750	3,175	27,825	100,758	133,508
Trade and other payables	12,507	17,949	8,735	–	–	39,191
	12,507	**19,699**	**11,910**	**27,825**	**100,758**	**172,699**

Capital management

The Group monitors capital using a net debt leverage ratio, which is the net debt divided by EBITDA. The Group's policy is to keep the net debt leverage ratio between 2 and 3. The Group includes within net debt interest bearing loans less cash and cash equivalents.

Amounts in thousands of Euro	2007	2006
Long-term borrowings	65,768	–
Short-term borrowings	2,000	66,196
Less cash and cash equivalents	– 15,455	– 10,626
Net debt	52,313	55,570
EBITDA	22,060	5,189
Net debt leverage	**2.4**	**10.7**

NOTE 26 FINANCIAL INSTRUMENTS

Fair value of financial instruments

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements:

Amounts in thousands of Euro	Carrying amount		Fair value	
	2007	2006	2007	2006
Cash	15,455	10,626	15,455	10,626
Long-term borrowings	65,768	–	65,768	–
Convertible bonds	–	7,123	–	7,123
Short-term borrowings	2,000	66,196	2,000	66,196

The carrying value and the fair of the convertible bonds are calculated on the basis of the principle outlined in Note 16. The fair value of the long-term borrowings has been calculated by discounting the expected cash flows at prevailing interest rates.

Hedging activities

As of 31 December 2007 there were no outstanding forward exchange contracts.

As of 31 December 2007, the Group had two interest rate swap agreements in place with notional amounts of 20 million Euro and 42.1 million US Dollar respectively whereby it receives a fixed rate of interest of 4.50% and 4.88% respectively and pay a variable rates equal to Euribor and USD LIBOR of 4.75% and 5.22% on the notional amounts.

NOTE 27 EVENTS AFTER THE BALANCE SHEET DATE

There are no events after the balance sheet date that could have a material impact on the financial position of the Group.

Zoetermeer, 21 April 2008
Teleplan International N.V.
The Management Board

Statutory Declaration

To the best of our knowledge, and in accordance with the applicable consolidated reporting principles, the consolidated financial statements give a true and fair view of net assets, financial position and result of operations of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Zoetermeer, 21 April 2008
Teleplan International N.V.
The Management Board

Auditor's Report

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements 2007 which are part of the financial statements of Teleplan International N.V., Amsterdam, which comprise the consolidated balance sheet as at 31 December 2007, the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility

Management 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 for the preparation of the management board report 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 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 Teleplan International N.V. as at 31 December 2007, 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.

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 consolidated financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Eindhoven, 21 April 2008

for Ernst & Young Accountants

Signed by W. T. Prins

Teleplan International N.V.

Company Financial Statements 2007

Company Income Statement

As the company financial information of Teleplan International N.V. is included in the consolidated financial statements, the company income statement is presented in abridged form in accordance with Article 402, Book 2 of the Dutch Civil Code.

(Amounts in thousands of EUR)	2007	2006
Income / (loss) from subsidiaries after tax	8,468	(7,403)
Other income and expenses after tax	(4,864)	(675)
Net result	3,604	(8,078)

Company Balance Sheet

(After appropriation of net result)

(Amounts in thousands of EUR)	Notes	31 December 2007	31 December 2006
Assets			
Non-current assets			
Intangible assets	29	5,442	6,461
Property, plant & equipment	30	20	301
Financial fixed assets	31	134,842	114,209
Total non-current assets		140,304	120,971
Current assets			
Receivables	32	18,831	29,470
Tax and social security		213	26
Cash and cash equivalents		9,986	3,563
Total current assets		29,030	33,059
Total assets		**169,334**	**154,030**

	Notes	31 December 2007	31 December 2006
Equity & Liabilities			
Equity attributable to the equity holders of the company	33		
Issued capital		14,959	10,574
Share premium		156,044	141,579
Retained earnings		(95,693)	(100,067)
Currency translation reserve		(50,596)	(46,777)
Convertible bonds – equity component		-	5,450
Share warrants		1,325	1,400
Other reserves		(720)	-
Total equity		25,319	12,159
Non-current liabilities	35		
Long-term borrowings		65,568	-
Convertible bonds – debt component		-	7,123
Provision for consolidated subsidiaries	34	6,321	11,308
Derivative financial instruments		720	-
Total non-current liabilities		72,609	18,431
Current liabilities			
Short-term borrowings	35	2,000	65,123
Other liabilities	36	69,406	58,317
Total current liabilities		71,406	123,440
Total Liabilities		144,015	141,871
Total equity and liabilities		**169,334**	**154,030**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

Note 28 General

The Company Financial Statements of Teleplan International N.V. have been prepared in accordance with Dutch Generally Accepted Accounting Principles and the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. In the Company Financial Statements, Teleplan International N.V. refers to the stand-alone legal entity. The accounting policies are the same as those used for the consolidated financial statements, in accordance with the provisions of article 2:362.8 of the Dutch Civil Code, except for investments in group companies which are carried at net asset value.

Note 29 Intangible assets

The movement in intangible fixed assets is as follows:

(Amounts in thousands of EUR)	Goodwill	Other assets	Total
Balance 1 January 2007:			
Cost	1,419	13,555	14,974
Accumulated impairment and amortization	-	(8,513)	(8,513)
Book value	1,419	5,042	6,461
Changes in book value:			
Additions	-	-	-
Amortization charge	-	(1,019)	(1,019)
Book value 31 December 2007	1,419	4,023	5,442
Balance 31 December 2007:			
Cost	1,419	13,555	14,974
Accumulated impairment and amortization	-	(9,532)	(9,532)
Book value	1,419	4,023	5,442
Amortization rates		10% - 20%	

Reference is made to note 10 of the consolidated financial statements for a discussion of the impairment testing of goodwill.

Other intangible assets mainly consist of licenses and development and implementation activities in relation to Teleplan's ERP platform.

(Amounts in thousands of EUR)	Goodwill	Other assets	Total
Balance 1 January 2006:			
Cost	1,419	13,555	14,974
Accumulated impairment and amortization	-	(6,584)	(6,584)
Book value	1,419	6,971	8,390
Changes in book value:			
Additions	-	-	-
Amortization charge	-	(1,929)	(1,929)
Book value 31 December 2006	1,419	5,042	6,461
Balance 31 December 2006:			
Cost	1,419	13,555	14,974
Accumulated impairment and amortization	-	(8,513)	(8,513)
Book value	1,419	5,042	6,461
Amortization rates		10% - 20%	

Note 30 Property, Plant and Equipment

The movement in property, plant and equipment is as follows:

(Amounts in thousands of EUR)	Equipment and other assets
Balance 1 January 2007:	
Cost	1,785
Accumulated depreciation	(1,484)
Book value	301
Changes in book value:	
Additions	22
Depreciation charge	(303)
Book value 31 December 2007	20
Balance 31 December 2007:	
Cost	1,807
Accumulated depreciation	(1,787)
Book value	20
Depreciation rates	10%-33%

(Amounts in thousands of EUR)	Equipment and other assets
Balance 1 January 2006:	
Cost	1,780
Accumulated depreciation	(863)
Book value	917
Changes in book value:	
Additions	5
Depreciation charge	(621)
Book value 31 December 2006	301
Balance 31 December 2006:	
Cost	1,785
Accumulated depreciation	(1,484)
Book value	301
Depreciation rates	10%-33%

Note 31 Financial fixed assets

The movement in financial fixed assets is as follows:

(Amounts in thousands of EUR)	Investments in group companies	Net receivables from group companies	Total financial fixed assets
Balance at 1 January 2007	(2,837)	105,738	102,901
Net result after tax	8,468	-	8,468
Movement in receivable balances	-	20,269	20,269
Translation differences	1,334	(4,451)	(3,117)
Balance at 31 December 2007	6,965	121,556	128,521
Reported as Financial fixed assets			134,842
Reported as Provision for subsidiaries			6,321
			128,521

(Amounts in thousands of EUR)	Investments in group companies	Net receivables from group companies	Total financial fixed assets
Balance at 1 January 2006	(84,031)	190,039	106,008
Net result after tax	(7,403)	-	(7,403)
Recapitalizations	91,029	-	91,029
Movement in receivable balances	-	(84,301)	(84,301)
Translation differences	(2,432)	-	(2,432)
Balance at 31 December 2006	(2,837)	105,738	102,901
Reported as Financial fixed assets			114,209
Reported as Provision for subsidiaries			(11,308)
			102,901

A prior period liability to consolidated companies balance, previously included as a deduction from receivables from group companies, has been reclassified as a liability to consolidated companies in order to match to this year's classification. The investments in group companies have been accounted for at their net asset value in conformity with the accounting policies set out in the consolidated financial statements.

Group companies with a negative net asset value not exceeding the receivable from that group company are reported as financial fixed assets. The Company will account for a provision if the negative net asset value of a group company exceeds the receivable from that group company.

For a list of subsidiaries reference is made to note 24 of the consolidated financial statements as well as to note 34 below.

Note 32 Receivables

(Amounts in thousands of EUR)	2007	2006
Receivables from consolidated companies	18,412	29,229
Other receivables	419	241
Total receivables	18,831	29,470

Note 33 Equity

For the movement in equity in 2007 reference is made to the consolidated statement of changes in shareholders' equity and note 15 of the consolidated financial statements.

Note 34 Provisions

The provision for consolidated subsidiaries is solely related to group companies where the negative net asset value exceeds the receivable from those group companies.

Note 35 Non-current liabilities

Reference is made to notes 16 and 19 of the consolidated financial statements.

Note 36 Other liabilities

(Amounts in thousands of EUR)	2007	2006
Liabilities to consolidated companies	63,900	54,109
Other liabilities	5,506	4,208
Total other liabilities	69,406	58,317

A prior period liability to consolidated companies balance, previously included as a deduction from receivables from group companies, has been reclassified as a liability to consolidated companies in order to match to this year's classification.

Note 37 Commitments and contingencies

Several liability
The Company has issued a liability statement pursuant to article 403, Book 2 of the Dutch Civil Code in respect of the consolidated subsidiaries Teleplan Holding Europe B.V., Teleplan Communications B.V., Teleplan & White Electronics B.V., Teleplan Holding Asia B.V. and Teleplan Service Solutions Asia B.V.

Fiscal entity
Teleplan International N.V. and its wholly owned subsidiaries in the Netherlands, Teleplan Holding Europe B.V., Teleplan Central Europe Holding B.V., Teleplan Communications B.V., Teleplan & White Electronics B.V., Teleplan Holding Asia B.V. and Teleplan Service Solutions Asia B.V. form a fiscal entity for corporate income tax purposes. Consequently, the companies included in the fiscal entity are jointly liable for the tax liabilities of the fiscal entity.

Note 38 Remuneration of the Management Board and Supervisory Board

For the remuneration of the Management Board and the Supervisory Board reference is made to note 24 of the consolidated financial statements.

Note 39 Events after the balance sheet date

There are no events after the balance sheet date that could have a material impact on the financial position of the Company.

Zoetermeer, 21 April 2008
Teleplan International N.V.
The Management Board

Mark Twaalfhoven
Gotthard Haug

Other information

Appropriation of net income

Statutory regulations concerning profit appropriation

Article 25 of the Articles of Association concerning dividends and retention of profits determines:

1. Distribution of profits may only be made after adoption of the annual report, from which it appears that the equity of the Company exceeds the amount of the called and paid in part of share capital, increased with the reserves that should be maintained pursuant to the law.
2. The Management Board, with the approval of the Supervisory Board, shall determine which part of net profit will be retained.
3. The balance of the profit available for distribution shall be made available to the General Meeting of Shareholders for distribution to the shareholders in proportion to the number of shares they hold in the Company.
4. With the prior approval of the Supervisory Board the Management Board may decide already before confirmation of the annual report of any financial year on account of dividend to be expected in the financial year concerned to distribute one or more interim dividends, provided it appears from an interim statement of the assets and liabilities of the Company signed by the Management Board as referred to in article 2:105 paragraph 4 of the Dutch Civil Code that the requirement referred to in paragraph 1 of this article regarding the equity position has been satisfied.
5. No profit shall be distributed on shares that the Company holds in its own capital unless a usufruct has been created in these shares. When calculating the allocation of profit, the shares that the company holds in its own capital and on which no profit may be distributed, shall be excluded.

Article 26 of the Articles of Association concerning payments on shares charged against reserves determines:

1. Following a proposal made by the Management Board approved by the Supervisory Board, the General Meeting of Shareholders may decide that a distribution of dividend is made entirely or partially in shares in the Company.
2. Following a proposal made by the Management Board approved by the Supervisory Board, the General Meeting of Shareholders may decide that a distribution of dividend can be made against the share premium reserve or freely distributable reserves. These distributions may also be made entirely or partially in shares in the Company.

Proposed appropriation of net result

It is proposed to the General Meeting of Shareholders to add the net income for the year ended 31 December 2007 to retained earnings. This proposal has already been incorporated in the financial statements.

To: the shareholders of Teleplan International N.V.

AUDITOR'S REPORT

Report on the company financial statements

We have audited the accompanying company financial statements 2007 which are part of the financial statements of Teleplan International N.V., Amsterdam, which comprise the balance sheet as at 31 December 2007, the income statement 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 Teleplan International N.V. as at 31 December 2007, 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, 21 April 2008

for Ernst & Young Accountants

Signed by W.T Prins

Financial Calendar 2008 Teleplan International N.V.

26 March 2008	Release of preliminary unaudited figures 2007
21 April 2008	Release of final (audited) results 2007 in Frankfurt/Main
	Press conference annual accounts 2007
	Analysts` meeting annual accounts 2007
22 April 2008	Release of first quarter figures 2008
	Release of three-month-report 2008
22 April 2008	Capital Market Day in Prague
14 May 2008	Annual General Shareholders Meeting (AGM) in Amsterdam
24 July 2008	Release of half-year figures 2008
	Release of six-month-report 2008
23 October 2008	Release of nine-month figures 2008
	Release of nine-month-report 2008
10-12 November 2008	Analysts` meeting at the German Equity Forum in Frankfurt/Main

"Safe Harbor" Statement for the Private Litigation Act of October 1995

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