Annual Report 2009
including Company Financial Statements

Teleplan
Lifecycle care for electronics

OVERVIEW

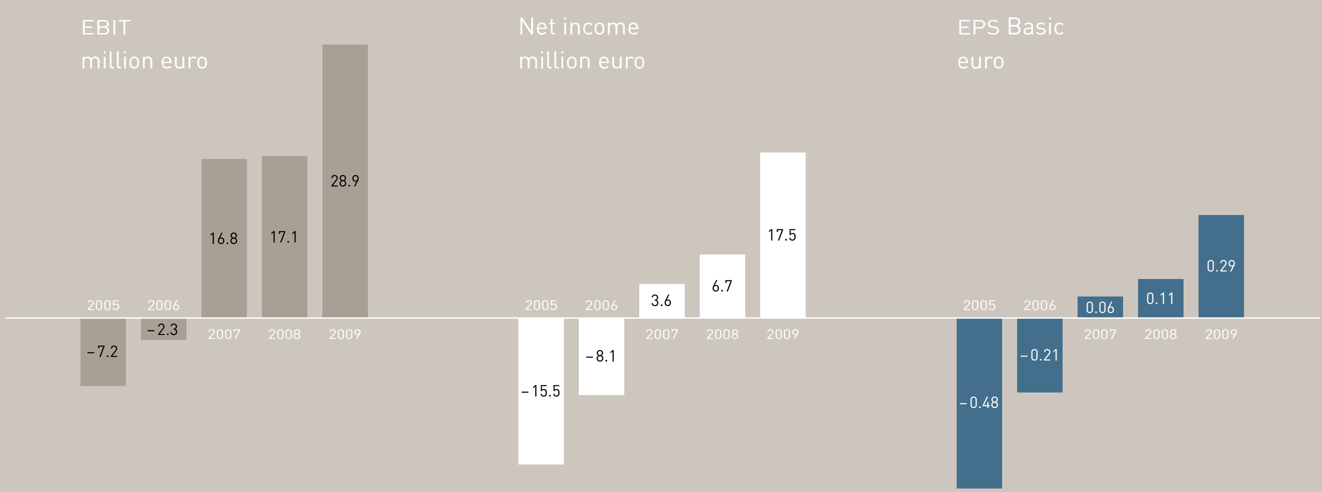
KEY DATA

million euro (unless stated otherwise)	2005	2006	2007	2008	2009
Revenue	255.0	242.0	281.7	304.4	287.2
EBITDA	12.6	5.2	22.1	21.8	33.8
Depreciation, amortization and impairment	19.8	7.5	5.3	4.7	4.8
EBIT (operating income)	– 7.2	– 2.3	16.8	17.1	28.9
Financial expenses, net	7.6	5.4	12.9	9.7	6.8
Income tax expense	0.7	0.3	0.3	0.8	4.7
Net income	– 15.5	– 8.1	3.6	6.7	17.5
Operating cash flow [1]	9.8	7.3	12.4	22.7	40.1
Weighted average number of shares (x 1,000)	32,227	37,789	55,469	59,838	60,538
Earnings per share (euro); Basic	– 0.48	– 0.21	0.06	0.11	0.29
Earnings per share (euro); Fully Diluted	– 0.48	– 0.21	0.06	0.11	0.28
Operating cash flow per share (euro) [2]	0.30	0.19	0.22	0.38	0.67
Book value per share (euro)	0.63	0.32	0.46	0.53	0.84

Selected Balance Sheet Data	**31 Dec 2005**	**31 Dec 2006**	**31 Dec 2007**	**31 Dec 2008**	**31 Dec 2009**
Cash and cash equivalents	20.9	10.6	15.5	15.8	16.7
Net debt, excluding convertible bonds	55.8	55.6	52.3	43.4	15.6
Balance sheet total	175.7	148.4	149.9	147.7	146.0
Total equity	20.4	12.2	25.3	31.8	50.8
Equity ratio (%)	11.6	8.2	16.9	21.5	34.8
Number of employees at year end	4,513	5,206	6,217	5,777	5,939

[1] Operating cash flow is cash generated from operations.
[2] Operating cash flow per share is calculated by dividing cash generated from operations by the weighted average number of shares.

IMPRESSIVE EARNINGS DEVELOPMENT

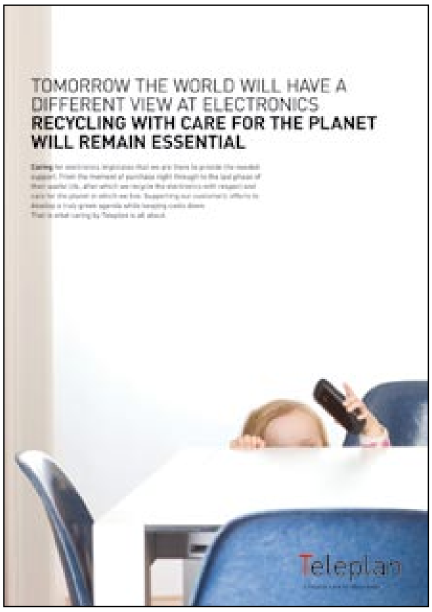


COMPANY PROFILE
ABOUT US

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

Teleplan's 3Cs are made up of nine product groups in total, with which the Company is able to serve the industry in its entirety. The focus of the Netherlands-based company, listed on the German stock exchange, is to provide high-tech services across the globe from the point at which a company sells its product to the end of its lifecycle and beyond. Teleplan currently operates from 18 sites in Europe, North America, Asia and Australia.

Teleplan International N.V. is made up of 5,939 quality- and service-oriented employees around the world, all of whom contribute to protecting our customers' brands by providing their dedication, unique skills, knowledge and enthusiasm.



The corporate values of Teleplan: LEADING | UNIFYING | CARING

LIFECYCLE CARE
BY TELEPLAN

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GOTTHARD HAUG
left, (CEO), born 1958, German.
Mr. Haug was officially appointed as CEO of the Company
at the Annual General Meeting of 7 May 2009.
He joined Teleplan as CFO in 2004. Prior to joining Teleplan,
Mr. Haug served as CFO of Wal Mart Germany.

THIEM SCHOONDERBEEK
right, (CFO), born 1956, Dutch.
Mr. Schoonderbeek was officially appointed as CFO of the Company
at the Annual General Meeting of 7 May 2009.
He joined Teleplan as Group Director Controlling and Reporting in 2006.
Prior to joining Teleplan, Mr. Schoonderbeek served as Group Controller and
CFO within multinational firms including Arthur Andersen and Saatchi & Saatchi.

LETTER OF THE MANAGEMENT BOARD

Dear Shareholders and Stakeholders of the Company

When we started the 2009 financial year, the global economic crisis dominated the headlines and was a prominent issue at our company as well. We have seen dramatic volume decreases within our industry, and even companies going out of business. As such, we saw it of the utmost importance to secure financial stability. Moreover, Teleplan put out an excellent performance in 2009 with great success for all of our stakeholders.

Looking at the 2009 figures, we achieved this goal impressively despite pricing pressure, lower volumes in the market and changes in our customers' business models. Our top line was not significantly hurt, as revenue only fell by 5.7% year-on-year to 287.2 million euro. In the fiscal year, we expanded net profit 162% from 6.7 million euro at the end of 2008 to 17.5 million euro. EBITDA increased by 55% to 33.8 million euro and EBIT rose by 69% to 28.9 million euro. This increase was the highest since the Company was founded. Earnings per share improved from 0.11 euro to 0.29 euro per share.

At the same time, we reduced our net debt by 64% overall from 43.4 million euro at the end of 2008 to 15.6 million euro by the end of 2009. This resulted in a leverage ratio of 0.5 after we repaid the remaining 5.0 million US-Dollar of the expensive Mezzanine loan in the fourth quarter 2009 that the Company had taken out in October 2007. Although this and previous early repayments carried penalties that burdened the financial result in 2009, the significant reduction of interest expenses will provide additional relief to the bottom line from 2010 onward.

As a result of the higher net profit and ease of restrictions following repayment of the Mezzanine loan, we will propose the payment of a dividend for the 2009 fiscal year at the Annual General Meeting on 20 May 2010. This is expected to amount to 6 cent per share, equal to a total of approximately 3.6 million euro.

We intensified communication with the financial markets in April 2009. The dialogue with the capital market became more proactive and together with the positive business performance investors' attention to the Teleplan share increased. And for good reason – by the end of the third quarter, the Teleplan share price had jumped by 230 % versus the end of 2008 and reached a 2009 high of 2.49 euro on 29 December – up 453 % from the end of 2008. In addition, it consistently outperformed the SDAX throughout the latter half of the year. Increased market capitalization and higher trading volumes enabled Teleplan to re-enter the SDAX on 21 December 2009.

We were able to achieve the 2009 results through rigorous cost control and efficiency measures. One of the structures put in place for this purpose is the White Mountain project launched in early 2009. This initiative has centered targeted improvements to bottom-line growth on company operations, putting our overhead costs, efficiency and other cost components under scrutiny. The project focuses on the allocation of Teleplan's core competencies and specialized expertise in order to make workflows more efficient and facilitate future growth while offloading non-strategic business to free up additional management capacities.

We further improved our site portfolio by selling our Hamburg facility in November 2009. A small site that contributed little to the Group's revenue and was not connected to any other customer program. The sale allowed us to streamline Teleplan's locations down to 18.

Teleplan's global footprint with Headquarters in Amsterdam

At the Annual General Meeting on 7 May 2009, Gotthard Haug, CFO of Teleplan since 2004, was appointed as the new CEO of Teleplan. Thiem Schoonderbeek, Group Director Controlling and Reporting of Teleplan since 2006, was appointed CFO. Both together constitute the Teleplan Management Board.

In 2009 we worked on streamlining and integrating the Company. To demonstrate the changes we achieved during the year and to highlight a new customer strategy, we have developed a new customer-centric strategy that will focus on "Lifecycle Care for Electronics". The new logo and its claim "Lifecycle Care for Electronics" will help to communicate the new strategy.

We are convinced more than ever that the outsourcing trend in our industry continues. Based on our latest analyses in 2009, we estimate the total depot repair market globally at roughly 15 billion US dollar. We are among the top ten companies in the world within this market area with a market share of 2.6%. This leaves considerable room for growth, as there are more potential customers that we will be able to serve in the future in addition to increasing our share within our existing customers' businesses. Additionally, we have identified and entered new business segments. Consequently, we will be focusing on long-term, sustainable growth by putting the customer at the center of our activities.

Teleplan's core customer segment has been and will continue to be the OEM market. Going forward, we plan to serve additional market segments including operators, insurers, retailers and the radio base station area. Teleplan will also begin to service the segment of recycling for device parts, thereby rounding off the complete "lifecycle care for electronics" as stated in our new motto.

Overall, we are pleased with the 2009 performance of the Company. Despite a certain degree of impact from the global economic crisis, pricing pressure and changes in customer business models, we were able to stabilize the Company financially. Nevertheless, we are cautious with regard to what the future will bring in terms of the overall economic development and the dynamics of our industry. On the other hand, we have laid the foundation from which we can work on the top line growth going forward. This is where we will place our focus in 2010 and beyond.

Last but not least, we would not be where we are today without the hard work and dedication of our talented team of employees around the world. Our success in 2009 and prior years is owed to them, the shareholders and other stakeholders who have put their faith in our Company. For this we would like to express our deepest gratitude.

Amsterdam, 20 April 2010

Gotthard Haug

Thiem Schoonderbeek

Teleplan's market leading cleanroom facility in Penang

INVESTOR RELATIONS AND TELEPLAN SHARE

VOLATILE STOCK MARKETS

The stock markets in general were dominated by the financial crisis and the global downturn of the economy. The anticipation of a global recession accelerated the downturn of worldwide stock markets at the beginning of 2009 and the decline ended in March at the lowest point in years. At that time, the leading industrialized nations started to inject capital into their economies which dampened the economic downturn and brought a measure of stability to the still volatile stock markets.

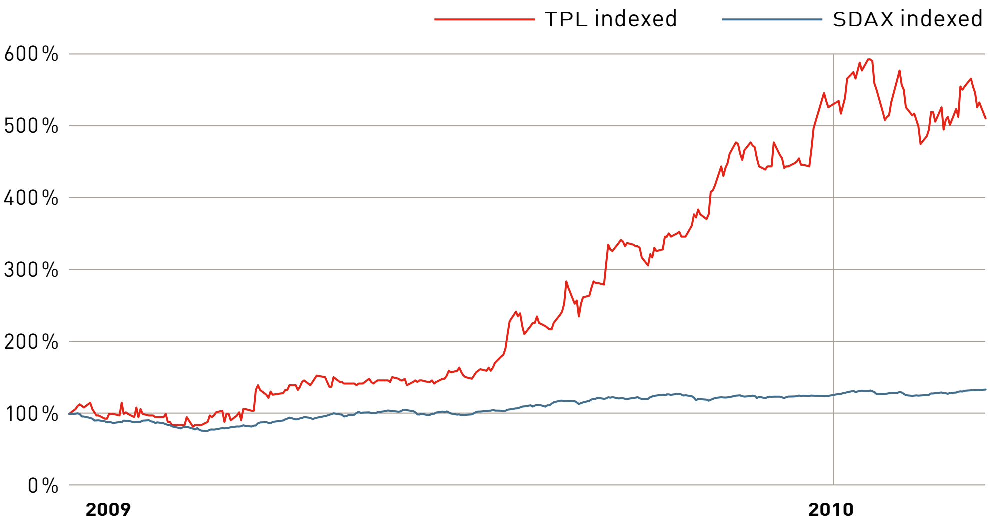
The German large-cap segment DAX started 2009 with 4,810 points, posted losses through March and recovered for the remainder of the year, closing with 5,957 points at the end of December (+24%). The small-cap index SDAX, where Teleplan has once again been listed from 21 December 2009, slightly outperformed the DAX with an increase of 26% to 3,549 points by the end of December 2009.

TELEPLAN SHARE STRONGLY OUTPERFORMED STOCK MARKETS WITH A SIGNIFICANT SHARE PRICE INCREASE

The performance of the Teleplan share in 2009 began to reflect the Company's improved profitability from April 2009 onwards. It started the business year at 0.45 euro, reaching its all-year high on 29 December 2009 at 2.49 euro. This represented a jump in the share price by 453% versus the end of the previous year. Proactive dialogue with the capital market was rewarded and investors began to pay significantly more attention to the share. The number of shares traded on average per day increased by more than 22% to 104,726 shares from 85,717 during 2009.

The number of outstanding shares increased in 2009 from 59.8 million to 60.5 million when 700,000 shares were issued upon an option exercise by a former member of the Management Board.

TELEPLAN VS. SDAX DEVELOPMENT OF TELEPLAN SHARE PRICE INDEXED



SHARE PERFORMANCE DATA (XETRA CLOSING PRICES IN EURO)

In euro	2005	2006	2007	2008	2009
Year end	2.14	1.28	0.97	0.45	2.37
Year high	2.66	2.28	1.52	1.13	2.49
Year low	1.31	1.15	0.75	0.39	0.36
Market capitalization [Year end / million euro]	71.8	54.1	58.0	26.9	143.5
Number of shares traded on average per day [XETRA + Floor]	144,107	52,703	83,312	85,717	104,726
Weighted average number of shares (million)	32.2	37.8	55.5	59.8	60.0
Earnings Per Share [EPS], basic	– 0.48	– 0.21	0.06	0.11	0.29
Earnings Per Share [EPS], fully diluted	– 0.48	– 0.21	0.06	0.11	0.28
Operating cash flow per share (euro)	0.30	0.19	0.22	0.38	0.67
Book value per share (euro)	0.63	0.32	0.46	0.53	0.84

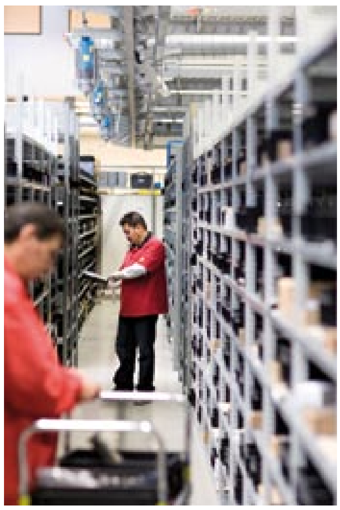
DIRECTORS DEALINGS

Dimitri Goulandris, member of the Supervisory Board, purchased 234,000 shares at a price of 0.72 euro each. Gotthard Haug, Chief Executive Officer, purchased 30,000 shares at a price of 1.19 euro each.

THE FIRST DIVIDEND IN THE HISTORY OF TELEPLAN

The Supervisory Board and Board of Management support the paying out of a dividend, provided that the earnings, financing and prospects make this possible.

Based on the improved profitability and the reduced net debt level, the Supervisory Board and Board of Management will propose to the Annual General Meeting on 20 May 2010 to pay out a dividend of 0.06 euro per share for the 2009 fiscal year. The dividend of 3.6 million euro will be paid out of the 17.5 million euro in net income. The remaining 13.9 million euro will be carried forward.



RE-ENTRY INTO THE GERMAN SMALL CAP INDEX SDAX

The Management Board have put a lot of emphasis on a proactive and ongoing dialogue with the capital market. The release of figures showing very profitable results for three consecutive quarters reinforced investors' confidence in Teleplan and has led to a more adequate valuation of the Teleplan share. In December 2009 Teleplan met the two relevant criteria on trading volume and market capitalization, allowing for its re-entry into the SDAX on 21 December 2009. This listing will support extending coverage from sell-side analysts to generate a broader spectrum of opinion. At the moment, SES Research provides full coverage of the Teleplan share. Intensified communication with shareholders, potential investors and financial analysts in Europe will remain a priority of the investor relations department.

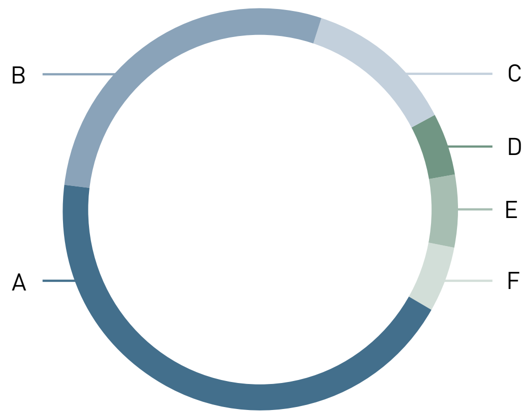
Every release of quarterly results was combined with an analysts' and investors' conference call. The annual analysts' conference took place at the German Equity Forum in Frankfurt/Germany in November 2009.

For the third year in a row, Teleplan's 2008 annual report won an award at the "2008 Vision Awards" annual report competition. Teleplan received the silver award from the independent jury of the League of American Communications Professionals (LAPC) for the 2008 report.

KEY SHARE DATA

ISIN	NL0000229458
Ticker Symbol	TPL
Reuters Instrument Code	TELP.DE
Bloomberg Instrument Code	TPL:GR
Trading Segment	SDAX
Prime Sector	Industrial
Industry Group	Industrial Product & Services
Indices	SDAX, Prime All Share, Classic All Share
Designated Sponsor	VEM Aktienbank AG
Subscribed Capital at December 31, 2009	15,134,464.75 euro
Class of Shares	Bearer Shares

ACTUAL SHAREHOLDER STRUCTURE (60.5 MIO SHARES)



A	Free Float	43.78 %
B	Sterling Funds	28.14 %
C	Tinos Guernsey	12.20 %
D	Cycladic Capital	4.96 %
E	Monolith Investment	5.80 %
F	Merval AG	5.12 %

(as reported to the Company)

Our lifecycle care approach
can be "Tele-made" to suit
each customer's evolving needs

CORPORATE GOVERNANCE REPORT

(I) COMPANY PROFILE

Teleplan was incorporated under Dutch law as a public limited liability company (naamloze vennootschap) on 13 August 1998. The Company's corporate seat is located in Amsterdam, the Netherlands, and its head office is at Amsterdam Airport Schiphol, the Netherlands. Teleplan is registered with the Commercial Register at the Chamber of Commerce and Industry for Amsterdam under No. 10044356. The Articles of Association were most recently amended by a notarial deed executed on 28 May 2008. The Company'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. Teleplan's shares belong to Deutsche Börse's small-cap index SDAX.

(II) STRUCTURE

Teleplan has a two-tier board structure. Its Management Board is collectively responsible for the Company's management and thus for the realization of its (strategic) objectives as well as its strategy and policy. Teleplan's Supervisory Board is responsible for supervising and advising the Management Board as well as for monitoring 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 Teleplan International N.V. The Supervisory Board has been carefully selected to include members with backgrounds and experience in fields related to Teleplan's core activities and with international experience in the foreign markets in which Teleplan is active. The Supervisory Board is assisted by the Company Secretary.

The aim of supervision by the Supervisory Board is to realize Teleplan's objectives and strategy. 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.

The Supervisory Board has appointed three committees from among its members: (i) an Audit Committee, (ii) a Remuneration, Selection, and Appointment Committee, and (iii) a Strategy Committee. These committees prepare the decision-making process of the Supervisory Board and focus on supervising certain activities of the Management Board among other tasks.

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 amendments to the Articles of Association, legal mergers or split-offs, the adoption of the financial statements and 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 committee for their services.

(III) DUTCH CORPORATE GOVERNANCE CODE

As from 1 January 2009, the amendments made by the Monitoring Committee to the Dutch Corporate Governance Code entered into force. The full text of the applicable Dutch Corporate Governance Code (the "Code") can be found on *www.commissiecorporategovernance.nl.*
As a Dutch public company with limited liability whose shares are admitted to trading on a regulated market in the European Economic Area, Teleplan International N.V. is required to dedicate a chapter in its Annual Report to its 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 referred to as the "apply 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 Management Board and the Supervisory Board have overall responsibility for taking these interests into account, with a general focus on ensuring continuity for the Company. In doing so, Teleplan endeavors to create long-term shareholder value. The majority of the principles and best practice provisions of the Code are common practice at the Company. Integrity, openness, supervision, transparent reporting and accountability are considered the pillars of Teleplan's corporate governance policy. In 2009, Teleplan ensured that its practice and procedures complied with the Code to the extent possible and desirable, taking into account the specific circumstances of the Company.

(IV) COMPLIANCE WITH AND ENFORCEMENT OF THE CODE

After evaluating its corporate governance in light of the principles and best practice provisions set out in the Code, Teleplan concluded that, in 2009, it substantially complied with the principles and best practice provisions, insofar as they apply. There are, however, a few exceptions, the most important of which are listed below. The numbering in this section follows the structure of the Code.

IN RELATION TO THE SUPERVISORY BOARD

Best Practice Provision III.2.1 (Independence of Supervisory Board members)
Currently, four 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 a member of the Management Board in the years 2004 and 2005, Mr. Rolf Huber is deemed not independent according to best practice provision III.2.2 (a) of the Code. As a result of their positions in Sterling Strategic Value Limited ("Sterling"), the largest shareholder of the Company, both Mr. Massimo Pedrazzini (Chairman of the Board of Directors of Sterling) and Mr. Hendrikus Visser (Member of the Board of Directors of Sterling) are deemed not independent according to best practice provision III.2.2 (f) of the Code. As Managing Partner and Chief Investment Officer of Cycladic Capital LLC, an investment management firm representing three of the Company's major shareholders (Cycladic Archipelago Fund, RIT Capital Partners Ltd., Tinos Guernsey Ltd.), Mr. Dimitri Goulandris is deemed not independent according to best practice provision III.2.2 (f) of the Code.

At its meeting on 21 March 2007, the General Meeting of Shareholders amended the Company's Articles of Association and thereby allowed the appointment of more than one not-independent Supervisory Board member. The General Meeting appointed Mr. Huber and Mr. Goulandris as members of the Supervisory Board on 21 March 2007, and Mr. Pedrazzini and Mr. Visser as members of the Supervisory Board on 17 December 2008. Teleplan is of the opinion that in view of the respective background, knowledge and experience of each of these members of the Supervisory Board, their appointment was in the best interest of the Company.

Best Practice Provision III.5.10 (Remuneration Committee) and Best Practice Provision III.5.14 (Selection and Appointment Committee)
In view of the size of the Supervisory Board, the proposed members of both such committees would consist of the same persons. Therefore, Teleplan has a combined Remuneration, Selection and Appointment Committee.

IN RELATION TO THE SHAREHOLDERS AND THE GENERAL MEETING OF SHAREHOLDERS

Best Practice Provision IV.3.6 (Posting of information on website that the Company is required to publish or provide)
Teleplan will continue to update its website in 2010 and expects that all relevant information required to be posted will be available later this year.

(V) OTHER INFORMATION

CONFLICTS OF INTEREST

No (potential) conflicts of interest between Teleplan and the members of its Management Board or between Teleplan and legal or natural persons who hold at least ten percent of the shares in Teleplan were reported during the 2009 financial year. In this respect, the Company complied with Best Practice Provisions II.3.2 to II.3.4 and III.6.4 of the Code.

ANTI-TAKEOVER MEASURES

Teleplan does not have any anti-takeover measures with the exclusive or near-exclusive purpose of frustrating future public bids on the shares in the capital of Teleplan in the event that no agreement is reached with the Management Board on such public bid. Furthermore, Teleplan does not have measures with the specific purpose of frustrating the attempts of a bidder, also once it has acquired 75% of the shares in the capital of Teleplan, to appoint or dismiss members of the Management Board and subsequently amend the Articles of Association of Teleplan. To avoid any doubt, it should be noted that also in the event of (an attempt at) a hostile takeover, the Management Board and the Supervisory Board are authorized to exercise in the interest of Teleplan all powers attributed to them.

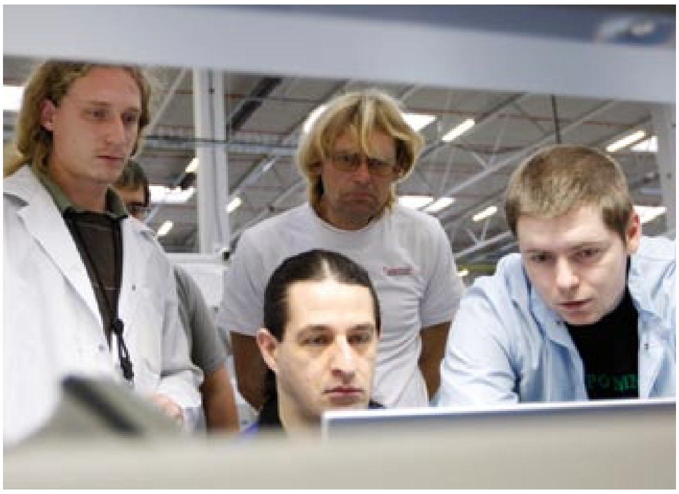
SHAREHOLDERS' RIGHTS AND ADDITIONAL DISCLOSURES

The Company's authorized share capital amounts to 16,250,000 euro and is divided into 65,000,000 shares. Each share is an ordinary bearer share with a par value of 0.25 euro and carries full dividend rights in accordance with the Company's Articles of Association. Each share must be paid in full upon issue. Currently, 60,537,859 shares of the Company are issued and outstanding.

Each share entitles the holder to cast one vote at the General Meeting of Shareholders, with the exception of shares belonging to the Company or a subsidiary of the Company. 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 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, grant rights to subscribe for shares and cancel or limit pre-emptive rights upon the issue of shares and the granting of rights to subscribe for shares. This mandate (delegation of authority) has been granted until 30 June 2010.

At least one General Meeting of Shareholders shall be held annually no later than six months after the end of the financial year. The agenda shall include the discussion of the Annual Report and the adoption of the financial statements. Other General Meetings of Shareholders are held as often as the Management Board or the Supervisory Board deem necessary. The Management Board and/or Supervisory Board may put items on the agenda. In addition, shareholders who individually or collectively represent at least 1% of the issued share capital or represent a market value of at



least 50,000,000 euro have the right to put items on the agenda as well. Every shareholder has the right to attend a General Meeting in person or through written proxy, to address the General Meeting and to exercise voting rights in accordance with the Company's Articles of Association. For further information on the General Meeting of Shareholders, please refer to the Company's Articles of Association as published at www.teleplan.com.

The General Meeting of Shareholders resolves upon the appointment, suspension and dismissal of members of the Management Board and of members of the Supervisory Board in accordance with the Company's Articles of Association. Resolutions with regard to amending the Articles of Association may only be passed by the General Meeting of Shareholders upon a proposal to that extent by the Management Board. This proposal is subject to the prior approval of the Supervisory Board.

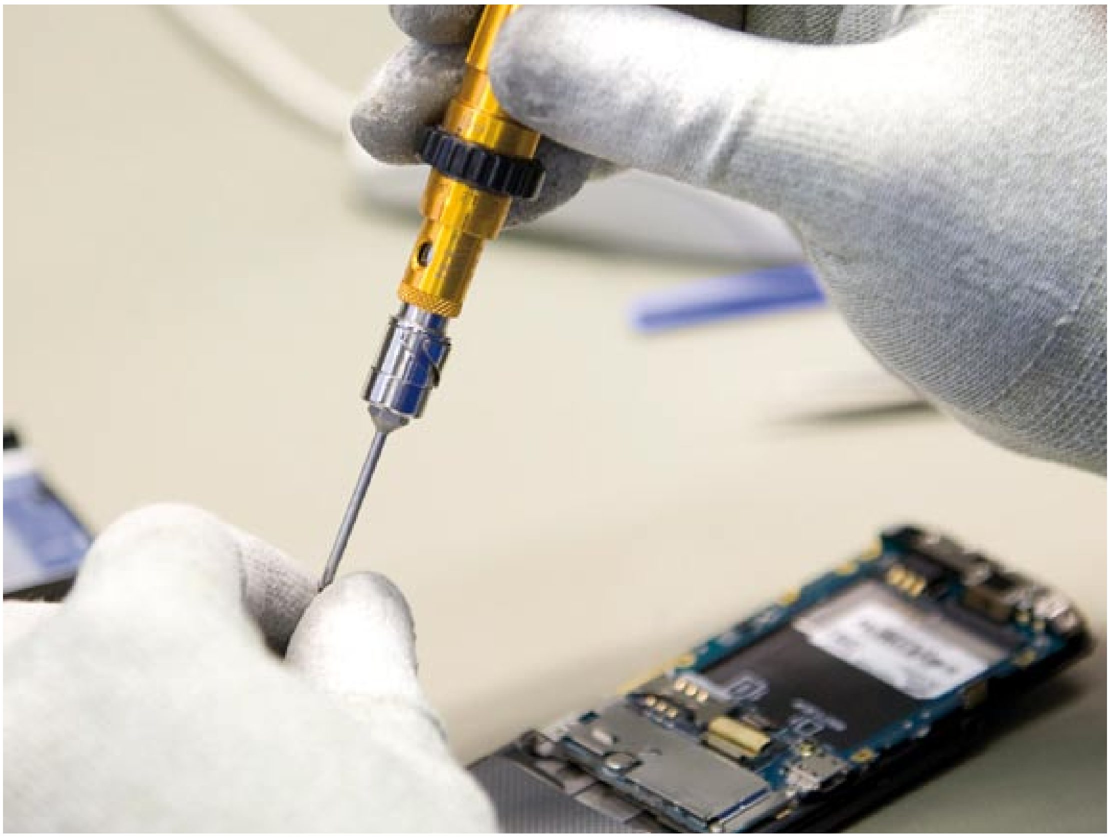
Under the Articles of Association, a resolution to pay dividends shall be addressed as a separate item on the agenda at the General Meeting of Shareholders. In general, the distribution of profits may only take place if, upon adoption of the financial statements, it emerges that the equity capital of the Company is greater than the amount of the paid and called part of the capital plus reserves to be set aside in accordance with the law and the Articles of Association.

At 31 December 2009, direct or indirect stakes in the share capital of the Company exceeding 5 % of voting rights were reported in favor of Sterling Strategic Value Limited (with a stake of 28.1 %), Tinos Guernsey Limited (12.2 %), Monolith Investment Management B.V. (5.8 %), Merval AG (5.1 %), and Cycladic Capital Management Limited (5.0 %). Disclosures of substantial holdings must be made to the Netherlands Authority for the Financial Markets (AFM). For the most recent notifications, please refer to the AFM website.

On authorization of the General Meeting of Shareholders, Teleplan introduced a Management Equity Incentive Plan on 26 October 2005. Under this plan, eligible employees (which include the members of the Management Board and key employees) can be granted share options. The maximum number of options to be granted is fixed, but can be adjusted annually. Options can, however, only be issued within the limits of the authorized share capital of the Company. In principle, all options have an exercise price that is determined upon the average market value of a Teleplan share within thirty calendar days preceding the grant date. The options have a term of seven years, and are partly exercisable as from one year after the grant date (three years for the members of the Management Board). Further information on share-based compensation can be found in note 19 to the Financial Statements.

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

The Company entered into a transaction bonus agreement with its CEO and member of the Management Board, Mr. Gotthard Haug. In the event of a change of control resulting from a take-over transaction, a reasonable part of the transaction price, limited to a maximum amount of 2.5 million euro, shall be allocated to Mr. Haug, further to be determined by the Company's Supervisory Board. The General Meeting of Shareholders held on 7 May 2009 approved the contents of this transaction bonus agreement. In addition, the Company has granted both members of the Management Board a specific cash incentive payable under the condition of a sustained earnings position of the Company in the years 2010 and 2011. Under certain conditions, these sustainability cash incentives, which are limited to a maximum amount of 800,000 euro for each member of the Management Board, are due and payable in the event of a change of control.



Teleplan has long lasting expertise
and a proven track record
in Mobile & Networking services

GROUP MANAGEMENT REPORT

CORPORATE STRATEGY

CORE SEGMENTS: THE 3CS

Teleplan's core business refers to the 3C segments of Computer, Communications and Consumer Electronics. The focus of the Company's technological expertise is based on its ability to adapt to the needs of customers and their lines of business.

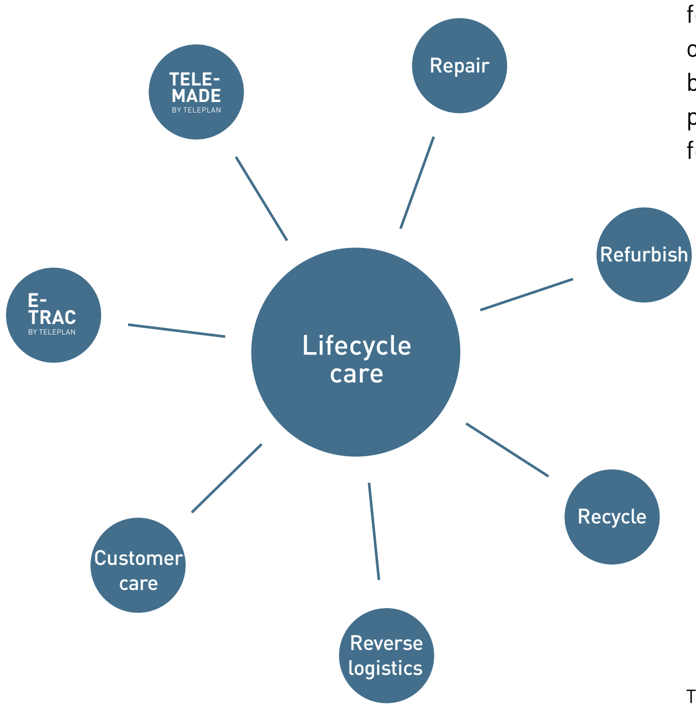
Each segment is divided into product groups. These nine product groups are Storage, PC & Notebook, Display and Printer (Computer), Mobile and Networking (Communications) and Videocom, Gaming and Imaging (Consumer Electronics). In previous years the Group had also introduced key account management for international customers, which provides additional support for the overall management of customer service.

NEW STRATEGIC APPROACH MIRRORED IN NEW CORPORATE IDENTITY

In a constant effort to adapt to changes in the business environment, the Company took active steps to implement a customer-centric organization by placing more emphasis on sales and marketing while shifting technology expertise inward. We have reviewed the range of services offered to our customers. Rather than servicing specific parts of the value chain, we are moving forward with a more comprehensive offering of lifecycle care from the point at which a company sells equipment through to the end of its life and beyond. Teleplan's more customer-centric approach has been reflected in a new corporate identity, design and motto: "lifecycle care for electronics".

As such, a great deal of 2009 was spent preparing to take on a pro-active approach to organic growth. Going forward, the Company's offering of more comprehensive lifecycle care will also be communicated in a more outward, customer-friendly way. As Teleplan puts it, "we deal with the complexity, all the customer experiences is simplicity."

The businesses that Teleplan aims to address will not be limited to its existing segments. The Company's primary customer segment has and will continue to be OEMs, but plans entail expanding into growth markets including (but not limited to) after-market services for sectors ranging from retailers and insurers to operators and radio base stations. Teleplan will also begin to service the segment of recycling for device parts, thereby rounding off the complete "lifecycle care for electronics".



Teleplan's lifecycle care model for Electronics

OUR ORGANIZATION

Teleplan is a unique company at which opposites unite and diversity is seen as a differentiating strength. Its employees are challenged to use their entrepreneurship and encouraged to work closely in multi-capability teams. The Company also expects its workforce to lead with their professional contribution to its success.

Part of Teleplan's new corporate strategy with regard to internal infrastructure development is to establish structures that make company operations more effective. The White Mountain project, launched in April 2009, centers on the allocation of Teleplan's core competencies and specialized expertise in order to make workflows more efficient. Whereas the various Teleplan locations around the world had previously specialized in servicing and repairing specific products, all 18 sites now have the ability to service any product. This eases logistics and reduces the turnaround time for the customer.

OUR MARKET

With growth and an improvement to the top line as the new priority for the years ahead, Teleplan has set a more concrete target for growth and thereby climbing from its current position of 6^{th} in the 15 billion US dollar market of total depot repair to becoming one of this industry's top 5 suppliers.

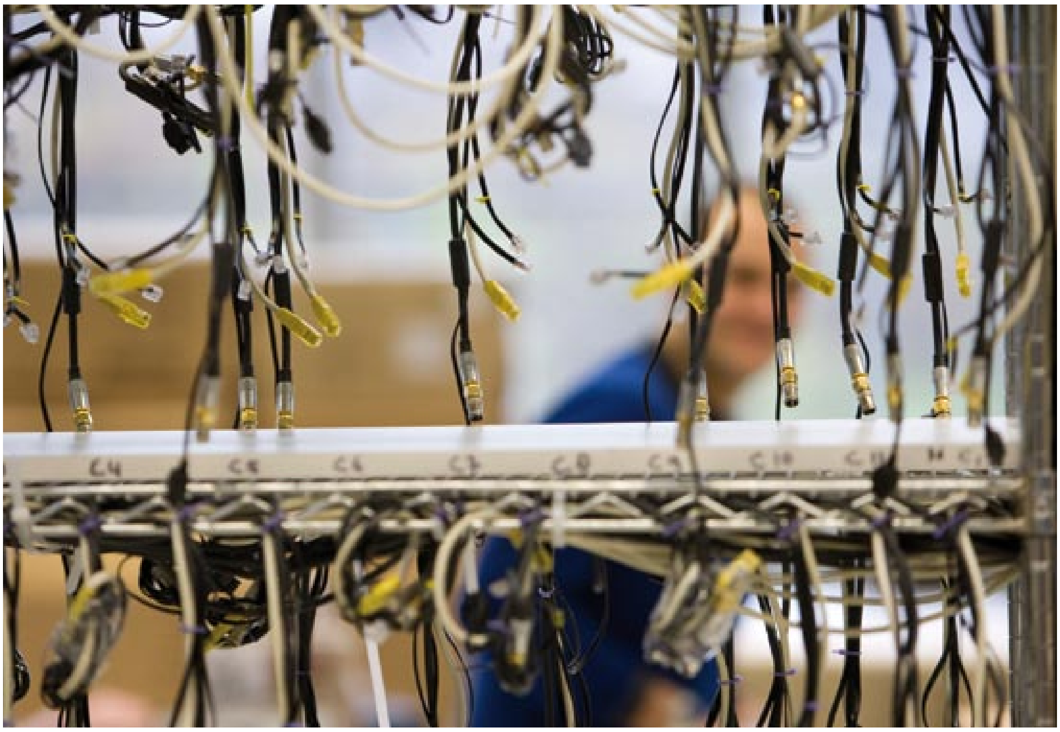
There are plenty of opportunities to do so. Looking at the core segment of original equipment manufacturers (OEM), we have identified growth opportunities with existing and new customers in this segment. In addition to the OEM segment, we will also target the operator segment, where we see significant growth opportunities. Another area currently being targeted is the market for radio base stations. The foundation has already been laid here with a pilot currently under way for a large player.

TECHNOLOGY OUTLOOK

In order to remain competitive in a difficult market environment, customers continue to increase the complexity and functionality of their products and constantly seek out global partners in their attempt to outsource after-market services being non-core segments of their business. This results in more opportunities for Teleplan to expand.

In terms of the 3Cs, the Communications segment offers the most potential for growth at Teleplan. This is largely due to the emerging trend of convergence in handheld devices, particularly around a mobile platform. Such phones offer consumers advanced capabilities and computer-like functions in the palm of their hand, thereby increasing mobility for the user. Examples include products that have dominated the market in the past, such as the Blackberry and iPhone, as well as new phones being developed by major players like Microsoft and Google. The features of these devices go far beyond simple voice communication to include email and Internet use in addition to the now widespread features of a camera, video camera, MP3 player, a personal organizer and a great deal more.

Studies have already shown that the use of these devices is on the rise, and all indications suggest that the market trends will continue on this path in the future. One consequence is that devices are becoming more and more complex, and with greater complexity often comes greater potential for failure rates on the part of the hardware and equipment. In addition, if a company is under pressure to launch a product quickly in order to capitalize on the demand for it, this can sometimes come at the expense of careful design, structure and assembly of the products.



Furthermore, the rising number of devices offering web capabilities increases consumers' accessibility to the Internet, thereby raising the demand for internet access points such as radio base stations. Many companies are under pressure to free up resources and focus on their core areas of business by outsourcing the maintenance and repair of these stations once they are in place.

The prevalence of netbooks is also on the rise. These very portable computers allow the user to access the Internet from nearly anywhere in the world, as well as to send and receive emails, access web-based applications and more. The added benefit of the technology is the size of the devices, small enough to allow the user to carry the netbook wherever he or she goes.

With regard to the Consumer Electronics segment, the product group of Videocom saw a shift resulting from the mandatory switch from analogue to digital broadcasting in the US in 2009. Furthermore, trends in home entertainment continue to move away from standard definition and in the direction of high definition television and DVDs. High definition, or HD for short, is very rapidly becoming the new standard for viewers.

Manufacturers in these fields must tailor to the growing popularity of their products in order to keep up with the competition and to continue growing.

ANALYSIS OF THE INCOME STATEMENT

Revenues of 287.2 million euro for 2009 represented a decrease of 5.7 % from 304.4 million euro for 2008. Eliminating the impact of exchange rates, in particular the strengthened US-dollar to euro rate, Teleplan's total revenue decrease in 2009 would have been 7.0 %. Foreign exchange rates had a positive impact of 4.0 million euro on revenue.

The closure of the loss-making Toronto site in 2008, and a change in a major customer's business model reducing low-margin logistics revenues in early 2009 are the major contributing factors to the lower 2009 revenues.

The reporting structure of Teleplan reflects the 3C segments: Computer, Communications and Consumer Electronics. These segments contributed to the top line and as well as to bottom line development as follows:

Revenue in the Computer segment decreased by 7.3 % to 131.0 million euro in the financial year 2009 compared to 141.3 million euro last year, due to site and portfolio optimization. Following the closure of the Toronto site late in 2008, the number of Teleplan sites worldwide was downsized to 18 through the sale of the Hamburg site at the end of 2009. Printer repair was the main service program in Hamburg and only a niche product in the range of Teleplan's global lifecycle care solutions in the Computer segment. Higher revenue in other areas of the segment only partially offset this development. At the same time, Teleplan won new business at the start of the third quarter 2009 which has not yet contributed a full year's revenue.

The Communications segment continued to grow due to increased volumes with operators and original equipment manufacturers. Revenue grew from 78.7 million euro last year to 87.8 million euro in the financial year 2009. The growth path of this segment slowed in the period under review from 22.9 % in the first half of 2009 to 11.5 % after the full year. This was due to reduced volumes for the Network product group, but was partially offset by stronger revenue in the Mobile product group. A new customer service program in the US for mobiles supported the already strong development in the fourth quarter 2009.

Revenue in the Consumer Electronics segment decreased by 18.9 % to 68.4 million euro during the financial year 2009, compared to 84.3 million euro last year. This development was caused by the discontinuation of a low-margin logistics service program. Positive business development for the Videocom product group did not compensate for the discontinued business in the segment.

The fiscal year 2009 was clearly driven by focusing on cost efficiencies and financial stability. Therefore Teleplan continued to build on this focus with efforts on ongoing strict cost control. The Company's cost structure benefited from savings in all categories; raw materials and consumables used in 2009 were 10.7 % lower than last year. Gross margin for the year was at 60.8 % showing an improvement of 2.2 percentage points compared to the prior year. Pricing pressure in 2009 had only a limited impact on gross margin.

Strict control over headcount contributed to improved results in 2009. Personnel costs amounted to 103.5 million euro in 2009, a decrease of 8.6 % compared to

2008. Total headcount was 2.8 % higher at 5,939 at 31 December 2009, compared to 31 December 2008; with 71.8 % of the year-end headcount employed in low cost countries. As a result, staff costs as a percentage of revenue in 2009 fell to 36.0 % (2008: 37.2 %). Personnel costs in 2009 included a settlement payment to the former CEO.

Other operating costs decreased by 5.9 million euro to 37.4 million euro in 2009 reflecting strict cost controls on discretionary cost items; for example, on travel and representation expenses.

Despite a slight reduction in revenue in 2009, earnings before interest, taxes, depreciation and amortization (EBITDA) showed an impressive increase of 12.0 million euro from 21.8 million euro to 33.8 million euro representing an EBITDA margin of 11.8 % mainly driven by the increased profitability of the Computer and Consumer Electronics Segment.

Continued improvements to the operating performance in the Computer Segment more than compensated for the revenue decline, causing the segment's EBITDA to jump by 91.3 % in the financial year 2009 from 5.5 million euro in 2008 to 10.5 million euro. The transition of part of the segment's business to a low-cost Teleplan site is expected to continue supporting EBITDA going forward.

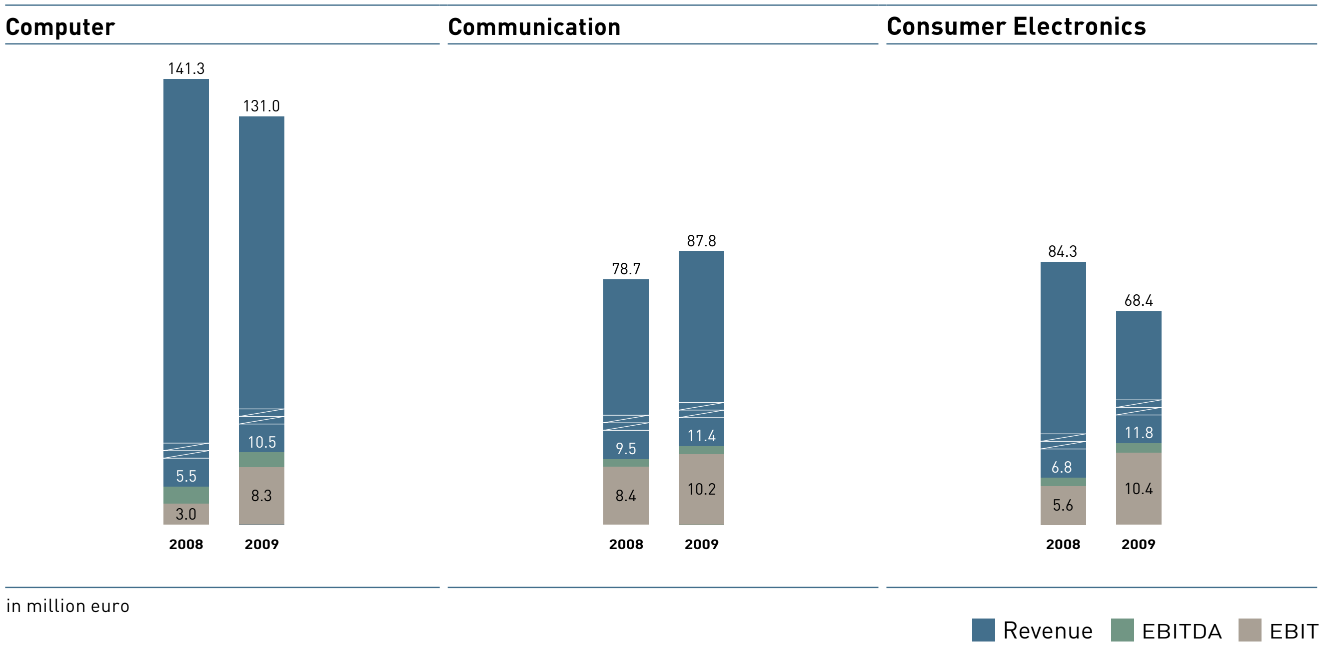
The Communication segment's bottom line growth was again stronger than that of the top line due to the Company's efficiency efforts and implemented cost savings. EBITDA in the financial year 2009 increased by 20.3 % to 11.4 million euro compared to 9.5 million euro last year.

EBITDA for the Consumer segment jumped by 74.1 % to 11.8 million euro this year compared to 6.8 million euro in fiscal year 2008. Continuous tight cost control and particularly significant productivity improvements at the larger sites resulted in increased profitability.

Amortization and depreciation amounted to 4.8 million euro in 2009, slightly higher than the same period last year (4.7 million euro) because of higher capital expenditure. Operating income (EBIT) for 2009 improved by 69.2 % to 28.9 million euro resulting in an EBIT margin of 10.1 % compared with 5.6 % achieved in 2008.

Despite the payment of 2.0 million euro in fees to banks in connection with voluntary early repayments of loans, net financial expenses in 2009 have been reduced by 2.9 million euro to 6.8 million euro. Based on the higher pre-tax profit (EBT) income taxes increased to 4.7 million euro in 2009 (2008: 0.8 million euro). Net income for 2009 increased by 162 % to 17.5 million euro (2008: 6.7 million euro). Consequently basic earnings per share increased to 0.29 euro (2008: 0.11 euro).

IMPROVED PROFITABILITY IN ALL THREE SEGMENTS



DISCUSSION OF CASH FLOW AND THE STATEMENT OF FINANCIAL POSITION

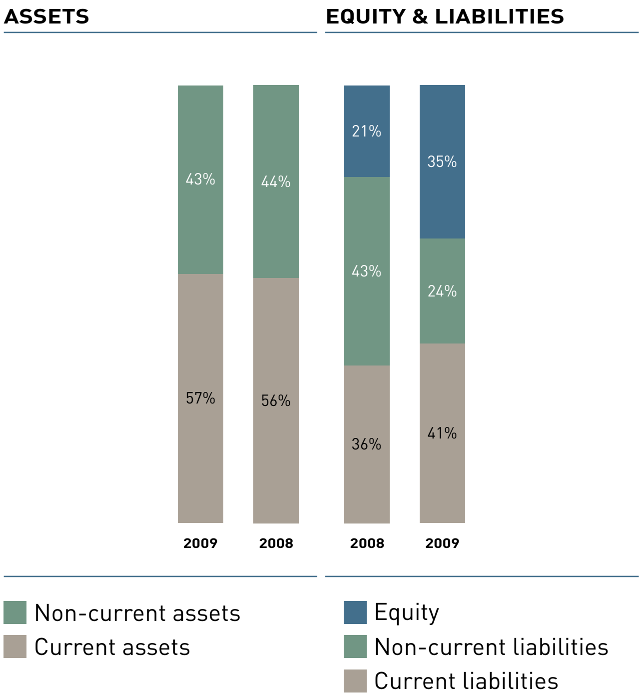
In 2009 cash generated from operations amounted to 40.1 million euro, up from 22.7 million euro one year earlier. In addition to the improved profitability of the business, a strong focus on working capital management contributed to this improvement. In 2009 working capital was reduced by 5.0 million euro, compared with reduction in working capital of 1.4 million euro in 2008. Improvements in operational efficiencies continued to make a positive contribution to cash generation in comparison to the prior year. Net cash from operations after financial expenses and income taxes paid was 31.2 million euro, compared with 14.0 million in 2008. In 2009 the Company made 27.3 million euro of bank loan repayments, including 25.2 million euro of voluntary repayments which resulted in the full repayment of the Mezzanine facility before the end of 2009.

Net cash used in investing activities increased by 0.8 million euro to 3.2 million euro in 2009 compared to the prior year. During 2009, Teleplan focused on bringing net debt levels down. Despite these substantial repayments, cash and short-term deposits stood at 16.7 million euro at 31 December 2009, 0.9 million euro higher than year-end 2008.

Total assets at 31 December 2009 were 146.0 million euro (31 December 2008: 147.7 million euro). Compared with year end 2008 non-current assets were reduced by 1.2 million euro to 63.1 million euro in 2009. The decrease in intangible assets was the result of the normal amortization of the Company's ERP software and exchange rate differences related to goodwill. Deferred tax assets increased in 2009 as a result of increases in timing differences in all regions. Current assets were reduced by 0.5 million euro, as part of the focus of stronger working capital management. Inventories were reduced by 2.6 million euro during 2009, predominantly in the Computer segment. Trade receivables and prepaid expenses at 31 December 2009 increased by 1.4 million euro compared with 2008, driven by an increase in the pass through business model in 2009 over 2008. A 0.9 million euro increase in cash and short-term deposits held at the end of the year was realized from the Group's strong 2009 cash flow performance.

Total equity increased to 50.8 million euro at 31 December 2009 (31 December 2008: 31.8 million euro). The 2009 net income of 17.5 million euro was reflected in this increase. Total equity as a percentage of the balance sheet total improved by 13.3 percentage points to 34.8% at 31 December 2009 compared to year-end 2008.

Total liabilities decreased by 20.6 million euro in 2009. Non-current liabilities decreased by 28.7 million euro reflecting the early repayment of borrowing facilities. Trade and other payables increased by 3.4 million euro at 31 December 2009 reflecting the impact of an increase in the pass through business model in 2009 and improved financial controls in the business allowing stronger control of cash flow.



RISK MANAGEMENT

INTRODUCTION

The following sections present an overview of Teleplan's approach to risk management and business control as well as a description of the nature and extent of its exposure to risk. Teleplan recognizes the following risk categories: strategic risks, market risks, operational risks, compliance risks and financial risks. These are described in the Risk Categories section of this annual report.

The risk overview highlights the main risks that may hinder Teleplan in achieving its strategic objectives. The overview may not include all the risks that Teleplan may ultimately face. Some risks not yet known to the Company, or currently believed not to be material, could later turn out to have a major impact on its businesses, objectives, revenues, assets, liquidity or capital resources.

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 as well as for properly financing the Company and identifying and managing the risks that it faces. The Management Board periodically reports on and accounts for internal risk management and control systems to the Supervisory Board.

RISK CATEGORIES

Taking risks is an inherent part of entrepreneurial behavior. A structured risk management process allows the management to take calculated risks in a controlled manner. Teleplan has a structured risk management process that recognizes strategic risks, market risks, operational risks, compliance risks and financial risks.

Strategic risks include threats and opportunities that influence Teleplan's strategic ambitions. Market risks cover the effect that changes in the market may have on Teleplan, including any economic and political developments that are likely to affect all market participants in a similar manner. Operational risks include adverse, unexpected developments that result from internal processes, people and systems, or external events that are linked to the actual running of each business. Compliance risks cover unanticipated failures to comply with or enact appropriate policies and procedures. Within the area of financial risk, Teleplan identifies interest rate risks, foreign currency risks, credit risks and fiscal risks.

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:

- Strategic risks:
  - Dependence on a limited number of key customers in certain areas;
  - Tax planning and strategy risk – the Company is becoming increasingly profitable in many jurisdictions, increasing the implications of business decisions.
- Market risks:
  - Rapid developments in the IT and telecommunications industries which may adversely affect Teleplan's services;
  - Dependence on outsourcing trends by manufacturers and integrators and on continued consumer demand for in- and out-of-warranty after-market services;
  - Limited barriers to entry for new competitors and consolidation by existing competitors in certain product groups.

- Operational risks:
  - Suboptimal capacity planning and usage due to the unpredictability of the volume of repair services demanded;
  - Dependence on key personnel;
  - Dependence on the financial stability of certain customers.
- Compliance risks:
  - Global and cross-border procurement activities increases the complexity of maintaining appropriate import/export documentation;
  - Failure to enact Company policies and procedures across Teleplan's global footprint;
  - Tax compliance and reporting risk;
  - Operating in multiple countries presents unique local regulatory compliance requirements in different markets.
- Financial risks:
  - Foreign exchange exposure;
  - Interest rate exposure;
  - Tax exposure from transfer pricing.

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, at a later stage, develop into a significant potential impact on the Company's business. The current risk management and control systems as well as the planned improvements (see below) are aimed at the timely discovery of such developments.

CONTROL SYSTEMS

The Management Board is responsible for managing the risks that the Company faces. 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. Teleplan's market-oriented business segment structure (3Cs) continues to support this philosophy;
- Market coverage and market analysis on a product group level, in order to identify developments and trends in the industry, to react to changing customer demand as well as to acquire new customers;
- Regular strategic meetings on a corporate and product group level aimed at preserving and expanding the competitiveness of the Company, as well as at possible strategic acquisitions and restructurings and the integration thereof;
- Local management provides representation letters regarding their financial reporting;
- Monitoring of operations is achieved through monthly performance reviews by the Management Board, in which efficiency programs have played an important role. These reviews also address capacity planning and effective HR management;
- A planning and control cycle is in place. Regular budget-forecast-actual variance analyses are made. Financial Key Performance Indicators (KPI's) have been formalized for the Company;
- The corporate functions operate to formal procedures;
- The Company takes recommendations by the external auditors seriously;
- The Company operates three data centers that act as back-up for each of the others. Two of the three centers are hosted by specialised external partners;
- It is common practice for customers to conduct site or program audits. In addition, quarterly business reviews are performed together with major customers.

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. During the year under review, certain issues were identified

as in need of improvement within the existing risk management and control processes. Appropriate measures were taken in these areas and the risk management system was enhanced.

Taking into consideration the aforementioned 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:

- financial reporting does not contain any material inaccuracies; and
- internal risk management and control systems worked properly during 2009.

The review of the Company's risk management and control systems was effectively performed by its internal audit function 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 2010 will be further secured through the implementation and further application of the improvements discussed in the next paragraph.

IMPROVEMENTS PLANNED

Teleplan will continue to improve relevant policies and procedures. In pursuing a continuous improvement of the adequacy and effectiveness of the risk management and control system, the continued emphasis will be on the following in 2010:

- Execution of the new business strategy for Teleplan;
- Continued improvement of internal representations from various management levels through adapted regulations;
- Further improvement of the efficiency of the control system through the implementation and application of both internal and external authority regulations;
- Further enhancement of 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;

- Continuous monitoring of the embedded risk and control reporting in the existing management information process;
- Further formalization and rationalization of the financial statement closing process;
- Increasing automation of the financial reporting process and reduction of manual interfaces;
- Detailed reporting from the Group's internal audit function, with regular updates to the Supervisory Board and subsequent discussions;
- Further improvements of customer profitability and program analysis, aided by the implementation of a new Group-wide management information system in January 2010; generating standardized and consistent management information.

The above points have been discussed with the Supervisory Board.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

There are no significant events to report after the balance sheet date.

OUTLOOK

We are convinced more than ever that the outsourcing trend in our industry continues. Based on our latest analyses in 2009, we estimate the total depot repair market globally at roughly 15 billion US dollar. We are among the top ten companies in this market area with a market share of 2.6 %. This leaves considerable room for growth, as there are more potential customers that we will be able to serve in the future in addition to increasing our share within our existing customers' businesses. Additionally, we have identified and entered new business segments. Consequently, we will be focusing on long-term, sustainable growth by putting the customer at the center of our activities.

Teleplan's core customer segment has been and will continue to be the OEM market. Going forward, we plan to serve additional market segments including operators, insurers, retailers and the radio base station area. Teleplan will also begin to service the segment of recycling for device parts, thereby rounding off the complete "lifecycle care for electronics" as stated in our new motto.

Despite a certain degree of impact from the global economic crisis, pricing pressure and changes in business models, we were able to stabilize the Company financially. Nevertheless, we are cautious with regard to what the future will bring in terms of the overall economic development and the dynamics of our industry. On the other hand, we have laid the foundation from which we can work on the top line growth going forward. This is where we will place our focus in 2010 and beyond.

Teleplan intends to maintain its current financing structure and we believe our ability to continue to service its debt is sufficient. Capital expenditure is expected to be double the level of 2009 as we invest in growth. We expect Teleplan's workforce to increase in line with business growth. Teleplan considers itself a good employer, and provides its employees with safe and clean working conditions. We develop our peoples' talents and encourage them to make the most of themselves. As the global economic crises continues, we will continue to monitor for events that may affect Teleplan's business. The research and development expenditure will continue at the same level as 2009, developing and deploying Teleplan's bespoke hard- and software solutions.

With growth and an improvement to the top line as a new priority for the years ahead, Teleplan has set a more concrete target for growth and thereby climbing from its current position of 6^{th} in the 15 billion US dollar market of total depot repair to becoming one of this industry's top 5 suppliers.

DECLARATION IN ACCORDANCE WITH FINANCIAL SUPERVISION ACT 5.25C

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. 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.

Schiphol, 20 April 2010
Teleplan International N.V.
The Management Board

Teleplan is a trusted partner
who can deliver an excellent service
at a balanced total cost level,
executed in multiple geographics
while interacting closely with
the operational processes of the
customer brands themselves

CONSOLIDATED FINANCIAL STATEMENTS 2009

CONSOLIDATED INCOME STATEMENT

Amounts in thousands of euro unless otherwise stated	Notes	2009	2008
Revenue	4	**287,191**	**304,389**
Raw materials and consumables used		112,513	125,994
Personnel costs	5	103,524	113,282
Other operating costs		37,388	43,323
EBITDA		**33,766**	**21,790**
Amortization of intangible fixed assets and impairment of goodwill	11	1,021	1,030
Depreciation of fixed assets	12	3,824	3,664
Operating income (EBIT)		**28,921**	**17,096**
Interest income		35	175
Interest expense and other financial expenses		6,829	9,860
Financial expenses, net	6	6,794	9,685
Income before tax		**22,127**	**7,411**
Income tax	8	4,675	760
Net income for the year		**17,452**	**6,651**
Attributable to:			
Equity holders of the parent company		17,452	6,651
Minority interests	9	–	–
Net income for the year		**17,452**	**6,651**
Earnings per share in euro:	10		
Basic, for profit for the year attributable to ordinary equity holders of the parent company		0.29	0.11
Fully diluted, for profit for the year attributable to ordinary equity holders of the parent company		0.28	0.11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousands of euro unless otherwise stated	Notes	2009	2008
Net income for the year		**17,452**	**6,651**
Exchange differences on translation of foreign operations		– 923	440
Gain (loss) on fair value of cash flow hedge	7	1,321	– 1,329
Other comprehensive income for the year, net of tax		**398**	**– 889**
Total comprehensive income for the year, net of tax		**17,850**	**5,762**
Attributable to:			
Equity holders of the parent company		17,850	5,762
Minority interests	9	–	–
		17,850	**5,762**

CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of euro unless otherwise stated	Notes	2009	2008
Operating activities			
Income before tax		22,127	7,411
Income before tax		**22,127**	**7,411**
Adjustment to reconcile income before tax to net cash flows			
Depreciation and impairment of property, plant and equipment	12	3,824	3,664
Amortization and impairment of intangible fixed assets	11	1,021	1,030
Share-based payment expense	19	332	198
Financial and interest expenses	6	6,794	9,685
Movement in provisions and retirement benefit obligation		1,010	– 677
		35,108	**21,311**
Movements in working capital			
Decrease/(increase) in inventories		2,656	2,253
Decrease/(increase) in trade and other receivables		– 1,357	– 773
Increase/(decrease) in trade and other payables		3,717	– 75
Cash generated from operations		**40,124**	**22,716**
Interest paid		– 4,439	– 5,908
Other financial expenses		– 2,154	– 1,335
Income taxes paid		– 2,324	– 1,463
Net cash from operating activities		**31,207**	**14,010**
Investing activities			
Investments in property, plant and equipment	12	– 3,267	– 2,377
Disposal of property, plant and equipment	12	57	9
Investments in intangible assets	11	– 27	– 21
Net cash used in investing activities		**– 3,237**	**– 2,389**
Financing activities			
Proceeds from borrowings		–	–
Repayment of borrowings	20	– 27,304	– 11,795
Exercise of share options		804	–
Net cash used in financing activities		**– 26,500**	**– 11,795**
Net increase/decrease in cash and cash equivalents		1,470	– 174
Net foreign exchange rate difference		– 571	476
Cash and short-term deposits at 1 January		15,757	15,455
Cash and short-term deposits at 31 December	**15**	**16,656**	**15,757**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of euro unless otherwise stated	Notes	2009	2008
ASSETS			
Non-current assets			
Intangible assets	11	44,409	45,546
Property, plant and equipment	12	11,060	11,617
Deferred tax assets	8	7,679	7,170
Total non-current assets		**63,148**	**64,333**
Current assets			
Inventories	13	9,848	12,489
Trade and other receivables	14	52,913	50,543
Prepaid expenses		2,554	3,517
Current income tax		926	1,057
Cash and short-term deposits	15	16,656	15,757
Total current assets		**82,897**	**83,363**
Total assets		**146,045**	**147,696**

Amounts in thousands of euro unless otherwise stated	Notes	2009	2008
EQUITY & LIABILITIES			
Equity			
Issued capital	16	15,134	14,959
Share premium	16	156,673	156,044
Retained earnings		– 69,735	– 88,844
Currency translation reserve		– 51,079	– 50,156
Share warrants	18	531	1,856
Cash flow hedge reserves	27	– 728	– 2,049
Total equity		**50,796**	**31,810**
Non-current liabilities			
Long-term borrowings	20	29,764	57,067
Retirement benefit obligations	21	3,185	3,210
Provisions	22	970	1,014
Derivative financial instruments	27	728	2,049
Total non-current liabilities		**34,647**	**63,340**
Current liabilities			
Short-term borrowings	20	2,500	2,097
Trade and other payables	23	41,651	38,277
Accrued liabilities		9,220	8,545
Current income tax		4,693	2,168
Provisions	22	2,538	1,459
Total current liabilities		**60,602**	**52,546**
Total liabilities		**95,249**	**115,886**
Total equity and liabilities		**146,045**	**147,696**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of euro	Notes	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT						
		Share capital	Share premium	Retained earnings	Currency translation reserve	Share warrants	Other reserves	Total
Balance at 1 January 2008		**14,959**	**156,044**	**– 95,693**	**– 50,596**	**1,325**	**– 720**	**25,319**
Net income for the year		–	–	6,651	–	–	–	6,651
Other comprehensive income		–	–	–	440	–	– 1,329	– 889
Total comprehensive income		**–**	**–**	**6,651**	**440**	**–**	**– 1,329**	**5,762**
Exercise of warrants		–	–	–	–	–	–	–
Issue of warrants	18	–	–	–	–	531	–	531
Share-based compensation	19	–	–	198	–	–	–	198
Balance at 31 December 2008		**14,959**	**156,044**	**– 88,844**	**– 50,156**	**1,856**	**– 2,049**	**31,810**
Balance at 1 January 2009		**14,959**	**156,044**	**– 88,844**	**– 50,156**	**1,856**	**– 2,049**	**31,810**
Net income for the year		–	–	17,452	–	–	–	17,452
Other comprehensive income		–	–	–	– 923	–	1,321	398
Total comprehensive income		–	–	**17,452**	**– 923**	–	**1,321**	**17,850**
Issue of shares	16	175	629	–	–	–	–	804
Expiry of warrants	18	–	–	1,325	–	– 1,325	–	–
Share-based compensation	19	–	–	332	–	–	–	332
Balance at 31 December 2009		**15,134**	**156,673**	**– 69,735**	**– 51,079**	**531**	**– 728**	**50,796**

There is no difference between total shareholders' equity and equity attributable to the equity holders of the parent company, as minority interests were negative at 31 December 2009, 2008 and 2007 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 20 April 2010. Teleplan International N.V. is a limited liability company incorporated on 13 August 1998 with its corporate seat in Amsterdam and head office in Schiphol, the Netherlands. The shares of Teleplan are publicly traded.

The principal activities of the Group are described in note 4 of this annual report.

NOTE 2 BASIS OF PREPARATION AND COMPLIANCE WITH ACCOUNTING POLICIES

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 euro and all values are rounded to the nearest thousand (euro 000) except when otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Basis of consolidation

The consolidated financial statements comprise the financial statements of Teleplan International N.V. and its subsidiaries at 31 December of the respective 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, expenses, profit and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, i.e. 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, please refer to note 25 of these financial statements.

Minority interests represent the portion of profit or loss and net assets of Teleplan Taiwan Ltd., Taiwan, not held by the Group and are presented separately in the income statement and under equity in the consolidated balance sheet, separately from equity attributable to the parent company. The company is dormant and has gone into liquidation. The negative value of the minority interest is deducted from retained earnings in the year that the value became negative. Therefore, minority interest in the consolidated balance sheet is 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 at 1 January 2009:

- IFRS 2 Share Based Payment: Vesting Conditions and Cancellations: effective 1 January 2009
- IFRS 7 Financial Instruments Disclosures: effective 1 January 2009
- IFRS 8 Operating Segments: effective 1 January 2009
- IAS 1 Presentation of Financial Statements: effective 1 January 2009

- IAS 23 Borrowing Costs (Revised): effective 1 January 2009
- IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation: effective 1 January 2009
- IFRIC 9 Remeasurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement – Reassessment of Embedded Derivatives: effective for periods ending on or after 30 June 2009
- IFRIC 14 and IAS 19 (Part II-13) Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: effective – financial years starting after 1 January 2009
- Improvements to IFRSs (May 2008)

Management assesses that there is no material impact on the financial statements from the adoption of these new standards.

IFRS 2 Share Based Payment (Revised)
The amendment clarifies the definition of vesting conditions and prescribes the treatment for an award that is cancelled.

In addition, the amendment further clarifies the scope and accounting for Group cash-settled share-based payment transactions. The adoption of the amendment did not have an impact on the financial position or the performance of the Group.

IFRS 7 Financial Instruments Disclosures
The Company complies with the requirement to disclose intended improvements to disclosures in the financial statements about fair value measurement and liquidity risk according to a three-tiered level hierarchy. Please refer to note 27 on page 75 of the annual report.

IFRS 8 Operating Segments
The Company has not been materially impacted by IFRS 8, effective 1 January 2009, which requires disclosure information on operating segments as identified from internal reports about components of the entity that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance. IAS 14 requires an entity to identify two sets of segments (business and geographical) using a risk and reward approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. Please refer to note 4 on page 53 of the annual report.

IAS 1 Presentation of Financial Statements
The Company has been directly impacted by IAS 1, effective 1 January 2009; the standard that separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income, requiring presentation of all items of recognized income and expense, either in a single statement, or in two linked statements. The Group has elected to present two linked statements.

IAS 23 Borrowing Costs (Revised)
The Company complies with the Standard's requirement that borrowing costs are capitalized if they are directly attributable to the acquisition, capitalization or production of a qualifying asset.

IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation
The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfil specified criteria. The adoption of these amendments did not have any impact on the financial position or performance of the Group.

IFRIC 9 and IAS 39 – Reassessment of Embedded Derivatives
This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit or loss. The adoption of this amendment did not have any impact on the financial position or the performance of the Group.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
The interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognized as an asset under IAS 19 Employee Benefits. The Group amended its accounting policy accordingly. The Group's defined benefit schemes have been in deficit, therefore the adoption of this interpretation had no impact on the financial position or the performance of the Group.

Improvements to IFRSs
In May 2008, the IASB issued a first omnibus of amendments to its standards, primarily with a view to remove inconsistencies and clarify wording. There are separate transitional provisions for each standard (only the standards that may have an impact on the financial statements of the Company are mentioned).

IAS 1 Presentation of Financial Statements:
Clarifies the classification of derivatives as current or non-current asset/liability. Assets and liabilities classified as held for trading in accordance with IAS 39 (Financial Instruments: Recognition and Measurement) are not automatically classified as current in the statement of financial position. The Group analyzed whether the expected period of realization of financial assets and liabilities differed from the classification of the instrument. This did not result in any reclassification of financial instruments between current and non-current in the statement of financial position.

IAS 16 Property, Plant and Equipment:
Replaces the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

IAS 19 Employee Benefits:
Revises the definition of 'past service costs' and 'return on plan assets' and replaces the term 'fall due'. The Group interpreted the existing definitions in the manner of the new definitions and replacement. The amendments did not result in any change in the financial position.

IAS 23 Borrowing Costs:
Revises the definition of borrowing costs to consolidate the two types of items that are considered components of 'borrowing costs' (borrowings' interest and amortization) into one – the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

IAS 27 Consolidated and Separate Financial Statements:
Clarifies that when a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale. This amendment has no impact on the financial position or the performance of the Group.

IAS 28 Investments in Associates:
Reduces the disclosures for entities that avail themselves of the exemption to account for associates in accordance with IAS 39. If an associate is accounted for at fair value in accordance with IAS 39 (as it is exempt from the requirements of IAS 28), the requirement of IAS 28 is to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans. Clarifies that an investment in an associate is a single asset for the purpose of conducting the impairment test – including any reversal of impairment. Therefore, any impairment is not separately allocated to the goodwill included in the investment balance. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

IAS 36 Impairment of Assets:
Clarifies that when discounted cash flows are used to estimate 'fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'. This amendment had no immediate impact on the consolidated financial statements of the Group because the recoverable amount of its cash generating units is currently estimated using 'value in use'. Furthermore, the amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting

purposes. This amendment has no impact on the Group as the annual impairment test is performed before aggregation.

IAS 38 Intangible Assets:
Clarifies that expenditure on advertising and promotional activities is recognized as an expense when the Group either has the right to access the goods or has received the service. This amendment has no impact on the Group, because it does not enter into such promotional activities.
Furthermore, the reference to there being rarely, if ever, persuasive evidence to support an amortization method of intangible assets other than a straight-line method has been removed. The Group reassessed the useful lives of its intangible assets and concluded that the straight-line method was still appropriate.

IAS 39 Financial Instruments: Recognition and Measurement:
Clarifies that changes in circumstances relating to derivatives are not reclassifications. Thus, a derivative may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Similarly, when financial assets are reclassified as a result of an insurance company changing its accounting policy in accordance with paragraph 45 of IFRS 4, this is a change in circumstance, not a reclassification. Removes the reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge. Requires use of the revised effective interest rate (rather than the original effective interest rate) when re-measuring a debt instrument on the cessation of fair value hedge accounting.

Future changes in accounting policies

Standards issued but not yet effective up to the issue date of the Group's financial statements are listed below (only the standards that may have an impact on the financial statements of the Company are mentioned):

- IFRS 2 Share based Payment: Group Cash settled share based Payment Transactions: effective 1 January 2010
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended): effective 1 July 2009.
- *IFRS 9 Financial Instruments: effective 1 January 2013
- *IAS 24 Related Party Disclosures (Revised): effective 1 January 2011
- IAS 32 Financial Instruments: Presentation – Classification of Rights Issues: effective 1 February 2010
- IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items: effective 1 July 2009
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation: effective 1 July 2009
- IFRIC 17 Distributions of Non-cash Assets to Owners: effective 1 November 2009
- IFRIC 18 Transfers of Assets from Customers: effective for transactions after 1 July 2009
- Improvements to IFRSs (April 2009)

The standards marked with * are released by the IASB, but not yet adopted by the European Union.

IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Arrangements
The amendment clarifies the scope and the accounting for group cash-settled share-based payment transactions. The Group has concluded that the amendment will have no impact on the financial position or the performance of the Group.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended) are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 July 2009. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary, as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will be applied prospectively and will affect future business combinations or loss of control of subsidiaries and transactions with non-controlling interests.

IFRS 9 Financial Instruments
The IASB has published phase 1 of IFRS 9 Financial Instruments, the accounting standard that will eventually replace IAS 39 Financial Instruments: Recognition and Measurement. Phase 1 establishes a new classification and measurement framework for financial assets. At initial recognition, all financial assets are measured at fair value. For subsequent measurement, financial assets that are debt instruments are classified at amortized cost or fair value through profit and loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. All other debt instruments are subsequently measured at fair value through profit and loss. All financial assets that are equity investments are measured at fair value either through profit or loss or other comprehensive income. The Group does not expect to adopt this standard before 1 January 2013. The Group has studied the standard and is currently assessing its impact.

IAS 24 Related Party Disclosures (Revised)
The IASB has revised IAS 24 in response to concerns that the previous disclosure requirements and the definition of a 'related party' were too complex and difficult to apply in practice, especially in environments where government control is pervasive. The revised standard addresses these concerns by providing a partial exemption for government-related entities and a revised definition of a related party. The Group does not expect to adopt this standard before 1 January 2011. The Group has studied the standard and is currently assessing its impact, which will be limited to disclosures only.

IAS 32 Financial Instruments: Presentation – Classification of Rights Issues
The amendment alters the definition of a financial liability in IAS 32 to classify rights issued and certain options or warrants (together, here termed rights) as equity instruments. The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met. The Group has concluded that the amendment will have no impact on the financial position or the performance of the Group, as the Group has not made foreign currency rights issues.

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or the performance of the Group.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation
IFRIC 16 provides guidance on the accounting for a hedge of a net investment. It provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment. Within a group, the hedging instruments can be held in the hedge of a net investment and the Interpretation provides guidance on how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The adoption of this interpretation did not have any impact on the financial position or the performance of the Group.

IFRIC 17 Distributions of Non-cash Assets to Owners
The Interpretation provides guidance on how to account for non-cash distributions to owners. It clarifies when to recognize a liability, how to measure it and the associated assets, and when to de-recognize the asset and liability. The Group does not expect IFRIC 17 to have an impact on the consolidated financial statements, as the Group has not made non-cash distributions to shareholders in the past.

IFRIC 18 Transfers of Assets from Customers
IFRIC 18 applies to all entities that receive from customers an item of property, plant and equipment or cash for the acquisition or construction of such items. These assets are then be used to connect the customer to a network or to provide ongoing access to a supply of goods or services, or both. The interpretation provides guidance on when and how an entity should recognize such assets. The Group has concluded that the amendment will have no impact on the financial position or the performance of the Group.

Improvements to IFRSs
In April 2009, the IASB issued a second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard (only the standards that may have an impact on the financial statements of the Company are mentioned):

- IFRS 2 Share-based Payment
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash Flows
- IAS 17 Leases
- IAS 18 Revenue
- IAS 36 Impairment of Assets
- IAS 38 Intangible Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The Group anticipates that these changes will have no material effect on the financial statements.

NOTE 2.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Judgments

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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 on at least 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 that the Group makes an estimate of the future cash flows from the cash-generating units and also chooses a suitable discount rate in order to calculate the present value of those cash flows. Further details are provided in note 11.

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 on which they are granted. Estimating fair value requires determining the most appropriate valuation model for granting 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 19.

Deferred Tax Assets
Deferred tax assets are recognized for time 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. The management's 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 provided in note 8.

Provisions
The group recognize provisions related to transition of business activities to low cost sites including headcount reductions and lease obligations. Further details are provided in note 22.

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 provided in note 21.

Fair Value of Financial Instruments
The fair value of financial instruments actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. In the case of financial instruments for which there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign Currencies

The consolidated financial statements are presented in euro, which is the Company's functional 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 on 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 the income statement, with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are recognized in other comprehensive income until the disposal of the net investment, at which time they are recognized in the income statement. Tax charges and credits attributable to exchange differences on such borrowings are also dealt with in equity. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 recognized in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the income statement.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duties.

Rendering of services
Revenue is recognized when the contractual terms regarding the provision of repair and other after-sales services to customers have been met and Teleplan is entitled to all associated benefits.

Sale of goods
Revenue from the sale of new and reconditioned component parts is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The sale of goods is an integral part of the repair service and hence has to be considered as a single transaction indivisible from the repair service rendered to the customer.

Taxation

Current Income Tax
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 tax 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 the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Income Tax
Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of 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 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 the income statement.

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.

Sales Tax
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 tax 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 if 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 tax authority is reported under receivables or payables in the statement of financial position.

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 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 operating segment before aggregation determined in accordance with IFRS 8 Operating Segments.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit (or 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 as 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.

The useful life of and method of amortization for the asset is reviewed yearly and, if expectations are significantly different from previous estimates, the amortization charge or amortization method for the current and future periods is adjusted. The amortization expense on intangible assets with finite lives is recognized in the income statement under amortization of intangible fixed assets.

Intangible assets with indefinite useful lives are tested for impairment annually at 31 December either individually or at the cash generating level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Property, Plant & Equipment

Property, plant and equipment are recognized and 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 residual value, 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 de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition removal 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 de-recognized.

The depreciation expense on property, plant and equipment with finite lives is recognized in the income statement under depreciation of fixed assets.

Borrowing Costs

Borrowing costs are recognized as an expense when incurred. Borrowing costs consist of interest and other costs that the entity incurs in connection with the borrowing of funds. The Company complies with accounting standards' requirements that borrowing costs are capitalized if they are directly attributable to the acquisition, capitalization or production of a qualifying asset.

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 in 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 the costs necessary to make the sales.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. Restricted cash of 0.9 million euro (2008 – 1.6 million euro) is reported as prepaid expenses under current assets.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and short term deposits as defined above, net of outstanding bank overdrafts.

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").

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 met, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expenses recognized for equity-settled transactions at each reporting date until the vesting date reflect 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 change in cumulative expense recognized at the beginning and end of that period.

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 on the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employees are not met. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date 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. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share (further details see note 10).

Cash Settled Transactions
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 in short-term liabilities. At year-end and each subsequent year-end, the fair value of the cash-settled instruments is recalculated. 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.

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 statement of financial position. 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 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 accounted for in the income statement in the year they occur in accordance with IAS 19.

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. Expenses on defined contribution plans are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

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 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.

Financial Assets

Initial Recognition and Measurement
Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

Subsequent Measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial Assets at Fair Value through Profit or Loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purposes of trading in the near term. This category includes derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria as defined by IAS 39. Derivatives, including separated embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the balance sheet at fair value with gains and losses recognized in the income statement.

The Group has not designated any financial assets as at fair value through profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value. These embedded derivatives are measured at fair value with gains or losses arising from changes in fair value recognized in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The losses arising from impairment are recognized in the income statement in finance costs.

Impairment of Financial Assets
The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principle payments, the probability that they will declare bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial liabilities

Initial Recognition and Measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities as loans and borrowings, or as derivatives as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and in the case of loans and borrowings, directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts, and derivative instruments.

Subsequent Measurement
The measurement of financial liabilities depends on their classification as follows:

Loans and Borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

Gains and losses are recognized in the income statement when the liabilities are de-recognized as well as through the amortization process.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Fair Value of Financial Instruments
The fair value of financial instruments traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions) without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Amortized Cost of Financial Instruments
Amortized cost is computed using the effective interest rate method less any allowance for impairment and principle repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

De-recognition of Financial Instruments

Financial Assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognized when:

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement, and either (a) the Group has transferred substantially all risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all risks and rewards of the asset, but has transferred control of the asset.

If the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all risks and rewards of the asset nor transferred control of the asset, a new asset is recognized to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial Liabilities
A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires.

If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Derivative Financial Instruments and Hedging

Initial Recognition and Subsequent Measurement
The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risk associated with foreign market risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are 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 fair value on derivatives during the year that do not qualify for hedge accounting and an ineffective portion of an effective hedge are taken directly to the income statement. The effective-portion of cash flow hedges are recognized in other comprehensive income.

The fair value of forward currency contracts is the difference between the forward exchange rates and the contract rate. The forward exchange rate is referenced 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.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment (except for foreign currency risks), or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair Value Hedges
The change in the fair value of a hedging derivative is recognized in the income statement in finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognized in the income statement in finance costs.

For fair value hedges relating to items carried at amortized cost, the adjustment to the carrying value is amortized through the income statement over the remaining term to maturity. Amortization may begin as soon as an adjustment exists and shall begin no later than when the hedge item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedge item is de-recognized, the unamortized fair value is recognized immediately in the income statement.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the income statement.

The Group has an interest rate swap that is used as a hedge for the exposure of changes in the fair value of two of its secured loans. Refer to note 27 for further details.

Cash Flow Hedges
The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income, while any ineffective portion is recognized immediately in the income statement.

Amounts taken to other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. If the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognized in other comprehensive income are transferred to the income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in other comprehensive income remain in other comprehensive income until the forecast or firm commitment occurs.

The Group uses forward exchange contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Refer to note 27 for further details.

NOTE 4 SEGMENT INFORMATION

Teleplan provides after-market service solutions for the information technology and telecommunications industries and selective segments of the consumer electronics industry. The Company offers services to its customers ranging from repairs to complex value-added and integrated after-market services and solutions, including the total outsourcing of their warranty responsibilities. Teleplan also renders services to retail operators and end-users that do not have the benefit of warranties. Teleplan services a wide range of nine business activities which are aggregated in three segments for reporting purposes:

- Computer: Storage, Displays, Personal Computers & Notebooks and Printers;
- Communications: Mobile Phones and Networks;
- Consumer Electronics: Videocom, Gaming and Imaging.

The management monitors the operating results of its business activities separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured to EBITDA and EBIT consistently with the operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Segment assets exclude current and deferred tax balances, as these are considered corporate in nature and are not allocated to a specific operating segment. There is no inter-segment trading; therefore segment revenue does not include inter-segment revenue. In a number of Group locations, the segments share resources which are allocated to each segment on the basis of the use that these segments make of the shared resources.

The following table presents revenue and profit information regarding the Group's operating segments:

	Computer		Communications		Consumer Electronics		Total	
Amounts in thousands of euro	2009	2008	2009	2008	2009	2008	2009	2008
Revenue								
External revenue	131,007	141,294	87,772	78,749	68,412	84,346	287,191	304,389
Inter-segment revenue	–	–	–	–	–	–	–	–
Total revenue	**131,007**	**141,294**	**87,772**	**78,749**	**68,412**	**84,346**	**287,191**	**304,389**
Results								
EBITDA	10,545	5,512	11,430	9,504	11,791	6,774	33,766	21,790
Depreciation and amortization	2,246	2,501	1,254	1,061	1,345	1,132	4,845	4,694
Segment results (EBIT)	8,299	3,011	10,176	8,443	10,446	5,642	28,921	17,096
Net finance costs							6,794	9,685
Income (loss) before income taxes							22,127	7,411
Income tax charge							4,675	760
Net income for the year							**17,452**	**6,651**
Assets and liabilities								
Segment assets	72,929	77,837	27,318	24,162	14,849	13,923	115,096	115,922
Unallocated corporate assets							30,949	31,774
Total consolidated assets							**146,045**	**147,696**
Segment liabilities	23,131	21,057	11,259	10,442	7,485	9,306	41,875	40,805
Unallocated corporate liabilities							53,374	75,081
Total consolidated liabilities							**95,249**	**115,886**
Other segment information								
Capital expenditure								
Tangible fixed assets	1,387	406	649	1,027	678	112	2,714	1,545
Intangible fixed assets	20	–	2	–	5	21	27	21
Unallocated capital expenditure								
Tangible fixed assets							553	832
Intangible fixed assets							–	–
Total capital expenditure							**3,294**	**2,398**

Geographical Information

The following table shows a geographical analysis of revenue and non-current assets:

Amounts in thousands of euro	Revenue 2009	Revenue 2008	Non-Current Assets 2009	Non-Current Assets 2008
Netherlands	37,623	32,636	4,803	6,441
USA	98,733	99,676	16,404	16,282
Germany	32,781	39,816	90	146
Czech Republic	26,420	34,515	869	874
Malaysia	30,569	31,395	31,423	31,473
Other Countries*	61,065	66,351	1,880	1,947
Total	**287,191**	**304,389**	**55,469**	**57,163**

* 'other countries' only include countries that individually represent less than 10 % of Group revenue

The revenue information above is based on the location of the operating entity.

Non-current assets for this purpose consists of property, plant and equipment and intangible assets.

Revenue from the ten largest customers amounted to 213.8 million euro (Computer Segment: 89.9 million euro; Communication Segment: 63.6 million euro; and Consumer Electronics Segment: 60.3 million euro). 2008: the ten largest customers amounted to 234.8 million euro (Computer Segment: 95.3 million euro; Communication Segment: 61.5 million euro; and Consumer Electronics Segment: 78.0 million euro).

NOTE 5 PERSONNEL COSTS

Amounts in thousands of euro	Notes	2009	2008
Salaries and wages *		88,046	97,465
Social security costs		9,435	10,173
Pension costs	21	1,238	1,383
Expense of share-based payment	19	332	198
Other staff costs		4,473	4,063
Total personnel costs		**103,524**	**113,282**

* Including agency temps and other temporary staff

Number of employees	**2009**	**2008**
Weighted average	5,712	6,243
At 31 December	5,939	5,777

NOTE 6 FINANCIAL EXPENSES

Amounts in thousands of euro	2009	2008
Interest income and other financial income	– 35	– 175
Bank loans and overdrafts	4,727	7,684
Foreign currency exchange gains and losses	– 606	677
Other financial expenses	2,708	1,499
Total financial expenses	**6,794**	**9,685**

Other financial expenses in 2009 include 2.0 million euro (2008: 0.6 million euro) bank fees and other costs in connection with the early repayment of Group loans during 2009.

NOTE 7 COMPONENTS OF OTHER COMPREHENSIVE INCOME

The cash flow hedge has been effective for the whole year 2009 and no reclassification adjustments for gains or losses are made in the income statement.

NOTE 8 INCOME TAX

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

Amounts in thousands of euro	2009	2008
Current tax	5,999	1,679
Deferred tax		
from temporary differences	– 917	– 441
consisting of		
amortization of goodwill	– 940	–
depreciation of fixed assets	80	– 326
inventory valuation	59	– 500
other	– 116	385
from carry-forward losses	– 407	– 478
Income tax expense reported in the income statement	**4,675**	**760**

The reconciliation between tax expense and the product of accounting profit multiplied by the Group's average statutory tax rate for the years ended 31 December 2009 and 2008 is as follows:

Amounts in thousands of euro	2009	2008
Accounting profit before tax	22,127	7,411
At the Group's average statutory tax rate of 30.0 % (2008: 28.8 %)	6,638	2,131
Tax losses 2009 (2008) not recognized as deferred tax assets	1,500	3,324
Effect of higher tax regimes	220	777
Effect of lower tax regimes	– 315	– 456
Effect of tax holiday regimes	– 1,732	– 3,791
Utilization of previously unrecognized losses	– 719	– 780
Deferred tax related to origination and reversal of temporary timing differences	– 917	– 445
At the effective income tax rate of 21.1 % (2008: 10 %)	4,675	760

Deferred income tax at 31 December is made up as follows:

Amounts in thousands of euro	2009	2008
Deferred tax assets	7,679	7,170
Deferred tax liabilities	–	–
Total deferred tax	**7,679**	**7,170**

Deferred tax assets relate to timing differences and unutilized losses and are analyzed in the following elements as follows:

Amounts in thousands of euro	2009	2008
Amortization of goodwill	5,402	4,462
Depreciation allowances	179	259
Inventory valuation	633	692
Carry forward losses	812	1,219
Other	653	538
Total deferred tax	**7,679**	**7,170**

The changes in deferred tax assets are as follows:

Amounts in thousands of euro	2009	2008
Balance at 1 January	7,170	6,327
Losses available for offset against future taxable income	311	803
Timing differences on asset valuation allowances	995	239
Utilized	– 719	– 478
Exchange rate differences	– 78	279
Balance at 31 December	**7,679**	**7,170**

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 at subsidiaries that have been loss-making for some time.

Amounts in thousands of euro	2009	2008
Netherlands	129,840	132,266
Germany	28,523	24,156
United Kingdom	9,791	2,923
Other countries	3,395	4,427
Total	**171,549**	**163,772**

Total tax losses for which no deferred tax assets have been recognized amount to 171.5 million euro at 31 December 2009, mainly arising from the Netherlands and Germany. The number of years in which the carry forward losses can be utilized without restriction is shown in the following table:

Amounts in thousands of euro	Total 2009	Expiry Year 2010	Expiry Year 2011	Expiry Year 2012	Expiry Year 2013	Expiry Year 2014	Expiry Year 2015 & Beyond	Expiry Year Indefinite
Netherlands	129,840	–	48,189	27,046	33,657	–	20,948	–
Germany	28,523	–	–	–	–	–	–	28,523
United Kingdom	9,791	–	–	–	–	–	–	9,791
Other countries	3,395	–	–	–	–	–	–	3,395
Total	**171,549**	**–**	**48,189**	**27,046**	**33,657**	**–**	**20,948**	**41,709**

NOTE 9 MINORITY INTEREST

Minority interest at 31 December 2009 relates to the 15 % third party interest in Teleplan Taiwan Ltd. The company is dormant and has entered into liquidation. The negative value of this minority interest was deducted from retained earnings in the year that the value became negative.

NOTE 10 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 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	2009	2008
Net profit attributable to ordinary equity holders of the parent company from continuing operations	17,452	6,651
Net profit attributable to ordinary equity holders of the parent company for basic earnings	17,452	6,651

Thousands of shares	2009	2008
Weighted average number of ordinary shares for basic earnings per share	**60,010**	**59,838**
Effect of dilution:		
Share options, excluding phantom options	1,044	1,863
Warrants *	632	632
Weighted average number of ordinary shares adjusted for the effect of dilution	**61,686**	**62,333**

* number of warrants 'in the money' at 31 December 2009

On 30 June 2008, the Company agreed to grant 632,072 share warrants at an exercise price of 0.25 euro to Lloyds TSB as Original Lender under a new loan facilities agreement. A further 1,468,890 of warrants expired, unexercised, on 11 July 2009.

As part of an employee share option scheme, during 2009, 100,000 new share options were granted to the newly appointed Chief Financial Officer, Thiem Schoonderbeek, at an exercise price of 0.50 euro. On 2 October 2009 Mark Twaalfhoven, exercised his rights, under the share option scheme, to acquire 700,000 shares at weighted average exercise price of 1.15 euro.

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

NOTE 11 INTANGIBLE ASSETS

	2009			2008		
Amounts in thousands of euro	**Goodwill**	**Other assets**	**Total**	**Goodwill**	**Other assets**	**Total**
Balance 1 January						
Cost	49,159	10,784	59,943	48,658	10,763	59,421
Accumulated impairment and amortization	– 6,653	– 7,744	– 14,397	– 6,652	– 6,714	– 13,366
Book value	**42,506**	**3,040**	**45,546**	**42,006**	**4,049**	**46,055**
Changes in book value:						
Additions	–	27	27	–	21	21
Impairment losses	–	–	–	–	–	–
Amortization charge		– 1,021	– 1,021		– 1,030	– 1,030
Disposals	–	–	–	–	–	–
Exchange rate adjustment	– 143	–	– 143	500	–	500
Book value	**42,363**	**2,046**	**44,409**	**42,506**	**3,040**	**45,546**
Balance 31 December						
Cost	49,016	10,811	59,827	49,159	10,784	59,943
Accumulated impairment and amortization	– 6,653	– 8,765	– 15,418	– 6,653	– 7,744	– 14,397
Book value	**42,363**	**2,046**	**44,409**	**42,506**	**3,040**	**45,546**
Amortization rates		10 – 25 %			10 – 25 %	

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

Impairment Testing of Goodwill

Goodwill acquired through business combinations as well as patents and licenses with indefinite lives have been allocated to reflect the principal activities originally acquired, or covered by the patents or licenses purchased. For the purposes of impairment testing the cash-generating unit can be the original activity or business entity acquired, or a combination of relevant cash flows from combined groups of activities now benefiting from the original acquisition and reflecting the organization's development along segmental lines.

The cash-generating units in which the goodwill is included are shown below:

Amounts in thousands of euro	2009	2008
Teleplan Technology Services Sdn Bhd, Penang, Malaysia *	25,812	25,795
Tecnomex Industrial SA de CV,Mexicali, Mexico & Teleplan Service Solutions Inc, New Castle, DE,USA *	9,572	9,678
ESL Technologies Inc., Roseville, CA, USA	4,897	4,951
Teleplan Communications BV, Zoetermeer, The Netherlands	1,752	1,752
Teleplan Polska Sp. z.o.o., Bydgoszcz, Poland	330	330
Total	**42,363**	**42,506**

* represents mainly the Computer Segment

The recoverable amount for each of the cash-generating units has been determined based on a value in use calculation with cash flow projections using the annual financial budgeting process. This process is based on budgets approved by senior management representing a "bottom up" approach whereby the management of each of the cash-generating units presents its projections for the coming year. These budget projections are subjected to formal scrutiny, critical review, and finally approval of the senior management. Cash flows for the four years following the 12 month budget period are extrapolated based on a range of growth scenarios (from maximum growth 4 % to *negative* growth of 2 %). These growth rate assumptions are below the long-term average growth rate for the IT and telecommunications industries.

The pre-tax discount rate applied to cash flow projections is 11.2 % (2008: 13.0 %) 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 and the weighted average cost of capital. Revenue development in the years following the budget period is based on the existing business, which includes the impact of known customer losses and new customers won at the time of establishing the budget. 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. The Group's long-term financing arrangements include a substantial portion of fixed interest financing. Equity market and interest rate developments, and industry Betas are taken into account when calculating the weighted average cost of capital. Teleplan's management continues to believe that it is not exposed to significant increases in its weighted average cost of capital.

Sensitivity to Changes in Assumptions

Future cash flows are extrapolated based on a range of growth assumptions. When applying a *negative* growth assumption of *minus* 7 % at a weighted average cost of capital of 11.2 % to the segment cash-generating unit Penang (Computer Segment) could lead to the carry value exceeding the recoverable amount. The management are however confident that given the continued improvement of this unit and the prospects for future growth that the probability of a negative growth of such magnitude is highly remote.

The sensitivity to changes in the Group's weighted average cost of capital is however more sensitive to a change leading to the carry value exceeding the recoverable amount. Should the group cost of capital increase to 13.8 % in combination with *negative* growth of 2 %, then this would lead to a probable impairment in relation to the cash-generating unit Penang (Computer Segment) amounting to 1.0 million euro.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

Amounts in thousands of euro	Land and buildings	Equipment	Other assets	Total
Balance 1 January 2008:				
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**
Changes in book value:				
Additions	628	1,058	691	2,377
Impairment losses	–	–	–	–
Depreciation charge	– 349	– 2,789	– 526	– 3,664
Disposals	– 6	– 3	0	– 9
Exchange rate adjustment	9	– 98	– 6	– 95
Book value	**5,092**	**5,778**	**747**	**11,617**
Balance 31 December 2008:				
Cost	9,072	39,676	11,471	60,219
Accumulated depreciation	– 3,980	– 33,898	– 10,724	– 48,602
Book value	**5,092**	**5,778**	**747**	**11,617**
Depreciation rates	4 %	20 % - 33 %	10 % - 20 %	

Amounts in thousands of euro	Land and buildings	Equipment	Other assets	Total
Balance 1 January 2009:				
Cost	9,072	39,676	11,471	60,219
Accumulated depreciation	– 3,980	– 33,898	– 10,724	– 48,602
Book value	**5,092**	**5,778**	**747**	**11,617**
Changes in book value:				
Additions	382	2,057	828	3,267
Impairment losses	–	–	–	–
Depreciation charge	– 701	– 2,491	– 632	– 3,824
Disposals		– 56	– 1	– 57
Exchange rate adjustment	5	5	47	57
Book value	**4,778**	**5,293**	**989**	**11,060**
Balance 31 December 2009:				
Cost	9,454	41,733	12,299	63,486
Accumulated depreciation	– 4,676	– 36,440	– 11,310	– 52,426
Book value	**4,778**	**5,293**	**989**	**11,060**
Depreciation rates	4 %	20 % - 33 %	10 % - 20 %	

Please refer to note 20 providing details of pledged assets, pledged to secure the Group's bank loans.

NOTE 13 INVENTORIES

Amounts in thousands of euro	2009	2008
Repair parts and consumables	8,394	10,533
Work in progress	1,404	1,838
Finished goods	50	118
	9,848	**12,489**
Gross inventory value	15,397	17,412
Provision for excess and obsolete inventory	– 5,549	– 4,923
	9,848	**12,489**

The amount of write-down of inventories recognized as an expense is 2,926,000 euro (2008: 2,606,000 euro), which is reported in materials and consumables used.

NOTE 14 TRADE AND OTHER RECEIVABLES

Amounts in thousands of euro	2009	2008
Trade receivables	51,168	48,134
Other tax and social securities	–	–
Other receivables	1,745	2,409
	52,913	**50,543**

Trade receivables are non-interest bearing and are generally on 30 to 90 day terms.

At 31 December 2009, trade receivables at a nominal value of 1,854,000 euro (2008: 2,434,000 euro) were impaired and fully provided for. Changes in the provision for impairment of receivables were as follows:

Amounts in thousands of euro	2009	2008
At 1 January	2,434	1,578
Charge for the year	495	1,416
Utilized	– 988	– 479
Unused amounts reversed	– 138	– 97
Exchange rate adjustment	51	16
At 31 December	**1,854**	**2,434**

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

Amounts in thousands of euro	2009	2008
Neither past due nor impaired	46,002	42,408
Past due but not impaired		
< 30 days	4,617	3,957
30-60 days	426	1,516
60-90 days	123	137
90-120 days	0	116
> 120 days	0	0
Total	**51,168**	**48,134**

NOTE 15 CASH AND SHORT-TERM DEPOSITS

Amounts in thousands of euro	2009	2008
Cash on hand and with banks	16,656	15,757
	16,656	**15,757**

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 three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. At the balance sheet date the Company had zero balance on short-term deposit accounts. The fair value of cash and short-term deposits is 16,656,000 euro (2008: 15,757,000 euro).

At 31 December 2009, the Group had 10 million euro of unused committed borrowing facilities available.

NOTE 16 SHARE CAPITAL AND SHARE PREMIUM

The authorized share capital of Teleplan International N.V. at 31 December 2009 was unchanged at 16,250,000 euro (2008: 16,250,000 euro) and consisted of 65,000,000 ordinary shares (2008: 65,000,000) with a par value of 0.25 euro.

Ordinary shares	**2009**	**2008**
Issued and outstanding at 1 January	59,837,859	59,837,859
Share options exercised	700,000	–
Issued and outstanding at 31 December	**60,537,859**	**59,837,859**

Effective 26 October 2009, Teleplan increased its issued share capital by 0.7 million, as the result of a stock option exercise.

NOTE 17 PROPOSED DIVIDEND

Proposed for approval at the Annual General Meeting (not recognized as a liability at 31 December):

	2009	**2008**
Dividends on ordinary shares:		
Dividend for 2009: 6 cent per share	3,632	–
	3,632	**–**

NOTE 18 SHARE WARRANTS

At the 2008 Annual General Meeting, the shareholders authorized the granting of 632,072 share warrants to the new lenders. The warrants were issued on 30 June 2008 as consideration for Lloyds TSB Bank plc acting as facilitator and original lender under the Loan Facilities Agreement. Each warrant entitles the warrant holder to one ordinary share at an initial exercise price of 0.25 euro.

The warrants have been valued using the Black & Scholes model, increasing shareholders equity with 530,940 euro as calculated by an external actuary; they have been added to the transaction costs of the loans and amortized over the period of the loan as part of the effective interest rate.

A total of 1,468,890 share warrants entitling the warrant holder to acquire one ordinary share with a nominal value of 0.25 euro have, at 11 July 2009, expired unexercised. These warrants were issued to former lenders in December 2004 as consideration payable by Teleplan for credit facilities now fully repaid and discharged. The expired share warrants resulted in a release from the Share Warrants Reserve to Retained Earnings of 1,325,000 euro.

Warrants	**2009**	**2008**
Issued and outstanding at 1 January	2,100,962	1,468,890
Issue of Warrants	–	632,072
Expired Warrants	– 1,468,890	–
Issued and outstanding at 31 December	**632,072**	**2,100,962**

NOTE 19 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. This number can be adjusted annually however share options can only be granted within the limits of the authorized share capital of the Company. The options vest over a period of three years starting 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 vested in 2007 and are, in other aspects, governed by the rules in the Management Equity Incentive Plan issued in 2005.

It should be noted that the expiry date of these phantom options, previously granted to Mark Twaalfhoven, former Chief Executive Officer, has been reset to 30 September 2011.

The total options outstanding at 31 December 2009 were 1,743,500; of the 321,000 originally issued in 2005 80,000 expired in 2009 and the remainder will expire in the period 2010–2012.

In 2009, the Company carried out the following stock options transactions: 100,000 new share options were granted to the newly appointed Chief Financial Officer, Thiem Schoonderbeek, at an exercise price of 0.50 euro. The exercise price of all 500,000 outstanding options of Gotthard Haug (Chief Executive Officer) was reset to 0.50 euro, the cost of this modification, included in the income statement, was 70,000 euro. The aforementioned option grant and resets were approved by the Annual General Meeting of Shareholders on 7 May 2009. The expiry date of the 700,000 share options previously granted to Mark Twaalfhoven, former Chief Executive Officer, has been reset to 30 September 2011. On 2 October 2009, Mark Twaalfhoven exercised his rights, under the share option scheme, to acquire 700,000 shares at weighted average exercise price of 1.15 euro. The costs of granting and reset of employee share options are charged to the income statement under staff costs.

The following table summarizes information about the stock options outstanding at 31 December 2009. With the exception of the phantom options, all options are stock option rights on ordinary shares of Teleplan International N.V.

Options outstanding	Number outstanding	Average exercise price in euro	Remaining life years
2005	241,000	1.53	0-3
2006	250,000	0.64	4
2007	1,132,500	1.03	2-5
2008	20,000	0.95	6
2009	100,000	0.50	7
Total	**1,743,500**	**1.01**	

A summary of the status of the Company's stock option plan at 31 December 2009 and changes during the year then ended are presented below:

Number of stock options	2009	2008
Outstanding at 1 January	2,443,500	2,544,500
Granted	100,000	20,000
Exercised	– 700,000	–
Cancelled	– 20,000	–
Forfeited	– 80,000	– 121,000
Outstanding at 31 December	**1,743,500**	**2,443,500**

In 2009 the Company carried out the following stock options transactions:

- 100,000 new options at an exercise price of 0.50 euro
- 80,000 options expired during 2009
- 700,000 options exercised
- 20,000 options cancelled

In 2009, in accordance with IFRS 2, the Group accounted for an employee benefit expense of 332,000 euro (2008: 198,000 euro), an increase of equity of 332,000 euro (2008: 198,000 euro) in connection with the stock options granted in 2009 and previous years and a liability of 804,000 euro (2008: 69,000 euro) in connection with the phantom options.

Current and former board members held 700,000 stock options and 600,000 phantom options at 31 December 2009 (2008: 1,530,000 stock options and 600,000 phantom options). Other employees held 293,500 options at 31 December 2009 (2008: 313,500).

The fair value of equity and cash 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:

	2009	2008
Dividend yield (%)	0	0
Expected volatility (%)	46-54	43-51
Historical volatility (%)	69	65
Risk-free interest rate (%)	2.3-2.94	3.0-3.4
Expected life of option (years)	3.5-5.6	3.4-5.9
Weighted average share price (euro)	0.61	0.47

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 20 BORROWINGS

Amounts in thousands of euro			2009	2008
	Effective interest rate	**Maturity**		
Euro bank loan (A)	5.6 %	30.09.2013	12,453	14,594
Euro bank loan (B)	7.0 %	30.09.2014	19,811	19,880
US dollar bank loan	14.4%	30.09.2015	–	24,690
Total borrowings			**32,264**	**59,164**
Repayable as follows:				
Within one year			2,500	2,097
Later than one year but not later than five years			29,764	12,917
After five years			0	44,150
			32,264	**59,164**

In addition to these facilities, the Company has a committed revolving credit facility of 10.0 million euro which was not utilized at 31 December 2009. The effective interest rate is identical to the 12.9 million euro bank loan (A). This facility expires on 30 September 2013.

The details of debt repayments are as follows:

Amounts in thousands of euro	2009	2008
Variable rate loan in USD	25,221	6,795
Variable rate loan in EUR	2,083	5,000
Variable rate loan in GBP	–	–
Total borrowings, repaid	**27,304**	**11,795**

On 9 October 2007, the Company refinanced its credit 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 consisted of two 20 million euro loans, a 42.1 million US dollar 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 Company complied with the covenants during the year and at 31 December 2009.

In conjunction with the voluntary repayment on 24 December 2008, the Company obtained consent from the group of lenders to amend the cash flow cover covenant calculation definition. The amendment relates to the exclusion of any voluntary loan repayment amounts of the relevant period from the calculation of total net debt service. With this exclusion, voluntary loan repayments can be made without adversely affecting the cash flow covenant ratio.

As a result of the last voluntary repayment on the Mezzanine Loan on 14 October 2009, this loan was repaid in full. The Company also paid in cash the combined sum of 2.0 million euro as prepayment and breakage fees in consideration of the loan repayments.

The interest costs for the lending facilities consist of EURIBOR for euro loans and LIBOR for US dollar loans plus agreed margins. The table above sets out the effective interest rates for each of the three loans. For the 15 million euro loan (A) the EURIBOR rate is capped at 5 %. For the 20 million euro loan (B) and the 42.1 million US dollar loan the interest rates are swapped to fixed rates of 4.5 % and 4.88 % respectively. As mentioned above, the 42.1 million US dollar loan was voluntarily repaid in full on 14 October 2009.

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. Land and buildings, equipment and other current assets with a carrying amount of 52,938,355 euro (2008: 52,711,000 euro) are pledged to secure the Group's bank loans. The assets pledged include tangible fixed assets, inventory and trade receivables.

As an element of the refinancing agreements of 9 October 2007, the Company signed an agreement with Lloyds TSB Bank plc in which the Company committed 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. At the 2008 Annual General Meeting the shareholders authorized the granting of 632,072 share warrants at an initial exercise price of 0.25 euro per share in consideration for Lloyds TSB Bank plc acting as an original lender under the Loan Facilities Agreements executed on 9 October 2007. The warrant agreement was executed on 30 June 2008 and is reflected in the financial statements for the period ended 31 December 2009. The warrants have been valued using the Black & Scholes model increasing shareholders' equity with 530,940 euro as calculated by an external actuary; the costs are amortized as part of the transaction costs of the loans.

NOTE 21 RETIREMENT BENEFIT OBLIGATIONS

The Group uses 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 Company recognizes that due to the global credit crisis, the coverage ratio for pension funds has generally decreased significantly. However, the Group would only be impacted by required changes to contributions from the subsidiary participating in the industry-wide pension plan. Pension plan contributions for both employer and employees are covered in this plan by an industry wide collective bargaining agreement. The Group management concludes that the risk of exposure to significant contribution increases is limited in terms of materiality in relation to the entire Group's future performance.

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	**2009**	**2008**
Service costs	31	29
Interest costs	279	173
Return on plan assets	– 26	– 26
Actuarial gains and losses	– 42	– 41
Amortization of actuarial amounts	–	– 10
Expense on employee benefit obligations	242	125
Expense on defined contribution plans	996	1,258
Total expense on pension obligations	**1,238**	**1,383**

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	**2009**	**2008**
Discount rate	4 % to 6 %	5 % to 6 %
Projected future remuneration increases	3 %	3 %
Projected future pension increases	2 % to 3 %	2 % to 3 %
Projected return on plan assets	5 %	5 %

The funded status and amounts recognized in the balance sheet for the current and previous four periods are as follows:

Amounts in thousands of euro	2009	2008	2007	2006	2005
Present value of obligations	3,375	3,362	3,448	3,557	5,237
Fair value of plan assets	– 564	– 564	– 562	– 578	– 590
	2,811	2,798	2,886	2,979	4,647
Unrecognized actuarial gains	374	412	455	348	492
Benefit liability	**3,185**	**3,210**	**3,341**	**3,327**	**5,139**
Experience adjustments on plan obligations	– 50	– 99	103	– 33	770
Experience adjustment on plan assets	12	11	15	22	15

The changes recognized in the net liability in the statement of financial position are as follows:

Amounts in thousands of euro	2009	2008
Defined benefit obligation at beginning of the year	3,362	3,448
Interest costs	279	173
Current service costs	31	29
Benefits paid	– 259	– 313
Fair value adjustment	4	– 5
Actuarial losses (gains) on obligation	– 42	30
Defined benefit obligation at end of the year	**3,375**	**3,362**

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

Amounts in thousands of euro	2009	2008
Beginning of the year	564	562
Expected return	26	26
Contributions by employer	35	34
Benefits paid	– 69	– 69
Actuarial gains	8	11
End of the year	**564**	**564**

NOTE 22 PROVISIONS

The provisions for restructuring principally relate to the downsizing and closing of sites in Europe.

Amounts in thousands of euro	2009	2008
Balance at 1 January	2,473	3,016
Additions	2,200	676
Unused amounts reversed	– 100	– 637
Utilized	– 1,065	– 582
Exchange rate adjustments	–	–
Balance at 31 December	**3,508**	**2,473**
Current, payable within one year	2,538	1,459
Non-current, payable after one year	970	1,014
	3,508	**2,473**

At 31 December 2008, the Group had provisions of 2.5 million euro in connection with the downsizing and closing of sites in Europe and the United States. In 2009 additional provisions were made in relation to a further transition of activities to low cost sites and associated headcount reductions. An amount of 1.0 million euro mainly for redundancy and property lease payments was charged against the provision during 2009 (2008: 0.6 million euro).

NOTE 23 TRADE AND OTHER PAYABLES

Amounts in thousands of euro	2009	2008
Trade payables	20,804	23,374
Other tax and social securities	2,181	1,524
Other payables	18,666	13,379
	41,651	**38,277**

Terms and conditions of the above financial liabilities:

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

NOTE 24 COMMITMENTS AND CONTINGENCIES

Operational Lease / Rental Agreements

The Group leases facilities, equipment, office space and cars. At 31 December 2009, the minimum lease commitments were as follows:

Amounts in thousands of euro	2009	2008
2009	–	7,339
2010	8,489	5,320
2011	6,411	4,623
2012	4,348	2,464
2013	3,092	1,544
2014	2,981	1,448
Thereafter	2,759	1,903
Total	**28,080**	**24,641**

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	2009	2008
2009	–	1,556
2010	1,226	1,024
2011	1,008	319
2012	353	319
2013	353	319
2014	353	319
Thereafter	1,587	1,435
Total	**4,880**	**5,291**

Bank Guarantees

At 31 December 2009 bank guarantees and letters of credit issued on behalf of the Group amounted to a total of 1.5 million euro (2008: 1.6 million euro).

Litigation

Teleplan International N.V. or its subsidiaries are, from time to time, involved as a plaintiff or defendant in litigation arising in the normal course of business. The management is of 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 25 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 Repair Services 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 Polska Sp. z o.o., Bydgoszcz, Poland	100 %
Teleplan Prague s.r.o., Prague, Czech Republic	100 %
1st Repair Agency s.r.o. Prague, Czech Republic	100 %
LLC First Repair Agency, Kiev, Ukraine	100 %
First Repair Agency EOOD, Sofia, Bulgaria	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 %
Teleplan Macau Limitada, Macau SAR., China PR	100 %
Teleplan Hong Kong Limited, Hong Kong, China PR	100 %
PT. Teleplan Indonesia, Jakarta, Indonesia	100 %
Teleplan APAC Holding PTE LTD, Singapore	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 Ireland Ltd., Ireland	100 %
RFJ Industries, Inc., California, USA	100 %
Teleplan Taiwan Ltd., Taiwan	85 %

The following entity was liquidated during the course of 2009:
SC First Repair Agency Srl., Bucharest, Romania

The following entity was sold in 2009:
Teleplan Repair 2000 GmbH, Quickborn, Germany

Remuneration of the Management Board and Supervisory Board

The remuneration including pension costs of present and former members of the Management Board amounted to 2.2 million euro (2008: 1.3 million euro). In the financial year, additional stock option rights of 100,000 were allocated to the members of the Management Board (2008: nil). At 31 December 2009 present and former members of the Management Board held 1,300,000 stock option rights at a weighted average exercise price of 1.01 euro (see note 19 for further information on stock options).

At 31 December 2009 members of the Management Board held 85,000 ordinary shares of Teleplan International N.V. (at 31 December 2008: 535,000 shares).

In accordance with their respective employment contracts, 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 instead choose 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	2009	2008
G.Haug	905	523
T. Schoonderbeek*	493	–
M. Twaalfhoven (former CEO)	808	781
Total	**2,206**	**1,304**

* Represents full year salary

The breakdown of the compensation of the Management Board is:

Amounts in thousands of euro	2009	2008
Short term employment benefits*	2,197	1,304
Post employment pension benefits	9	–
Share based payments	140	155
Total compensation paid to key management personnel	**2,346**	**1,459**

* includes settlement payments of 480,000 euro (2008: nil) relating to the former CEO

The remuneration of the members of the Supervisory Board amounted to 487,000 euro (2008: 369,000 euro). At 31 December 2009, the members of the Supervisory Board held a total of 150,000 stock option rights and 394,000 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	2009	2008
A. Schmassmann	100	100
D. Goulandris	57	57
R. Huber	70	68
R. Westerhof	70	70
F. van der Zee	70	70
M. Pedrazzini [1]	60	2
H. Visser [2]	60	2
Total	**487**	**369**

[1] On 17 December 2008, the shareholders appointed Mr. M. Pedrazzini as a member of the Supervisory Board.
[2] On 17 December 2008, the shareholders appointed Mr. H. Visser as a member of the Supervisory Board.

The summary below provides information on the option holdings of individual members of the Management Board, and the Supervisory Board at 31 December 2009.

	Management Board					
	G. Haug	**T. Schoonderbeek**	**M. Twaalfhoven**	**Supervisory Board**	**Former Board members**	**Total**
Outstanding at 1 January 2009	500,000	–	1,300,000	150,000	180,000	2,130,000
Granted stock options	–	100,000	–	–	–	100,000
Forfeited	–	–	–	–	– 80,000	– 80,000
Modification	– 500,000	–	– 1,300,000	–	–	– 1,800,000
Reset of modification	500,000	–	–	–	1,300,000	1,800,000
Exercised	–	–	–	–	– 700,000	– 700,000
Outstanding at 31 December 2009	**500,000**	**100,000**	**–**	**150,000**	**700,000**	**1,450,000**
Average exercise price	0.50	0.50	1.17	1.29	1.39	1.01
Last year of expiration	2014	2016	2014	2014	2011	2016

In the year ended 31 December 2009, 100,000 new share options were granted to the newly appointed Chief Financial Officer, Thiem Schoonderbeek, at an exercise price of 0.50 euro. The exercise price of all 500,000 outstanding options of Gotthard Haug (Chief Executive Officer) were reset to 0.50 euro. The aforementioned option grant and resets were approved by the Annual General Meeting of Shareholders on 7 May 2009. The expiry date of the 700,000 share options and 600,000 phantom options previously granted to Mark Twaalfhoven, former Chief Executive Officer, has been reset to 30 September 2011. On 2 October 2009, Mark Twaalfhoven exercised his rights, under the share option scheme, to acquire 700,000 shares at weighted average exercise price of 1.15 euro.

Compensation of Key Management Personnel of the Group

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

Amounts in thousands of euro	2009	2008
Short-term employment benefits*	4,116	3,188
Post-employment pension benefits	86	41
Share-based payments	0	35
Total compensation paid to key management personnel	**4,202**	**3,264**

* includes settlement payments of 213,000 euro (2008: 106,000 euro) related to three (2008: two) individuals.

NOTE 26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Factors

The Group's principal financial liabilities comprise bank loans. The Group has various financial assets and liabilities such as trade receivables, cash and trade payables 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 financing.

Throughout 2009 and 2008 it was 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 reviewed and agreed on policies for managing each of these risks, which are summarized below.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise the following types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments. The sensitivity analyses in the following sections relate to the position at 31 December 2009 and 2008. The sensitivity analyses have been prepared on the basis that the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of the financial instruments in foreign currencies are all constant and based on hedge designations in place at 31 December 2009 and 2008. The analyses exclude the impact of changes in market variables on the carrying value of pension and other post-retirement obligations, provisions and on the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The statement of financial position sensitivity relates to derivatives, borrowings and the receivable and payable balances,
- The sensitivity of the relevant income statement item is the effect of the assumed changes in respect to market risks. This is based on the financial assets and financial liabilities held at 31 December 2009 and 2008 including the effect of hedge accounting.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a foreign subsidiary at 31 December 2009 for the effects of the assumed changes in the underlying rate.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's long-term debt obligations with floating rates.

The Group's policy is to hedge its cash flow risk from interest rate exposure using a mix of derivative contracts. To manage this, the Group enters into interest rate swaps, in which it 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 15 million euro bank loan (A) for which it pays a premium for protection against the EURIBOR rate increasing above a given maximum level. At 31 December 2009, after taking into account the effect of interest rate swaps, approximately 61 % of the Group's borrowings were at a fixed rate of interest (2008: 75 %).

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

	Increase / decrease in basis points	Effect on profit before tax
2009	thousands of euro	thousands of euro
	– 50	+ 65
	– 25	+ 32
	+ 25	– 32
	+ 50	– 65
2008		
	– 50	+ 75
	– 25	+ 38
	+ 25	– 38
	+ 50	– 75

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and its net investments in foreign subsidiaries.

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 reasonable potential change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax and equity.

	Strengthening / weakening of US dollar versus euro	Effect on profit before tax	Effect on equity
		thousands of euro	thousands of euro
2009	Stronger by 10 %	1,434	3,296
	Weaker by 10 %	– 1,173	– 2,697
2008	Stronger by 10 %	– 1,096	809
	Weaker by 10 %	897	– 662

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily for trade receivables and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group trades only with recognized, creditworthy third parties. Due to the nature of its customer portfolio, there is a concentration of trade receivables with approximately ten large customers representing 69 % of trade receivables at 31 December 2009 (2008: 62 %). 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 14.

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. At 31 December 2009 8% of the Group's debt will mature in less than one year (2008: 4%).

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2009 based on contractual undiscounted payments.

Amounts in thousands of euro

Year ended 31 December 2009	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest bearing loans and borrowings	–	277	4,309	36,810	–	41,396
Derivative Financial Instruments	–	–	728	–	–	728
Trade and other payables	20,622	16,149	4,880	–	–	41,651
Trade and other receivables	– 24,647	– 27,123	– 1,143	–	–	– 52,913
	– 4,025	**– 10,697**	**8,774**	**36,810**	**–**	**30,862**

Amounts in thousands of euro

Year ended 31 December 2008	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest bearing loans and borrowings	–	3,178	4,217	56,106	66,242	129,743
Derivative Financial Instruments	–	–	–	2,049	–	2,049
Trade and other payables	22,584	14,507	1,186	–	–	38,277
Trade and other receivables	–23,777	– 26,131	– 635	–	–	– 50,543
	– 1,193	**– 8,446**	**4,768**	**58,155**	**66,242**	**119,526**

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios and compliance to meeting financial covenants in order support its business and maximize shareholder value.
The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure the Group takes into account dividend payments to the shareholders, returning capital to shareholders or issuance of new shares. No changes were made in the objectives, policies or processes during the year ending 31 December 2009.

Amounts in thousands of euro	**2009**	**2008**
Long-term borrowings	29,764	57,067
Short-term borrowings	2,500	2,097
Less cash and cash equivalents	– 16,656	– 15,757
Net debt	**15,608**	**43,407**
EBITDA	**33,766**	**21,790**
Net debt leverage	**0.5**	**2.0**

NOTE 27 FINANCIAL INSTRUMENTS

Fair Value of Financial Statements

Set out below are the fair values of all of the Group's financial instruments that are carried in the financial statements:

	FAIR VALUE AMOUNT	
Amounts in thousands of euro	**2009**	**2008**
Financial Assets		
Cash	16,656	15,757
Trade and other receivables	52,913	50,543
Prepayment expenses	2,554	3,517
Financial Liabilities		
Long-term borrowings	29,764	57,067
Derivative financial instruments	728	2,049
Trade & other payables	41,651	38,277
Short-term borrowings	2,500	2,097

The carrying values of the above financial assets and liabilities are equal to the fair value amount showing above.

The fair values of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidated sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate to their carrying amount largely due to the short-term maturities of these instruments
- Long-term borrowings have been calculated by discounting the expected future cash flows at prevailing interest rates
- Derivative financial instruments relating to interest rate contracts are estimated by discounting expected future cash flows using market interest rates and yield curve over the remaining term of the instrument.

Fair Value Hierarchy

	FAIR VALUE AMOUNT			
Amounts in thousands of euro	31/12/2009	Level 1	Level 2	Level 3
Liabilities measured at fair value				
Derivative financial instruments	728	–	728	–

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Hedging Activities

The objective of the Group entering purchasing or holding financial derivative instruments is purely to manage its currency and interest rate risks.

At 31 December 2009, there were no outstanding currency forward contracts or currency options at this date.

At 31 December 2009, the Group had one interest rate swap agreement in place with notional amount of 20 million euro whereby it receives variable interest rates equal to 3 months EURIBOR on the notional amounts and pays a fixed interest rate of 4.50 %.

At 31 December 2009 the Group has a financial instrument which capped interest at 5 %. The fair value of this instrument is nil for 2009 (2008: nil).

NOTE 28 EVENTS AFTER THE BALANCE SHEET DATE

For details of the proposed dividend please refer to note 17.

Schiphol, 20 April 2010
Teleplan International N.V.
The Management Board

TELEPLAN INTERNATIONAL N.V.
COMPANY FINANCIAL STATEMENTS 2009

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 euro	2009	2008
Income / (loss) from subsidiaries after tax	11,641	10,899
Other income and expenses after tax	5,811	– 4,248
Net result	**17,452**	**6,651**

COMPANY BALANCE SHEET

(After appropriation of net result)

Amounts in thousands of euro	Notes	31 Dec 2009	31 Dec 2008
ASSETS			
Non-current assets			
Intangible assets	30	3,429	4,434
Property, plant & equipment	31	565	648
Financial fixed assets	32	171,259	159,254
Total non-current assets		**175,253**	**164,336**
Current assets			
Receivables	33	29,250	25,530
Cash and cash equivalents		13,835	9,687
Total current assets		**43,085**	**35,217**
Total Assets		**218,338**	**199,553**

Amounts in thousands of euro	Notes	31 Dec 2009	31 Dec 2008
EQUITY & LIABILITIES			
Equity attributable to the equity holders of the company	34		
Issued capital		15,134	14,959
Share premium		156,673	156,044
Retained earnings		– 69,735	– 88,844
Currency translation reserve		– 51,079	– 50,156
Share warrants		531	1,856
Cash flow hedge reserves	27	– 728	– 2,049
Total Equity		**50,796**	**31,810**
Provisions			
Provision for consolidated subsidiaries	32, 35	13,076	8,696
Non-current liabilities			
Long-term borrowings	36	29,764	57,067
Derivative financial instruments	27	728	2,049
Total non-current liabilities		**30,492**	**59,116**
Current liabilities			
Short-term borrowings		2,500	2,097
Other liabilities	37	121,474	97,834
Total current liabilities		**123,974**	**99,931**
Total Liabilities		**167,542**	**167,743**
Total Equity and Liabilities		**218,338**	**199,553**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

NOTE 29 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.

Reference is made to the consolidated financial statements for the report of the management board.

NOTE 30 INTANGIBLE ASSETS

The movement in intangible fixed assets is as follows:

Amounts in thousands of euro	Goodwill	Other assets	Total
Balance 1 January 2009:			
Cost	1,419	10,038	11,457
Accumulated impairment and amortization	–	– 7,023	– 7,023
Book value	**1,419**	**3,015**	**4,434**
Changes in book value:			
Additions	–	–	–
Amortization charge		– 1,005	– 1,005
Book value 31 December 2009	**1,419**	**2,010**	**3,429**
Balance 31 December 2009:			
Cost	1,419	10,038	11,457
Accumulated impairment and amortization		– 8,028	– 8,028
Book value	**1,419**	**2,010**	**3,429**
Amortization rates		10% – 20%	

Reference is made to note 11 of the consolidated financial statements for a discussion of the impairment testing of goodwill. The goodwill recognized relates to the cash-generating unit of Penang.

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

Amounts in thousands of euro	Goodwill	Other assets	Total
Balance 1 January 2008:			
Cost	1,419	10,038	11,457
Accumulated impairment and amortization	–	– 6,015	– 6,015
Book value	**1,419**	**4,023**	**5,442**
Changes in book value:			
Additions	–	–	–
Amortization charge	–	– 1,008	– 1,008
Book value 31 December 2008	**1,419**	**3,015**	**4,434**
Balance 31 December 2008:			
Cost	1,419	10,038	11,457
Accumulated impairment and amortization	–	– 7,023	– 7,023
Book value	**1,419**	**3,015**	**4,434**
Amortization rates		10% – 20%	

NOTE 31 PROPERTY, PLANT AND EQUIPMENT

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

Equipment and other assets

Amounts in thousands of euro	2009	2008
Balance 1 January:		
Cost	2,509	1,807
Accumulated depreciation	– 1,861	– 1,787
Book value	**648**	**20**
Changes in book value:		
Additions	174	702
Depreciation charge	– 257	– 74
Book value 31 December	**565**	**648**
Balance 31 December:		
Cost	2,683	2,509
Accumulated depreciation	– 2,118	– 1,861
Book value	**565**	**648**
Depreciation rates	10%-33%	10%-33%

Please refer to note 20 providing details of pledged assets, pledged to secure the Group's bank loans.

NOTE 32 FINANCIAL FIXED ASSETS

The movement in financial fixed assets is as follows:

Amounts in thousands of euro	Investments in group companies	Net receivables from group companies	Total financial fixed assets
Balance at 1 January 2009	21,827	128,731	150,558
Net result after tax	11,641	–	11,641
Investments	–	–	–
Movement in receivable balances	–	– 3,273	– 3,273
Translation differences	– 1,924	1,181	– 743
Balance at 31 December 2009	**31,544**	**126,639**	**158,183**
Reported as Financial fixed assets	–	–	171,259
Reported as Provision for subsidiaries	–	–	– 13,076
			158,183

Amounts in thousands of euro	Investments in group companies	Net receivables from group companies	Total financial fixed assets
Balance at 1 January 2008	6,965	121,556	128,521
Net result after tax	10,899	–	10,899
Investments	1,197	–	1,197
Movement in receivable balances	–	10,269	10,269
Translation differences	2,766	– 3,094	– 328
Balance at 31 December 2008	**21,827**	**128,731**	**150,558**
Reported as Financial fixed assets	–	–	159,254
Reported as Provision for subsidiaries	–	–	– 8,696
			150,558

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 and to the extent that the Company incurred a legal or constructive obligation for that group company.

For a list of subsidiaries reference is made to note 25 of the consolidated financial statements.

NOTE 33 RECEIVABLES

Amounts in thousands of euro	2009	2008
Receivables from consolidated companies	28,665	24,560
Other receivables	585	970
Total receivables	**29,250**	**25,530**

No interest is charged on the receivables from consolidated companies

NOTE 34 EQUITY

For the movement in equity in 2009 reference is made to the consolidated statement of changes in equity and note 16 of the consolidated financial statements.

NOTE 35 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 and to the extent that the Company incurred a legal or constructive obligation with respect to those group companies.

NOTE 36 LONG-TERM BORROWINGS

Reference is made to note 20 of the consolidated financial statements.

NOTE 37 OTHER LIABILITIES

Amounts in thousands of euro	2009	2008
Liabilities to consolidated companies	114,958	93,694
Other liabilities	6,516	4,140
Total other liabilities	**121,474**	**97,834**

Liquidity loans are subject to variable interest, charged on an arm's-length basis. Liquidity loans are classified as short-term.

NOTE 38 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 Repair Services 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 Repair Services 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 39 REMUNERATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

The remuneration of the Management Board is as follows:

Amounts in euro	2009	2009	2009	2009
	G Haug	*** T Schoonderbeek**	****M Twaalfhoven**	**Total**
Short-term employment benefits	405,139	261,668	651,769	1,318,576
Post-employment pension benefits	–	9,221	–	9,221
Profit sharing and other variables	631,902	230,446	156,000	1,018,348
Grand Total	**1,037,041**	**501,335**	**807,769**	**2,346,145**

* represents full year salary
** includes settlement payments of 480,000 euro (2008: nil)

Amounts in euro	2008	2008	2008	2008
	G Haug	**T Schoonderbeek**	**M Twaalfhoven**	**Total**
Short-term employment benefits	370,400	NA	507,741	878,141
Post-employment pension benefits	–	NA	–	–
Profit sharing and other variables	153,100	NA	428,000	581,100
Total	**523,500**	**NA**	**935,741**	**1,459,241**

The remuneration of the Supervisory Board is of a short term benefits nature and does not include bonusses.

The remuneration of the members of the Supervisory Board amounted to 487,500 euro (2008: 368,750 euro). As of 31 December 2009, the members of the Supervisory Board held a total of 150,000 stock option rights in Teleplan International N.V.

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

	2009	2008
A. Schmassmann	100,000	100,000
D. Goulandris	57,500	57,500
R. Huber	70,000	67,500
R. Westerhof	70,000	70,000
F. van der Zee	70,000	70,000
M. Pedrazzini [1)]	60,000	1,875
H. Visser [2)]	60,000	1,875
Total	**487,500**	**368,750**

[1)] On 17 December 2008, the shareholders appointed Mr. M. Pedrazzini as a member of the Supervisory Board.
[2)] On 17 December 2008, the shareholders appointed Mr. H. Visser as a member of the Supervisory Board.

For full details of all related party transactions and for information on the option holdings of individual members of the Management Board and Supervisory Board reference is made to note 25 in the consolidated financial statements.

NOTE 40 AUDIT FEES

The cost of the external auditor referred to in Section 1, 1(a) and (e) of the Auditors Organizations Supervision Act, being Ernst & Young Accountants LLP to be charged to the financial year amounted to 226,500 euro representing fees for the audit of the financial statements (2008: 360,000 euro) and 70,000 euro for other audit fees (2008: 90,700 euro).

Schiphol, 20 April 2010
Teleplan International N.V.
The Management Board

Thiem Schoonderbeek
Gotthard Haug

OTHER INFORMATION

Appropriation of net income

Statutory regulations concerning profit appropriation
Article 25 of the Articles of Association concerning dividends and reserves determines:

1. Distribution of profits may only take place if upon adoption of the annual accounts it emerges that the equity capital of the Company is larger than the amount of the paid and called part of the capital increased with the reserves that should be kept in accordance with the law.

2. The Company's reservation policy and its dividend policy, which shall include the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend shall be dealt with and explained as a separate agenda item at the General Shareholders Meeting.

3. The Management Board shall determine which part of the profits has to be reserved, subject to approval of the Supervisory Board. The balance of the profits after reservation shall be available to the General Shareholders Meeting for distribution to the holders of shares in proportion to the number of shares they own. A resolution to pay dividend shall be dealt with as a separate agenda item at the General Shareholders Meeting.

4. Upon prior approval of the Supervisory Board the Management Board may decide to distribute one or more interim dividends before the annual accounts of a given financial year have been confirmed on the basis of the dividend expected in that financial year, provided it emerges from an interim statement of the assets and liabilities 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 distribution of profits shall take place for shares that the Company holds in its capital unless a usufruct has been attached to these shares. When calculating the profit sharing any shares that the Company holds in its capital and for which no distribution of profits shall take place shall not be included.

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

1. Subject to approval of the Supervisory Board and on the proposal of the Management Board the General Shareholders Meeting may decide that a distribution of dividend on shares shall constitute entirely or partially of company shares.

2. Subject to approval of the Supervisory Board and on the proposal of the Management Board the General Shareholders Meeting may decide to distribution to holders of shares to the account of the premium reserve and the freely distributable reserves. These distributions may also constitute entirely or partially of company shares.

Proposed appropriation of net result
Proposed for approval at the Annual General Meeting (not recognized as a liability as of 31 December):

	2009	**2008**
Dividends on ordinary shares:		
Dividend for 2009: 6 cent per share	3,632	–
	3,632	**–**

It is proposed to the General Meeting of Shareholders to add the remainder of the net income for the year ended 31 December 2009 to retained earnings.

Events after the balance sheet date
Reference is made to note 28 of the consolidated financial statements.

AUDITOR'S REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements 2009 of Teleplan International N.V., Amsterdam. The financial statements consist of the consolidated financial statements and the Company financial statements. The consolidated financial statements comprise the consolidated statement of financial position at 31 December 2009, 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. The Company financial statements comprise the Company balance sheet at 31 December 2009, the Company income statement for the year then ended and the notes.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion with respect to the consolidated financial statements
In our opinion, the consolidated financial statements give a true and fair view of the financial position of Teleplan International N.V. at 31 December 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the Company financial statements
In our opinion, the Company financial statements give a true and fair view of the financial position of Teleplan International N.V. at 31 December 2009, 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 f of the Netherlands Civil Code, we report, to the extent of our competence, that the Management Board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Eindhoven, 20 April 2010

Ernst & Young Accountants LLP
Signed by: W.T. Prins

Teleplan is able to design and manage advanced logistics systems allowing customers to track and trace the location of their electronic products at all times, wherever on the globe it might be

REPORT BY THE SUPERVISORY BOARD

SUPERVISION AND ADVICE

In the 2009 financial year, the Supervisory Board continued to perform the supervisory and advisory functions for which it is responsible by law and under the Articles of Association. Numerous issues and transactions were discussed in the meetings of the Supervisory Board, and the Supervisory Board was involved in all significant decisions from an early stage. Our cooperation with the Management Board was characterized by an open and intensive exchange, where the Supervisory Board was provided with in-depth information and reports on all aspects of relevance to the Company, ranging from the general course of business of the Company and its affiliated entities, the organization of the Teleplan Group, to more fundamental issues of planning and corporate strategy and how to best position the Company going forward. In view of the global economic crisis, the Supervisory Board supported the Management Board's specific attention to cash generation which enabled Teleplan to repay a good part of its borrowings, and established financial stability.

We were in regular contact with the Management Board throughout the year, also outside the Supervisory Board meetings. In particular, the Chairman of the Supervisory Board was in close contact with the Chief Executive Officer. Similarly, the Chairman of the Audit Committee was in close contact with the Company's Chief Financial Officer. Overall, through our meetings and contacts with the Management Board, we were able to render supervision and advice, thereby acting in the interest of the Company and of all of its stakeholders.

SUPERVISORY BOARD ACTIVITIES

Meetings and Attendance

During 2009, the Supervisory Board held twelve meetings, four of which as conference calls. Most meetings took place in the presence of the Management Board. No members of the Supervisory Board were frequently absent. The Company's Legal Officer and Company Secretary, Mr. Zilli, acted as the Supervisory Board's secretary.

During our meetings and contacts with the Management Board, we evaluated our procedures, working methods, as well as our own functioning and that of our Committees. We also discussed the composition of the Supervisory Board and of its Committees. In addition, we assessed the functioning of the Management Board and of its individual members, and our relationship with the Management Board. The latter was of particular importance in the first half of 2009, when Mr. Twaalfhoven informed us that he would not present himself for re-appointment as Chief Executive Officer. Following a critical assessment and analysis, we unanimously resolved to propose Mr. Haug as new Chief Executive Officer and Mr. Schoonderbeek as new Chief Financial Officer of the Company. The Annual General Meeting of Shareholders shared our view and Mr. Haug and Mr. Schoonderbeek were formally appointed to their new functions on 7 May 2009.

All relevant issues in connection with Teleplan's performance, strategy, corporate governance, risk management and restructuring measures were addressed. Regular agenda items included: financial reporting, budget, business update, organization and business segment analysis, product group presentations, market and customer updates, investor relations, organization of shareholder's meetings, initiatives, strategy, risk reports, and reports of Supervisory Board Committee meetings. In accordance with the Articles of Association of the Company, the Supervisory Board took certain resolutions in writing outside of a meeting, if such resolutions did not need to be discussed in a meeting or were required due to the urgency of the matter.

Work of the Supervisory Board Committees

In the 2009 financial year, the Supervisory Board had three standing committees, the Audit Committee, the Strategy Committee, and the Remuneration, Selection and Appointment Committee. All committees met separately throughout the year and effectively supported the work of the full Supervisory Board meetings. The main conclusions and recommendations were shared with the full Supervisory Board.

Audit Committee
The Audit Committee currently consists of three members, Mr. Westerhof (Chairman), Mr. Goulandris and Mr. Visser. The Audit Committee held three meetings in 2009, all in the presence of the Company's internal and external auditor. The Audit Committee regularly discussed the financial statements, as well as Teleplan's Annual Report, reports by the internal and external auditor, internal and external control procedures, risk management and compliance, tax planning, applications of information and communication technology, investor relations, and the external auditor's performance and independence.

Strategy Committee
The Strategy Committee currently has three members, Mr. Huber (Chairman), Mr. Pedrazzini and Mr. Schmassmann. The Strategy Committee held two meetings in 2009, and its members were in close contact throughout the year. Taking the relevant interests of the Company and of its stakeholders into account, the Committee specifically focused on strategic opportunities for Teleplan, including but not limited to acquisition and divestment opportunities, and advised the Supervisory Board accordingly.

Remuneration, Selection and Appointment Committee
In 2009, members of the combined Remuneration, Selection and Appointment Committee were Mr. van der Zee (Chairman) and Mr. Schmassmann. The Remuneration, Selection and Appointment Committee held two meetings in 2009, and its members were in close contact throughout the year. The Committee made recommendations on the remuneration and remuneration policy for the members of the Management Board, including their personal targets. The Committee also covered the review and selection processes, and advised the Supervisory Board accordingly.

REMUNERATION POLICY AND 2009 REMUNERATION REPORT

The Supervisory Board reviews the compensation and benefits of the members of the Management Board, and authorizes their 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 Corporate Governance Code. In addition, the Supervisory Board monitors the effectiveness of the policy and of its implementation. In 2009, the structure and individual elements of Teleplan's remuneration policy have not been substantially changed, and we do not expect substantial changes for the next financial year.

The total remuneration package of the members of the Management Board currently consists of five elements: base salary, performance-related (variable) annual cash incentive, performance-related (variable) stock option incentive, pre-determined severance payments, and other benefits such as company car provisions.

Base salaries are set and occasionally adjusted in line with Teleplan's position in the market and competitive salary ranges.

As for variable cash incentives, the Supervisory Board, latest at the end of each year, sets financial target ranges for the Management Board to achieve. Such financial targets are predetermined, measurable and can be influenced. For the year 2009, the financial target set for the Chief Executive Officer, Mr. Haug, related to the Company's EBITDA, Mr. Haug being entitled to a (gross) variable annual cash incentive of 5 % of the EBITDA of the Company above 20 million euro (with a ceiling EBITDA of 30 million euro), thus resulting in a maximum gross annual cash incentive target of 500,000 euro. With regard to the Chief Financial Officer, Mr. Schoonderbeek, the target variable compensation was defined to be 50 % of base salary. Agreed targets for Mr. Schoonderbeek for 2009 related to Teleplan's EBITDA, Free Operating Cash Flow, as well as cost efficiency. These three targets were to be met, each of which by itself having a different weighting on the total 100 % target variable compensation in the following manner: EBITDA 50 %, Free Operating Cash Flow 35 %, and cost efficiency 15 %. The payout for each of these targets does not depend on the achievement of the other two targets and is made according to pre-agreed thresholds. Such thresholds range from 25 % payout of the target variable compensation where a threshold of 80 % of the financial target has been met, to 200 % payout where a threshold of 150 % of the financial target has been reached or exceeded. No payout of the target variable compensation will take place where a threshold of 80 % of a financial target has not been reached. With regard to the actual pay-out levels for the 2009 cash incentives of both members of the Management Board, which will be paid in 2010, performance was above target with regard to all financial targets.

No performance-related (variable) stock option incentives were granted in the 2009 financial year. In principle, the Chief Executive Officer is entitled to a performance related variable annual stock option incentive of up to 200,000 stock options per year, which are to be granted after the audited results of the Company for such year have been approved both by the Supervisory Board and the General Meeting of Shareholders. Therefore, the Supervisory Board anticipates the grant of 200,000 stock options to Mr. Haug within 14 days after the Annual General Meeting of Shareholders to be held on 20 May 2010. A certain number of stock options granted to the Chief Financial Officer in 2009 and to the Chief Executive Officer in earlier years were granted unconditionally and are not performance-related, as these options were granted as incentive options on commencement of employment. In addition, the Annual General Meeting of 7 May 2009 resolved to approve the reset of the exercise price of all stock options granted to Mr. Haug in earlier years.

The Company finances 50 % of the premium relating to the Dutch pension plan of the Chief Financial Officer.

Severance payments for the members of the Management Board are aligned with the Corporate Governance Code, with a maximum severance arrangement of one year base salary.

Other benefits of the members of the Management Board such as expense allowances and company car provisions needed for the execution of their roles are broadly in line with other companies of similar complexity and size, as well as market standards.

The members of the Management Board were appointed for a period of two years. As for the term of their employment, all members of the Management Board have entered into employment contracts for an indefinite period of time. The minimum notice period to be observed by either a Management Board member or the Company is to be determined in accordance with Dutch Law.

The Company has granted both members of the Management Board a specific cash incentive payable under the condition of a sustained earnings position of the Company in the years 2010 and 2011 (for details refer to page 17).

The table below shows an overview of the costs incurred by the Company in relation to the remuneration of the Management Board:

MANAGEMENT BOARD MEMBERS

Amounts in euro thousands		Base Salary	Variable Cash Incentive	Stock Options	Pension Rights	Other Benefits	Total
Gotthard Haug	2009	383	500	132	–	22	1,037
	2008	350	153	–	–	20	523
Thiem Schoonderbeek	2009	240	222	8	9	22	501
	2008	–	–	–	–	–	–

FORMER MANAGEMENT BOARD MEMBERS

Amounts in euro thousands		Base Salary	Variable Cash Incentive	Stock Options	Pension Rights	Other Benefits	Total
Mark Twaalfhoven	2009	160	156	–	–	492*	808
	2008	480	273	155	–	28	936

* includes settlement payments of 480,000 euro

For additional information with regard to the remuneration of the Management Board during 2009, reference is made to page 70.

CORPORATE GOVERNANCE

During 2009, we ensured that Teleplan's practice and procedures complied with the amended Dutch Corporate Governance Code which went into effect as from 1 January 2009, to the extent possible and desirable, and taking into account the specific circumstances of the Company. In 2010, we will continue to review and align our existing corporate governance policy and regulations to the Code.

For a detailed description of Teleplan's corporate governance reference is made to page 13.

ORGANIZATION OF THE SUPERVISORY BOARD

Scope and Composition of the Supervisory Board

The Supervisory Board oversees the policy of the Management Board and the general course of business in the Company and the business affiliated with it. According to the Articles of Association, the Supervisory Board must consist of at least three and not more than seven members. Teleplan's Supervisory Board currently consists of seven members. Members of the Supervisory Board are appointed by the General Meeting of Shareholders for a maximum period of four years. Members can be reappointed twice, leading to a maximum term in office of twelve years.

The Supervisory Board has determined its profile defining the basic principles for the size and composition of the Supervisory Board, taking account of the nature of the business, its activities, and the desired expertise and background of the Supervisory Board members. All nominees for the election to the Supervisory Board must fit within this profile. According to this profile, the Supervisory Board shall consist of a mix of persons with executive experience, preferably gained in the private sector, experience in corporate governance of large stock-listed companies, and experience in the political and social environment in which such companies operate.

During the year 2009, no changes to the composition of the Supervisory Board were recorded. The Supervisory Board consists of:

THE SUPERVISORY BOARD

Mr. Adrian S. Schmassmann (1959)	Chairman
Nationality	Swiss
Date of initial appointment	19-08-2004
Occupation	Chairman of the Board of Directors of Katadyn Produkte AG, Switzerland
Board Memberships	None
Current term	2007-2011
Mr. Dimitri J. Goulandris (1966)	
Nationality	Greek
Date of initial appointment	23-03-2007
Occupation	Managing Partner, Cycladic Capital LLP, U.K.
Board Memberships	Journey Group plc, U.K. Knightsbridge School Limited, U.K. Knightsbridge Schools International, Malta Gemini Equipment and Rentals, Private, India MonuRent Limited, Nigeria Whiteground Limited, 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	Comet Holding AG, Switzerland Finaglaro AG, Switzerland (Chairman)
Current term	2007–2011
Mr. Massimo G. Pedrazzini, Avv. (1963)	
Nationality	Swiss
Date of initial appointment	17-12-2008
Occupation	Attorney at Law Chairman of the Board of Directors, Sterling Strategic Value Limited, BVI Chairman of the Board of Directors, Fidinam Group Holding SA, Switzerland Former Head Counsel, Saurer Group Holding Inc., Switzerland
Board Memberships	Katadyn Produkte AG, Switzerland Rex Articoli Tecnici SA, Switzerland Fondazione Fidinam, Switzerland Pestalozzi Stiftung, Switzerland Precicast Bilbao SA, Spain
Current term	2008–2012
Mr. Hendrikus Visser, Drs. (1944)	
Nationality	Dutch
Date of initial appointment	17-12-2008
Occupation	Former Member of the Executive Board, Rabobank, NL Former Member of the Executive Board, NUON N.V., NL
Board Memberships	Sterling Strategic Value Limited, BVI AGCO Corporation, USA Preferred Shares Foundation of OPG, NL Royal Huisman (Sailing Yachts) N.V., NL
Current term	2008-2012
Mr. Robert M. Westerhof (1943)	
Nationality	Dutch
Date of initial appointment	19-05-2006
Board Memberships	Nucletron B.V., NL (Chairman) Verdonck, Klooster & Associates B.V., NL TCL Multimedia Ltd., China AND International Publishers N.V., NL
Current term	2007-2011
Mr. Sigfridus J.L.H. van der Zee (1949)	
Nationality	Dutch
Date of initial appointment	19-08-2004
Occupation	Management Consultant, BOVO N.V., Belgium
Board Memberships	Fairwind Ltd., Cyprus
Current term	2007-2011

Independence

In 2009, 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, with the exception of not more than one person, shall be independent within the meaning of best practice provision III.2.2 of the Code. Currently, four 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 a member of the Management Board in the years 2004 and 2005, Mr. Rolf Huber is deemed not independent according to best practice provision III.2.2(a) of the Code. As a result of their positions in Sterling Strategic Value Limited ("Sterling"), the largest shareholder of the Company, both Mr. Massimo Pedrazzini (Chairman of the Board of Directors of Sterling) and Mr. Hendrikus Visser (Member of the Board of Directors of Sterling) are deemed not independent according to best practice provision III.2.2(f) of the Code. As Managing Partner and Chief Investment Officer of Cycladic Capital LLC, an investment management firm representing three of the Company's major shareholders (Cycladic Archipelago Fund, RIT Capital Partners Ltd., Tinos Guernsey Ltd.), Mr. Dimitri Goulandris is deemed not independent according to best practice provision III.2.2(f) of the Code. All other members of the Supervisory Board were independent within the meaning of the Code.

Conflicts of interest

No (potential) conflicts of interest between Teleplan and members of its Supervisory Board have been reported during the financial year 2009. In this respect, best practice provisions III.6.1 to III.6.3 of the Code were complied with.

Remuneration of the Supervisory Board

The General Meeting of Shareholders determines the remuneration of the members of the Supervisory Board. On 7 May 2009, the Annual General Meeting of Shareholders last amended the remuneration for the members of the Supervisory Board, with effect from 1 January 2009.

The Supervisory Board currently receives a gross fixed remuneration of 70,000 euro annually for the Chairman of the Supervisory Board and 45,000 euro annually for each of the other Supervisory Board members. In addition, the Supervisory Board members receive gross fixed meeting attendance fees of 5,000 euro for the Chairman and 2,500 euro for all other members. Such meeting attendance fees are limited to ordinary Supervisory Board meetings and to a maximum number of 6 ordinary meetings per calendar year. Whereas there is no additional remuneration for the membership in a Supervisory Board Committee, each Chairman of a Committee is granted a gross remuneration of 10,000 euro per year for his chairmanship. Finally, the Supervisory Board members can be granted additional remuneration for special projects. Such potential additional remuneration consists of a project fee of 2,000 euro gross per day and project, with a ceiling of 10,000 euro gross per project and a maximum of two projects per calendar year for the respective Supervisory Board member. In order for a Supervisory Board member to be entitled to this remuneration for special projects, the Supervisory Board must resolve to assign the special project to the respective member.

For additional information with regard to the remuneration of the Supervisory Board during 2009, reference is made to page 70.

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 2009, as prepared by the Management Board and agreed by the Supervisory Board.

The 2009 Financial Statements were audited by Ernst & Young Accountants LLP. The Auditor's Report appears on page 85. The 2009 Financial Statements were discussed between the Auditor, the Audit Committee of the Supervisory Board and the Management Board. Based on these discussions and on recommendation of the Audit Committee, the Supervisory Board believes that the 2009 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 adopt the financial statements for 2009 as presented in this Annual Report.

As to the net result over 2009, Teleplan proposes to declare a cash dividend of 6 cent per share. The proposed dividend will be presented for approval to the Annual General Meeting of Shareholders to be held on 20 May 2010, and, upon approval, paid out as from 1 June 2010. We as the Supervisory Board recommend to the AGM to adopt the proposed cash dividend.

At the upcoming Annual General Meeting, it will be proposed to the shareholders to grant discharge to the members of the Management Board for the performance of their management during 2009, and to the members of the Supervisory Board for the performance of their supervision of the Management Board during 2009.

Finally, the Supervisory Board would like to thank all shareholders for their trust in the Company and all employees and management for their contributions, dedication and effort during 2009.

Schiphol, 20 April 2010

On behalf of the Supervisory Board

Adrian Schmassmann
Chairman

‘SAFE HARBOR’ STATEMENT FOR THE PRIVATE LITIGATION ACT OF OCTOBER 1995

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Teleplan International N.V. and certain of the plans and objectives of Teleplan International N.V. with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events in the future and depend on circumstances that are then valid. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, levels of consumer and business spending in major economies, changes in consumer tastes and preferences, the levels of marketing and promotional expenditures by Teleplan International N.V. and its competitors, raw materials and employee costs, changes in future exchange and interest rates, changes in tax rates and future business combinations, acquisitions or dispositions and the rate of technical changes. Market share estimates contained in this report are based on outside sources such as specialized research institutes, industry and dealer panels, etc. in combination with Management estimates. The Company assumes no obligation to update any information contained herein.

SHAREHOLDERS' INFORMATION

FINANCIAL CALENDER 2010
TELEPLAN INTERNATIONAL N.V.

21 April 2010	Release of audited results 2009 Release of the annual report 2009 Capital Market Conference Munich Company Presentation
20 May 2010	Release of the first quarter figures 2010 Release of the three months report 2010
20 May 2010	Annual General Meeting (AGM) Amsterdam/The Netherlands
28 July 2010	Release of the half-year figures 2010 Release of the six months report 2010
28 October 2010	Release of the nine months figures 2010 Release of the nine months report 2010

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