Trader Classified Media N.V.

Annual Report 2007

INDEX TO FINANCIAL STATEMENTS

Trader Classified Media N.V.

DIRECTORS' REPORT

Trader Classified Media N.V. ("TCM" or the "Company") is pleased to present its 2007 Annual Report. This 2007 Annual report is filed with the Amsterdam Chamber of Commerce in the Netherlands.

Trader Classified Media was, prior to the disposal of the totality of its operating assets, a leading facilitator of consumer-to-consumer and business-to-consumer transactions through its print and online classified advertising properties. The Company generated its revenues in all categories of classified advertising, including automobile, real estate, employment, boats and others.

Following the decision of the Supervisory Board of Trader Classified Media N.V. to maximize value for its shareholders, the Company completed in 2007 the disposal of all of its remaining operating assets, including following transactions:

- The sale of its Shou di Shou business in China and its NetClub business in France and Canada in February 2007,
- The tender of its remaining 13% stake in TME to Hurriyet Invest B.V. a subsidiary of a Turkish listed company (Hurriyet Group), for $US65 million (€48.4 million) pursuant to a recommended public offer in April 2007, and
- The completion of the sale of its 55% stake in its Car News operation in Taiwan to the minority shareholders in June 2007.

These transactions concluded the process initiated in 2006, which resulted in approximately €1644.3 million in net proceeds in 2006. These 2006 transactions included:

- the international offering in February 2006 of shares in the form of GDRs of Trader Media East Limited ("TME") on the London Stock Exchange,
- the sale on June 8, 2006 of its Canadian and US operations to Yellow Pages Group ("YPG"), Canada's largest directory publisher,
- the buy-out in June 2006 by local management of ViaVia, its Dutch operations,
- the sale on July 14, 2006 of its Western European and Latin American operations to Schibsted ASA, and
- the sale on August 31, 2006 of its 15.0% interest in Soufun and options to Telstra, a leading Australian telecom company

Following the 2006 and 2007 transactions, the Company has disposed of all its operating assets and has no remaining non-financial assets.

The financial statements have been prepared on the basis of the IFRS standards and interpretations published and adopted by the European Union at the date of this report and on IAS / IFRS applicable as of December 31, 2007.

Further to the successful disposals of all of the operating assets of the Group, TCM expects to close its remaining facilities, liquidate its remaining legal entities and satisfy liabilities as they become due. Consequently, both the 2006 and 2007 consolidated financial statements are no longer prepared on a going concern basis.

This report contains statements regarding future events or conditions that may or may not be accurate in the future. You should refer to the risks identified in the "Forward Looking Statements" section of this report.

History and Development of the Company

Trader Classified Media was, prior to the disposal of the totality of its operating assets, a leading facilitator of consumer-to-consumer and business-to-consumer transactions through its print and online classified advertising properties. Print and online properties facilitated local, regional and national commerce by serving as a marketplace where consumers and businesses, including car dealers, real estate and employment agencies, advertise goods or services for sale and where consumers reach these sellers to purchase these items. The Company generated its revenues in all categories of classified advertising, including automobile, real estate, employment, boats and others. Through its integrated print and online strategy, Trader Classified Media offered buyers and sellers a comprehensive and targeted way to perform transactions.

Operating revenues and expenses

We have historically generated revenue from classified advertising, both on the print and internet distribution channels. Print revenues were mainly generated from commercial display advertisements, circulation and classified advertisements, both professional and private. Our online distribution channel generated revenue primarily through (i) the sale of classified listings, banners and other advertisements,(ii) the fees from professional advertisers for links that provide consumers direct access to our searchable databases for product offerings of automobile dealers, real estate agents and other merchants, and (iii) commissions on complementary products and services. We typically offered advertisers a bundled product offering consisting of print and online advertisements.

Cost of revenues consisted of the following components:

- Raw materials and consumables such as paper and ink,
- Employee benefits expenses including salaries and commissions for sales staff, production staff and general and administration,
- Printing and paper costs,
- Non-salary costs for third party distributors, and
- Other external expenses including printing costs, marketing costs, non-salary costs for third party distributions and technological costs related to web site maintenance and development.

General and administrative costs consisted of salaries and costs of administrative and management personnel, marketing costs, facilities costs, headquarters costs and all other costs not directly related to production or direct, local sales efforts.

Critical Accounting Policies

Preparation of financial information requires management to make judgments concerning selection of accounting methods, estimates and assumptions that are sensitive to changes in market conditions or other uncertainties that could affect reported results. We have outlined below several of the critical accounting policies, the judgments used to develop our reported results and the sensitivity of these results to changes in conditions.

Going concern

The financial statements have been prepared on the basis of the IFRS standards and interpretations published and adopted by the European Union at the date of this report and on IAS / IFRS applicable as of December 31, 2007.

Further to the successful disposals of all its operating assets in 2006 and 2007, the Group is following a liquidation plan of its remaining corporate activities and as a result, pursuant to IAS1§23, the 2007 consolidated financial statements are no longer prepared on a going concern basis. As a consequence, assets and liabilities from corporate activities include all additional expected costs and benefits, including specific accruals for future liquidation costs and litigation or a net liability amount of €3 million (see a detailed breakdown in note 3 to the consolidated financial information).

Impairment

In accordance with IAS 36, "Impairment of Assets", assets generating independent cash flows and assets included within Cash-generating units (CGUs) are tested for impairment whenever events or new circumstances which arise provide indications that individual assets or CGUs may have suffered impairment losses. A CGU is the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets. For the group impairment purposes, each reporting unit represents a CGU.

The Group reviews annually goodwill and other indefinite-lived intangible assets for impairment in accordance with the accounting policy stated above. Such review requires management to make material judgments and estimates when performing impairment tests. The Group compares the carrying value of each of its geographic reporting units, including goodwill and intangible assets, to the recoverable value. The recoverable amount is the higher of the CGU's fair value less costs to sell and value in use. Further to the decision to dispose of all of its assets, Management applied from 2006 the fair value less costs to sell method.

Accrued and contingent liabilities

Pursuant to the successful disposals of its operating assets in 2006 and 2007, the Directors' intention is to return any remaining value to the shareholders by means of further distributions and, subject to shareholder approval, a capital distribution through a voluntary liquidation. As a consequence, all additional expected costs, including future costs of liquidation and accruals for litigation, and benefits for a net liability amount of €3 million have been recorded in the balance sheet under "Provisions, accrued expenses and other liabilities". Actual costs and benefits may differ from management assessment. Should future liquidation costs differ by 10% from the management's assessment, the impact on the net income would be equal to 10% of the provision, ie €0.2 million.

Tax accounting

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for all uncertain tax positions issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Also, Management uses its best estimates to account for the use of deferred tax assets originated from net operating losses. The effective realisability of these net operating losses may differ from the expected use of them.

2007 Results

Results from continuing operations

All Trader Classified Media operating assets have been disposed of in 2006 and 2007 and treated, according to IFRS, as discontinued operations. In addition, corporate activities intended to be liquidated have been also classified as discontinued operations. Consequently, TCM is reporting no operational results for the years 2006 and 2007 in these consolidated financial statements.

All prior year information related to operations and investments held for sale as at December 31, 2006, previously classified within "the disposal group" in the 2006 annual report, have been reclassified within the "Disposed or Disposal Group" in the 2007 annual report. As at December 31, 2007, the group disposed of all of its operating assets and, as a consequence, has no operating activity held for sale.

Results from discontinued operations

Discontinued operations (€ in millions)	***2007***	***2006***
Loss from disposed operations until date of sale and disposal operations	(0.1)	(16.0)
Net gain (loss) on sale of assets	(14.9)	1,063.0
Subtotal Net gain (loss) from disposed and disposal Group	**(15.0)**	**1,047.0**
Gain (loss) from corporate activities	4.7	(18.7)
Subtotal Net gain (loss) from corporate activities	**4.7**	**(18.7)**
Discontinued operations, net	**(10.3)**	**1,028.3**

Net gain(loss) from disposed and disposal Group

Net loss from the sale of all outstanding 2007 operating assets (classified as the Disposal group as at December 31, 2006) arises from:

- The sale of its Shou di Shou business in China and its NetClub business in France and Canada in February 2007,
- The tender of its remaining 13% stake in TME to Hurriyet Invest B.V. a subsidiary of a Turkish listed company (Hurriyet Group), for $US65 million (€48.4 million) pursuant to a recommended public offer in April 2007, and
- The completion of the sale of its 55% stake in its Car News operation in Taiwan to the minority shareholders in June 2007.

Net gain from sale of assets in 2006 resulted from the sale of following assets:

- The initial public offering of 87% of Trader Media East Limited at US$13 per share on the London Stock Exchange which resulted in approximately €450 million of net proceeds to TCM. TME is an independent company comprising the former TCM Russian & CIS, Baltic, Hungarian, Croatian and Polish assets.
- The completion of the sale of TCM Canadian and US operations to Yellow Pages Group (Canada's largest directory publisher) represented total consideration of approximately $CAN 760 million (€540 million).
- The completion of the sale of TCM Western European and Latin American operations to Schibsted ASA, a leading Scandinavian media company, for total cash consideration of approximately €576 million.
- The completion of the sale of a 15% interest in Soufun and options for a cash consideration of approximately US$100 million (€78 million) to Telstra, a leading Australian telecom company.

Net gain on sale from disposed group is as follows:

(€ in millions)	2007	2006
Gross proceeds from the sale of disposed group	57.0	1,668.3
Cost of sales	(1.1)	(40.6)
Net Proceeds from the sale of disposed group	55.9	1,627.7
Carrying value of disposed group (including third party financing)	(70.8)	(564.7)
Gain (loss) from sale of disposed group	(14.9)	1,063.0
Loss from disposed and disposal group until date of sale	(0.1)	(8.0)
Net gain (loss) from sale of disposed group and disposal group	**(15.0)**	**1,055**

Loss from corporate activities

Corporate activities ***(€ in millions)***	**Year ended December 31,**	
	2007	**2006**
Corporate expenses	(6.5)	(17.2)
Net change in provision for future liquidation expenses	9.3	(12.4)
Net financial income (expense)	1.4	10.1
Tax benefit	0.5	0.8
Gain (loss) from corporate activities	**4.7**	**(18.7)**

Corporate expenses presented in the net gain (loss) from corporate activities are corporate costs which were not covered by the operating entities. Corporate expenses decreased by €12.8million, from €17.2 million in 2006 to €6.7 million in 2007 as a result of the closure of virtually all corporate activities and the restructuring expenses incurred in 2006 for €6.3 million. Corporate activities were significantly impacted in 2007 by the reversal of provisions for litigation and contingencies of €9.4 million further to the positive outcome of certain litigations. Corporate gain was also generated by the net financial income of €1.6 million and the reversal of tax provision for €0.5 million. Financial income decreased by €8.5 million in 2007 further to the significant distribution of disposal proceeds implemented in September and November 2006 for a total of €1,204.5 million.

Net Income

Net income attributable to the Equity holders of the Group was reduced by €1,035.6 million from a net profit of €1,026.5 million in 2006 to a net loss of €10.3 million in 2007. This decrease is essentially driven by the sale of operations in 2006 for a net amount of €1,063.0 million. The loss generated in 2007 is primarily generated by the loss on the sale of the 13% interest in Trader Media East, recorded in equity in 2006 for €14.8 million and impacting the profit and loss account in 2007. This loss was partly offset by the reversal of litigation provisions for €9.4 million, further to the successful outcome of certain litigation. Also, corporate activities expenses were reduced by €12.8 million, from to €17.2 million in 2006 to €6.7 million in 2007.

Basic and diluted earnings per share are computed using the weighted average number of common shares outstanding as there are no potentially dilutive common shares outstanding during the period.

Earnings per share decreased from €10.44 in 2006 to a negative €0.10 in 2007, primarily as a result of the sale of operations in 2006.

Liquidity and Capital Resources

Historically, our working capital requirements have been minimal, and cash flow from operations has been sufficient to finance our operations and capital expenditures. Acquisitions have been financed both with bank borrowings and the excess cash generated by our operating activities.

Subsequent to the sale of the 87% investment in Trader Media East Holding in February 2006 and the sale of our North American operations in June 2006, the Group fully reimbursed its outstanding obligations of €427.2 million under its €750 million senior debt facility led by BNP Paribas. Subsequently, the group unwound its derivative instruments, which generated a net gain of €0.7 million and wrote down the outstanding deferred financing fees.

Cash remitted from our operating subsidiaries to our holding companies in the Netherlands consisted of the payment of management fees, intercompany loans and related interest, dividends, and in certain instances, the repayment of capital. The nature of these remittances generally depended on the most tax-efficient vehicle for each country, subject to local laws and regulations. These remittances were significantly reduced by the sale of our operating assets.

The net proceeds from the sale of our operating assets have been distributed to our shareholders through the distribution of share premium and dividends. The distributions since 2004 were as follows:

Date of distribution	Share premium Per share	Dividend distribution Per share	Total Distribution Per share	Share premium € in millions	Dividend distribution € in millions	Total Distribution € in millions
April 26, 2004	4.35	-	4.35	406.5	-	406.5
November 4, 2004	0.86	-	0.86	81.0	-	81.0
July 30, 2005	0.63	-	0.63	59.7	-	59.7
September 26, 2006	6.40	4.60	11.00	667.4	479.7	1,147.1
November 15, 2006	0.42	0.13	0.55	13.6	43.8	57.4
May 10, 2007	0.64	0.32	0.96	66.8	33.3	100.1
Total distribution	**13.30**	**5.05**	**18.35**	**1,295.0**	**556.8**	**1,851.8**

As of December 31, 2007, we had available cash of €24.8 million. This compares to a positive financial excess cash balance – including a financial liability related to minority interest put options - of €76.3 million as of December 31, 2006, as follows:

(In € millions)	**December 31, 2007**	**December 31, 2006**
Cash and equivalents	24.8	77.6
Financial net excess before liability related to put options	**24.8**	**77.6**
Financial liability related to minority interest put options	-	(1.3)
Financial net excess cash	**24.8**	**76.3**

Cash and cash equivalents included cash held in escrow as at December 31, 2006 related to the sale of the Soufun investment. The escrow expired on December 31, 2007.

Under the terms of some historical purchase agreements, the Group was committed to acquiring the interests owned by minority shareholders in consolidated subsidiaries, if these minority interests wished to sell their investments. Pursuant to IAS 32, "Financial Instruments: Disclosure and Presentation", the value of such put options has been presented as financial liability on the balance sheet for the discounted value of the expected exercise price of the option, notwithstanding the ability at the Company's election to settle part of these obligations through the Company's shares and not cash. In computing this liability, the Group assumed the exercise of the put option when possible under the respective agreement.

As at December 31, 2006, Trader Classified Media had sold its principal operations and put obligations were transferred in the various sale agreements. The only financial liability related to put options outstanding as at December 31, 2006 related to the minority interest of NetClub for €1.3 million. This obligation was extinguished in 2007.

Cash Flows

Consistent with the income statement presentation, cash flow from continuing operations is nil. All components of the statements of cash flow have been classified as cash flow from discontinued operations. In accordance with IFRS, Statements of Cash flows include for both periods the contribution of held for sale operations until date of sale. Accordingly, cash flows from discontinued operations are not comparable for both periods.

Cash flows from discontinued operations

Cash generated by "operating activities" was reduced by €25.2 million, from €15.6 million in 2006 to a negative €9.6 million in 2007. Positive cash generated in 2006 by operations until date of sale more than covered corporate costs in 2006 but did not in 2007 following the sale of major operations in 2006. Negative cash flows from corporate activities of €11.2 million were partly offset by cash received for interest of €1.6 million. Cash received for interest reached €8.5 million in 2006 as a result of placements of 2006 proceeds of disposals before distributions.

Net cash provided by investing activities was reduced by €1,577.0 million, from €1,632.9 million in 2006 to €55.9 million in 2007 as result of the disposal of major operations in 2006. Net cash provided by investing activities in 2007 primarily results from the tender of its remaining 13% stake in TME to Hurriyet Invest B.V and the sale of NetClub activities.

Net cash flows used in financing activities of €98.3 million in 2007 primarily results from the distributions to shareholders for a total of €100.1 million, partly offset by dividends received from TME of €1.8 million. Net cash flows used in financing activities for 2006 of €1,580.9 million was primarily impacted by distributions to shareholders of €1,204.5 and the reimbursement of net borrowings of €427.2 million.

Subsequent Events and Outlook for 2008

Distribution to shareholders

On February 9, 2008, Trader Classified Media N.V. announced an exceptional distribution to shareholders of share premium and retained earnings in the aggregate amount of €0.15 per share, payable on February 21, 2008. Of the total amount of €0.15 per share, €0.08 represents a distribution of share premium which is not subject to withholding tax in the Netherlands. The balance of the distribution, or €0.07 per share, represents a distribution of retained earnings and is subject to a 15% withholding tax in the Netherlands.

Following the payment of this distribution, Trader's net cash position amounts to approximately €9 million. Subject to regulatory and statutory capital requirements, the Company expects to make one or more distributions of its remaining cash after the satisfaction of its liabilities as they become due.

Effective February 19, 2008, the Company entered into a definitive settlement agreement with respect to an arbitration proceeding in Hungary regarding the calculation of an earn-out payment payable to the sellers in relation to the 2003 acquisition of Kisokos.

Corporate Governance

European Directive on takeovers disclosures

Specific regulations regarding appointment and dismissal of Management and Supervisory Board members and the change in the Articles of Association

The members of the Management and Supervisory Board are elected by a simple majority vote of the shareholders. The Supervisory Board can make nominations for election to the Management and Supervisory Board but these nominations are non-binding and shareholders are free to vote for other candidates if they wish. The Articles of Associations can be amended by a simple majority vote of shareholders.

Description of the powers of the board, especially regarding the issuance of shares in the capital of the Company and the purchase of own shares

The power to issue shares, to grant rights to acquire shares and to exclude pre-emptive rights with respect to the issuance of shares and the grant of the right to acquire shares has been delegated to the Management Board, acting with the approval of the Supervisory Board, through June 22, 2011. The power to repurchase the Company's shares has also been delegated to the Company's Management Board, acting with the approval of the Supervisory Board, until December 22, 2008.

The Company's shares may be repurchased in privately negotiated transactions or through open market purchases for a price which is not less than the nominal value of the shares being repurchased and not more than 110% of the most recently available (as of the time of repurchase) price of the Company's shares on the stock exchange where they are listed.

Corporate Governance Code

In December 2003, the Netherlands' revised Code of Corporate Governance (commonly referred to as the Tabaksblat Code) was published. Its guidelines are applicable from the financial year starting January 1, 2004. Both the Supervisory Board and the Management Board have spent considerable time analyzing the Code. Trader Classified Media fully endorses the approach and the principles represented by the Code, and recognizes the importance of good corporate governance.

The Tabaksblat principles are a code of conduct designed for companies operating in the normal course. As TCM is currently in the process of disposing of its remaining assets, distributing proceeds to shareholders and winding-up the Company, in many respects the Tabaksblat code is not applicable to the Company. While the Company has complied with Tabaksblat in the past and may continue to comply with Tabaksblat in the future, in light of the current nature of the activity of the Company, the Company reserves the right to cease complying with any or all provisions of Tabaksblat at any time.

Auditors' fees

PricewaterhouseCoopers expenses in 2007 were significantly reduced compared to prior year given the sale of Trader Classified Media major operations. The breakdown of PricewaterhouseCoopers fees is as follows:

(€ in millions)	**2007**	**2006**
Audit services	0.1	0.2
Audit related services	-	0.1
Tax services	0.1	0.3
Total services	**0.2**	**0.6**

Forward Looking Statements

Some of the statements in this document are forward-looking. Forward-looking statements include statements regarding the intent, belief and current expectations of the Company or its officers with respect to various matters. When used in this document, the words "expects," "believes," "anticipates," "plans," "may," "will," "should" and similar expressions, and the negatives thereof, are intended to identify forward-looking statements. Such statements are not promises or guarantees, and are subject to risks and uncertainties that could cause actual results to differ materially from those suggested by any such statements.

These forward-looking statements speak only as of the date of this document. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

Amsterdam, April 25, 2008

MANAGEMENT BOARD:

/s/ François Jallot

François JALLOT

/s/ Ruud Waals

Ruud WAALS

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TRADER CLASSIFIED MEDIA
Consolidated Balance Sheets
(Euro in millions)

	Note	December 31, 2007	December 31, 2006
ASSETS			
Non-current assets:			
Deferred income tax assets, net	9	-	-
Investments in associates		-	-
Total non-current assets		**-**	**-**
Current assets:			
Other receivables and other assets	4	0.2	3.7
Income tax receivable	9	-	0.3
Cash and cash equivalents	5	24.8	76.6
Total current assets		**25.0**	**80.6**
Non-current assets held for sale	3	**-**	**61.7**
TOTAL ASSETS		**25.0**	**142.3**
EQUITY			
Capital and reserves attributable to equity holders			
Share capital	6	5.0	80.6
Share premium and other reserves		9.4	0.2
Non current assets held for sale directly recognized in equity		-	(14.8)
Retained earnings		6.4	50.0
		20.8	116.0
Minority interests		-	-
TOTAL EQUITY		**20.8**	**116.0**
LIABILITIES			
Non-current liabilities:			
Deferred income tax liabilities	9	-	-
Other provisions and employee benefits		-	-
Total non-current liabilities		**-**	**-**
Current liabilities			
Trade, accrued payables and other liabilities	11	1.1	7.2
Current income tax payable		-	1.0
Provisions, accrued expenses and other liabilities	10	3.1	12.4
Deferred revenues		-	-
Total current liabilities		**4.2**	**20.6**
Liabilities related to non-current assets held for sale	3	**-**	**5.7**
TOTAL LIABILITIES		**4.2**	**26.3**
TOTAL EQUITY AND LIABILITIES		**25.0**	**142.3**

The accompanying notes are an integral part of these consolidated financial statements

TRADER CLASSIFIED MEDIA

Consolidated Income Statements
(Euro in millions except share and per share amounts)

	Note	December 31, 2007	December 31, 2006
Continuing operations			
Revenues		-	-
Finance costs		-	-
Share of (loss)/profit of associates		-	-
Tax expense		-	-
Profit from continuing operations		-	-
Discontinued operations	3		
Gain (loss) from corporate activities		4.7	(18.7)
Loss from Disposed and Disposal Group until date of sale		(0.1)	(8.0)
Loss from assets held for sale			(8.0)
Net gain (loss) on sale of assets		(14.9)	1,063.0
Profit (loss) for the year		**(10.3)**	**1,028.3**
Attributable to:			
Equity holders of the Group		(10.3)	1,026.5
Minority interest		-	1.8
Basic and diluted earnings (loss) per share attributable to the equity holders of the Company (expressed in € per share)			
from continuing operations	12	-	-
from discontinued operations	12	(0.10)	10.44
for profit for the year	12	**(0.10)**	**10.44**

Consolidated Statements of Recognized Income and Expense
(Euro in millions)

	December 31, 2007	December 31, 2006
Net fair value of available for sale financial assets	-	(14.8)
Cash flow hedges	-	(1.8)
Currency translation adjustment (CTA)	-	(1.2)
Recycling of CTA due to the sale of subsidiaries	0.4	(11.0)
Deferred compensation expense	-	0.5
Net income recognized directly in equity	**0.4**	**(28.3)**
Profit (loss) for the year	(10.3)	1,028.3
Total recognized income for the year	**(9.9)**	**1,000.0**
Attributable to :		
Equity holders of the Company	(9.9)	999.9
Minority interest	-	0.1

The accompanying notes are an integral part of these consolidated financial statements

TRADER CLASSIFIED MEDIA
Consolidated Statements of Cash Flows
(Euro in millions)

	Note	December 31, 2007	December 31, 2006
Continuing operations			
Net cash provided by operating activities		-	-
Net cash used in investing activities		-	-
Net cash provided by (used in) financing activities		-	-
		-	-
Discontinued operations			
Cash flows from operating activities	13		
Cash generated from operations		(11.2)	8.3
Cash received (paid) for interest		1.6	8.5
Cash paid for income tax		-	(1.2)
Net cash generated (used) by operating activities		**(9.6)**	**15.6**
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		-	(0.4)
Acquisition of investments in associates		-	(0.1)
Purchases of property, plant and equipment (PPE)		-	(7.6)
Proceeds from sale of investments		55.9	1,641.0
Net cash provided by investing activities		**55.9**	**1,632.9**
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		-	46.4
Proceeds received from borrowings		-	69.2
Repayments on borrowings		-	(496.4)
Cash received from unwind of swap		-	1.9
Cash distributions to shareholders		(100.1)	(1,204.5)
Cash dividends paid to minority interests and others		-	(0.7)
Cash dividends received		1.8	3.2
Net cash used in financing activities		**(98.3)**	**(1,580.9)**
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(52.0)**	**67.6**
Cash, cash equivalents and overdrafts at beginning of the year		77.6	10.3
Effect of exchange rate changes on cash, cash equivalents and overdrafts		(0.8)	(0.3)
Cash, cash equivalents and overdrafts at end of the year	**5**	**24.8**	**77.6**

The accompanying notes are an integral part of these consolidated financial statements

Notes to Consolidated Financial Statements
(Euro and other currencies in millions except share and per share amounts)

GENERAL INFORMATION

Trader Classified Media N.V. ("Trader Classified Media" or the "Company" or "TCM") is a limited liability company incorporated in The Netherlands. The terms "Group" or "Company" or "TCM" as used herein refer to Trader Classified Media and its subsidiaries.

Trader Classified Media was, prior to the disposal of its operating assets, a leading facilitator of consumer-to-consumer and business-to-consumer transactions through its print and online classified advertising properties. Through its integrated print and online strategy, Trader Classified Media offered buyers and sellers a comprehensive and targeted way to perform transactions.

Following the decision of the Supervisory Board of Trader Classified Media N.V. to maximize value for its shareholders, the Company completed in 2007 the disposal of all its remaining assets, including following transactions:

- The sale of its Shou di Shou business in China and its NetClub business in France and Canada in February 2007,
- The tender of its remaining 13% stake in TME to Hurriyet Invest B.V. a subsidiary of a Turkish listed company (Hurriyet Group), for $US65(€48.4) pursuant to a recommended public offer in April 2007, and
- The completion of the sale of its 55% stake in Car News operation in Taiwan to the minority shareholders in June 2007.

These transactions concluded the process initiated in 2006, which resulted in approximately €1644.3 in net proceeds in 2006. These 2006 transactions included:

- the international offering in February 2006 of shares in the form of GDRs of Trader Media East Limited on the London Stock Exchange,
- the sale on June 8, 2006 of its Canadian and US operations to Yellow Pages Group, Canada's largest directory publisher,
- the buy-out in June 2006 by local management of ViaVia, its Dutch operations,
- the sale on July 14, 2006 of its Western European and Latin American operations to Schibsted ASA, and
- the sale on August 31, 2006 of its 15.0% interest in Soufun and options to Telstra, a leading Australian telecom company.

Trader Classified Media shares are publicly listed on Euronext's Eurolist.

These group consolidated financial statements were authorized for issue by the Supervisory Board on April 25, 2008.

As provided in section 402 of the Dutch Civil Code, book 2, the Company – only profit and loss account on page 39 of this report includes only the after-tax results of participating interests, as Trader Classified Media N.V.'s figures are included in the consolidated financial statements.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

Note 1.1 Basis of preparation

The accompanying consolidated Trader Classified Media financial statements have been prepared in accordance with IFRS as adopted by the European Union (EU). The IFRS include the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS), the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). The financial statements are compliant with the IAS/IFRS standards which are applicable in the EU as of December 31, 2007, as published at that date or anticipated by the Group as explained below.

Further to the successful disposals of its principal operating assets in 2006, TCM confirmed its intention to effect the orderly disposal of the remaining investment properties as soon as possible, and to return value to the shareholders by means of special distributions and, subject to shareholder approval, capital distribution through a member's voluntary liquidation. Further to the completion of the disposal of all its outstanding assets in 2007, the Group is following a liquidation plan of its remaining corporate activities and as a result, pursuant to IAS1§23, the 2006 and 2007 Consolidated Financial Information are no longer prepared on a going concern basis.

Accordingly, financial statements have been prepared under following principles:

- The results of disposed Group and corporate activities have been reclassified in the statement of operations for 2007 in "discontinued operations". Prior year information, including assets of disposal group as at December 31, 2006 (comprising disposal operations and held for sale investment), has also been reclassified within the 'Disposed and Disposal Group' to be consistent with the 2007 financial statement presentation.
- In accordance with IFRS 5, all assets and liabilities from the disposal group were classified in the 2006 balance sheet in "non-current assets held for sale" and "liabilities related to non-current assets held for sale".
- Corporate activities are run by management under a liquidation plan. Assets and liabilities from corporate activities include all additional expected costs and benefits, including additional accruals for liquidation costs and litigation, for a net liability amount of €3 million (see a detailed breakdown in note 3 to the consolidated financial information).

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.25.

(a) Standards, amendments and interpretations effective in 2007 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the group's operations:

IFRS 4, 'Insurance contracts';

IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the group's financial instruments, or the disclosures relating to taxation and trade and other payables.

Note 1.1 Basis of preparation (continued)

(a) Standards, amendments and interpretations effective in 2007 but not relevant

IFRIC 7, 'Applying the restatement approach under IAS 29, Financial reporting in hyperinflationary economies'; and

IFRIC 8, 'Scope of IFRS 2', requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2. This standard does not have any impact on the group's financial statements.

IFRIC 9, 'Re-assessment of embedded derivatives'.

IFRIC 10, 'Interim financial reporting and impairment', prohibits the impairment losses recognized in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the group's financial statements.

IFRIC 11, 'IFRS 2 – Group and treasury share transactions' has no impact on the group's financial statements. IFRIC 11 provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. This interpretation does not have an impact on the group's financial statements.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2008 or later periods, but the group has not early adopted them:

IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). The amendment to the standard is still subject to endorsement by the European Union. It requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed.

IFRS 8, 'Operating segments '(effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognized as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

(c) Interpretations to existing standards that are not yet effective and not relevant for the group's operations

The following interpretations to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 January 2008 or later periods but are not relevant for the group's operations:

IFRIC 12, 'Service concession arrangements' (effective from 1 January 2008). IFRIC 12 applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services. IFRIC 12 is not relevant to the group's operations because none of the group's companies provide for public sector services.

IFRIC 13, 'Customer loyalty programs' (effective from 1 July 2008). IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement in using fair values. IFRIC 13 is not relevant to the group's operations because none of the group's companies operate any loyalty programs.

IAS 23 and IFRIC 12/13/14 have not yet been endorsed by the EU.

Note 1.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the group's share of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated.

Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (see Note 1.5).

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.
Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

Note 1.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Group's sources and nature of risks and rates of return were affected predominantly by the fact that it operated in different countries or other geographical areas. Therefore its primary format for reporting segment information was geographical segments, with secondary information reported for groups of related products and services presented in two segments: print and online.

Further to the decision to dispose of all assets and to wind up the company, this classification no longer applied from 2006. Therefore, Note 2 discloses the financial information on corporate and discontinued operations. The information related to discontinued operations presented in note 2 includes only the contribution to the Group's net income, consistently with the presentation of these discontinued operations on the Group's balance sheet and income statement. Operational results from discontinued operations are presented in note 3 – *Discontinued operations*.

Note 1.4 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.

Transactions and balances in foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analyzed between translation differences resulting from changes in the amortized cost of the security, and other changes in the carrying amount of the security. Translation differences are recognized in profit or loss, and other changes in carrying amount are recognized in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the fair value reserve in equity.

Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Note 1.5 Goodwill and intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in "Goodwill and Intangible assets, net". Goodwill on acquisitions of associates is included in investments in associates. Separately recognized Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Note 1.5 Goodwill and intangible assets (continued)

Tradenames and advertiser databases

Intangible assets, substantially all of which resulted from business combinations, include tradenames and advertiser bases. Purchase price amounts allocated to these intangibles, and their related amortization periods, are determined principally by external valuation studies and by the Company. Tradenames with definite life and advertiser base are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over their estimated useful lives being 20 years for tradenames and 12 years for the advertiser databases. Tradenames with indefinite useful life are not amortized but subject to, at least, an annual assessment for impairment.

Goodwill and intangible assets were included in the determination on the gain or loss of disposed assets.

Note 1.6 Impairment of non-financial assets

In accordance with IAS 36, "Impairment of Assets", assets generating independent cash flows and assets included within Cash-generating units (CGUs) are tested for impairment whenever events or new circumstances which arise provide indications that individual assets or CGUs may have suffered impairment losses. A CGU is the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

Further to the decision to dispose all of its operating assets, the Group compared the carrying value of each of its geographic reporting units, including goodwill and intangible assets, to the recoverable value. The recoverable amount was determined to be the fair value less costs to sell. Fair value was determined through offers made to the Group or management expectations of possible selling price. An impairment loss has been recognized for the amount by which the asset's carrying amount exceeds its recoverable amount and accounted for in the Income Statement. Non-financial assets other than goodwill that suffered impairment were reviewed for possible reversal of the impairment at each reporting date.

Note 1.7 Financial assets

The Group classifies its financial assets in the three following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. This category is divided into two sub-categories: financial assets held for trading and financial assets designated at fair value through profit or loss at inception. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months of the balance sheet date.

Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income statement. Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category, including interest and dividend income, are presented in the income statement in operating or financial results according to their nature in the period in which they arise.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified as 'trade and other receivables' in the balance sheet. They are included in current assets, except for maturities greater than 12 months after the balance sheet date.

Note 1.7 Financial assets (continued)

A provision for impairment of loans and receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the loans and receivables. The amounts of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognized in the income statement.

(c) Available for sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss.

Securities

Change in fair value of monetary securities denominated in foreign currency and classified as available for sale are analyzed between translation differences resulting from changes in amortized cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognized in profit and loss; translation differences on non- monetary securities are recognized in equity. Changes in fair value of monetary and non-monetary securities classified as available for sale are recognized in equity.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as gains and losses from investment securities.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognized in the income statement as part of other income when the Group's right to receive payments is established.

The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

Note 1.8 Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Further to the reimbursement of the credit facility in June 2006, all derivative financial instruments were wound up.

Note 1.9 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Note 1.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.
Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Note 1.11 Trade payable

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Note 1.12 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Note 1.13 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

In compliance with IAS 12.39, the Group has also estimated and recognized deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, including undistributed earnings of its foreign subsidiaries.

Consistent with IAS12, deferred tax assets and liabilities are not discounted.

Note 1.14 Employee benefits

(a) Pension obligations

Further to the sale of its operating assets and current liquidation of its headquarters activities, the Group no longer operates any pension schemes.

Note 1.14 Employee benefits (continued)

(b) Share-based equity incentives

The Group operates equity-settled, share-based Equity incentive plans. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed on a straight-line basis over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value of the option plans is calculated at the grant date, according to the Black-Scholes model, taking into account their expected lifespan. The expense is modified to take into account the actual cancellation rate of the options.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to invested equity (share capital (nominal value) and share premium) when the options are exercised.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

Note 1.15 Provisions

Provisions for restructuring costs and legal claims are recognized when (a) the Group has a present legal or constructive obligation as a result of past events (b) it is probable that an outflow of resources will be required to settle the obligation and (c) the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the discounting effect is recognized as interest expense.

Further to the decision to wind up the company after sale of its assets, the Group accrued all identified costs deemed necessary to complete the closure of all entities, to the extent that there is no sufficient expected future income.

Note 1.16 Operating revenues and expenses

Revenue is recognized at the fair value of the consideration received/receivable, net of value-added tax, rebates and discounts and after eliminated sales within the Group.

Print and online revenues

The Group's primary source of print revenue was the sale of advertising space in its publications. Private and professional classified ads and display ads are published on a daily, weekly and monthly basis. The related revenues are recognized at the time the advertisement is published. Revenues related to advertisements appearing on multiple occasions are deferred and recognized during the period when the advertisement is run.

Note 1.16 Operating revenues and expenses (continued)

Other print revenues included circulation revenues and services / other revenues. Circulation revenues, net of returns, are recognized on a weekly basis at the time when the publications are sold through to the customer. Circulation revenues are earned mainly through distributors. Service revenues include commissions earned for selling products and services to third parties including insurance and warranty services on automobiles and boats. The commissions are a percentage of the value of the products or services and are recognized as earned at the date the products are sold, or when contracts are activated.

Online revenues were derived primarily from classified ads and display ads, including professional ads, consumer ads and banners which are deferred and recognized during the period when the advertisement is run. Other types of revenue include (1) subscription or one-off access fees to content and information provided through the Company's websites which are recognized over the period of usage and (2) professional solutions including virtual visits and other related services. Online revenues include revenues on products sold solely on website and revenues for contracts providing both print and online advertisements for which an allocation of revenues attributable to online revenues has been made by management based upon relative fair value.

Advertising expenses

The Group advertising costs were expensed as incurred. Advertising expenses were included in other external expenses in the Income Statement.

Note 1.17 Dividends or distribution to shareholders

Dividends or other distributions to the Company's shareholders are recognized as a liability in the Group's financial statements in the period in which the distribution is approved by the Company's shareholders.

Note 1.18 Non-current assets (or disposal groups) held for sale and discontinued operations

Disposal group held for sale

The Group has elected to apply IFRS 5 from January 1st, 2005. A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction and not through continuing use. This implies that the asset (or disposal group) is available for immediate sale and its sale is highly probable. These assets may be a component of an entity, a disposal group or an individual non-current asset. A non-current asset (or disposal group) classified as held for sale is measured at the lower of its fair value less costs to sell and its carrying amount. Any impairment loss on write-down of the asset (or disposal group) to fair value less costs to sell is recognized in profit or loss.

Discontinued Operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and (a) represents a separate major line of business or geographical area of business, (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or c) is a subsidiary acquired exclusively with a view to resale. The component discontinued is clearly distinguishable operationally and for reporting purposes.

When the criteria of IFRS 5 are met, the net results of the discontinued activities, including the results of the sale and the adjustments of assets to fair value, net of selling costs, are presented under the income statement line item "Profit from discontinued operations". The application of IFRS 5 does not impact on the prior-year financial statements other than a change in the presentation of the income statement and cash flows of discontinued operations.

Note 1.19 Financial risks management

Financial risk factors

In 2006 and 2007, the Group's activities were exposed to financial risks, including market risk, credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management, carried out by Group Treasury management, focused on minimizing potential adverse effects on the Group's financial performance of the unpredictability of financial markets. The Group used derivative financial instruments to hedge certain risk exposures. Given the sale of all its operations, the reimbursement of all credit facilities, the unwinding of financial instruments and the distribution to shareholders of virtually all of its excess cash, the Group is no longer exposed to those risks stated below.

(a) Foreign exchange risk

The Group operated internationally and was exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Canadian dollar and consequently the US dollar. Foreign exchange risk arose from commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Further to the sale of all its operating activities and investments in 2006 and 2007, the Group no longer has foreign exchange risk except for non-material balances denominated in Canadian Dollars. The group was exposed to USD fluctuation in 2007 up to $9.7 under the Soufun escrow account agreement which was released and converted into € early 2008. All cash and cash equivalents balances are denominated in Euro.

(b) Concentration of credit risk and significant customers

As the Company is no longer engaging in operating activities, the Group has no credit risk from customers.

(c) Credit risk with financial institutions

Subsequently with the repayment of its credit lines under the BNP Paribas Credit Agreement and the unwinding of its financial instruments in 2006, the Group significantly reduced its credit risk with financial institutions. Cash and cash equivalents are deposited with financial institutions which the Company believes to be of high credit quality.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to close out market positions.

(e) Cash flow and fair value interest rate risk

Further to the repayment of its debt obligations and unwind of its financial instruments, the Group is no longer subject to cash flow and fair value interest rate risk.

Note 1.20 Accounting for Put options

Under the terms of certain acquisition agreements, the Group is committed to acquire the interests owned by minority shareholders in consolidated subsidiaries, if these minority interests wish to sell their investment. IFRS 7, "*Financial Instruments: Disclosures*", requires the value of such put option to be presented as a financial liability on the balance sheet for the discounted value of the expected exercise price of this option, notwithstanding the ability of the Company to settle part of these obligations with its own shares and not cash. In addition, the share of minority shareholders in the net asset of the company subject to the put option must be reclassified from "minority interest" to "financial liability" in the consolidated balance sheet. The Group has chosen to present, on initial recognition, the difference between the exercise price of the option and the carrying value of the minority interests first as a reduction of minority interest and then as additional goodwill.

The subsequent unwinding of the discount is recognized in financial expense in the consolidated income statement under *"Non-cash interest on minority put-options"*. Any subsequent change in the value of the commitment is recorded through goodwill.

Notes to Consolidated Financial Statements (Continued)
(Euro and other currencies in millions except share and per share amounts)

The exercise price of the option is computed based on a multicriteria approach which includes discounted cash flow analysis. Management assumptions for discounted cash flows include assumptions on projected cash flows, discount rates, residual value calculation. Also, the exercise price determination includes assumptions on the date of exercise, most frequently assumed on the first date when possible.

Note 1.21 Critical accounting estimates and judgments

Preparation of financial information requires management to make judgments concerning selection of accounting methods, estimates and assumptions that are sensitive to changes in market conditions or other uncertainties that could affect reported results. We have outlined below several of the critical accounting policies, the judgments used to develop our reported results and the sensitivity of these results to changes in conditions.

Going concern

The financial statements for both periods have been prepared on the basis of the IFRS standards and interpretations published and adopted by the European Union at the date of this report and on IAS / IFRS applicable as of December 31, 2007.

Further to the successful disposals of all its operating assets in 2006 and 2007, Trader Classified Media N.V. ("Trader" or the "Company") expects to close its remaining facilities, liquidate its remaining legal entities and satisfy liabilities as they become due. TCM confirms its intention to return remaining value to the shareholders by means of further distributions and, subject to shareholder approval, a capital distribution through a voluntary liquidation.

The Group is following a liquidation plan of its remaining corporate activities and as a result, pursuant to IAS1§23, the 2007 consolidated financial statements are no longer prepared on a going concern basis. As a consequence, assets and liabilities from corporate activities include all additional expected costs and benefits, including accruals for future liquidation costs and litigation or a net liability amount of €3.0 (see a detailed breakdown on note 3 to the consolidated financial information).

Impairment

In accordance with IAS 36, "*Impairment of Assets*", assets generating independent cash flows and assets included within Cash-generating units (CGUs) are tested for impairment whenever events or new circumstances which arise provide indications that individual assets or CGUs may have suffered impairment losses. A CGU is the smallest identifiable group of assets that generates cash inflows which are largely independent of the cash inflows from other assets or groups of assets. For the group impairment purposes, each reporting unit represents a CGU.

The Group reviews annually goodwill and other indefinite-lived intangible assets for impairment in accordance with the accounting policy stated above. Such review requires management to make material judgments and estimates when performing impairment tests. The Group compares the carrying value of each of its geographic reporting units, including goodwill and intangible assets, to the recoverable value. The recoverable amount is the higher of the CGU's fair value less costs to sell and value in use. Further to the decision to dispose of all of its assets, Management applied from 2006 the fair value less costs of sell method.

Accrued and contingent liabilities

Pursuant to the successful disposals of all its principal operating assets in 2006 and 2007, the Directors intention is to return remaining value to the shareholders by means of further distributions and, subject to shareholder approval, a capital distribution through a voluntary liquidation. As a consequence, all additional expected costs, including future costs of liquidation and accruals for litigation, and benefits for a net liability amount of €3 have been recorded in the balance sheet under "Provisions, accrued expenses and other liabilities". Actual costs and benefits may differ from management assessment. Should future liquidation costs differ by 10% from the management's assessment, the impact on net income would be equal to 10% of the provision, ie €0.2.

Tax accounting

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for all uncertain tax positions issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Also, Management uses its best estimates to evaluate the use of the tax losses originated from net operating losses. Management estimates that the available tax losses of the Company will not be utilized given the non probability of future taxable profit. Should management's assessment be wrong by 10%, there would be no change to the income tax and the deferred tax provisions.

(Euro and other currencies in millions except share and per share amounts)

NOTE 2 SEGMENT INFORMATION

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Group's sources and nature of risks and rates of return were affected predominantly by the fact that it operates in different countries or other geographical areas.

Further to the sale of all its operations, this classification no longer applies since 2006. The information related to discontinued operations presented in this paragraph includes only the contribution to the Group's net income, consistently with the presentation of these discontinued operations on the Group's balance sheet and income statement. Disposal operations and investments held for sale at the end of 2006, which have been subsequently sold in 2007, have been reclassified for consistency purposes in 2006 within "Disposed and Disposal Group". The Disposal Group in 2006 comprised (i) the disposal operations combining interests in businesses in Taiwan (Car News - 55%), China (Shou di Shou - 55%), and France and Canada (NetClub – 77%), and (ii) a 13% available for sale investment in Trader Media East.

This information for the period ended December 31, 2007 is as follows:

	Disposed and disposal group Group	Corporate activities	Total discontinued operations
Net profit from continuing operations	-	-	**-**
Net profit from discontinued operations	(15.0)	4.7	**(10.3)**
Total liabilities	-	4.2	**4.2**
Total assets	-	25.0	**25.0**
Goodwill	-	-	**-**
Intangible assets with indefinite useful life	-	-	**-**
Property, Plant and Equipment	-	-	**-**
Capital expenditure	-	-	**-**

This information for the period ended December 31, 2006 is as follows:

	Disposed and disposal group Group	Corporate activities	Total discontinued operations
Net profit from continuing operations	-	-	**-**
Net profit from discontinued operations	1,047.0	(18.7)	**1,028.3**
Total liabilities	5.7	20.6	**26.3**
Total assets	61.7	80.6	**142.3**
Goodwill	5.9	-	**5.9**
Intangible assets with indefinite useful life	-	-	**-**
Property, Plant and Equipment	0.6	-	**0.6**
Capital expenditure	7.2	0.1	**7.3**

(Euro and other currencies in millions except share and per share amounts)

NOTE 3 DISCONTINUED OPERATIONS

Discontinued operations comprise (i) the results of sold operations ("Disposed Group") until the date of sale, net income from the sale of operations, (ii) the results for the year 2006 from held for sale assets as at December 31, 2006 (" the Disposal Group") which include available for sale financial assets and (iii) the results from corporate activities.

In € millions	**Year ended December 31**	
	2007	***2006***
Net gain (loss) on sale of assets	(14.9)	1,063.0
Results from disposed and disposal group	(0.1)	(16.0)
Results from corporate activities	4.7	(18.7)
Total	**(10.3)**	**1,028.3**

- *Disposed Group*

Following the decision of the Supervisory Board of Trader Classified Media N.V. to maximize value for its shareholders, the company completed in 2007 the disposal of all its outstanding assets, including following transactions:

- The sale of its Shou di Shou business in China and its NetClub business in France and Canada in February 2007,
- The tender of its remaining 13% stake in TME to Hurriyet Invest B.V. a subsidiary of a Turkish listed company (Hurriyet Group), for $US65 (€48.4) pursuant to a recommended public offer in April 2007, and
- The completion of the sale of its 55% stake in its Car News operation in Taiwan to the minority shareholders in June 2007.

The €14.9 loss on disposal of assets in 2007 is primarily generated by the loss on the TME shares. A significant portion of this loss was recorded for €14.8 in the shareholder's equity as at December 31, 2006 further to a fair value adjustment. As at December 31, 2006, Trader adjusted the fair value of its investment in TME at its market value, being the offering price of Hurryiet pursuant to the recommended public offer in April 2007.

During 2006, the Company disposed of a 87% stake in Trader Media East Limited ("TME") through an international offering of shares in the form of GDRs at US$13 per share on the London Stock Exchange. TME is an independent company comprising the TCM's former Russian & CIS, Baltic, Hungarian, Croatian and Polish assets. This offering resulted in approximately €450 in net proceeds to TCM for the sale of 87% of the capital. On June 8, 2006, Trader Classified Media announced the completion of the sale of its Canadian and US operations to Yellow Pages Group (Canada's largest directory publisher), for total consideration of approximately $CAN 760 (€540) and the completion of the sale through an MBO of its Dutch operations. On July 14, 2006, Trader Classified Media completed the sale of its Western European and Latin American operations to Schibsted ASA, a leading Scandinavian media company, for total cash consideration of approximately €576. The group also finalized the sale of its 15% interest in Soufun and options for a cash consideration of approximately US$100 (€78) to Telstra, a leading Australian telecom company.

The results of disposed operations have been reclassified in *"Discontinued operations, net of taxes*" for the periods presented. Financial information relating to the Disposed Group for the year ended December 31, 2007 and to the "Disposed and Disposal Group" for the year ended December 31, 2006 is as follows:

Income statement information

	Year ended December 31,	
	2007	**2006**
Revenue	-	162.9
Expenses	(0.1)	(162.7)
Profit before tax from Disposed Group	(0.1)	0.2
Tax	-	(2.8)
Profit after income tax of Disposed Group	(0.1)	(2.6)
Pre-tax income recognized in the remeasurement of assets of Disposed Group	-	1,057.6
Profit from disposed group and disposal group	**(0.1)**	**1,055.0**

(Euro and other currencies in millions except share and per share amounts)

NOTE 3 DISCONTINUED OPERATIONS (CONTINUED)

The net-cash provided until the date of sale by the Disposed Group for the year ended December 31, 2007 and to the "Disposed and Disposal Group" for the year ended December 31, 2006 is as follows is as follows:

	December 31, 2007	December 31, 2006
Operating cash flows	(0.1)	24.5
Investing cash flows	-	(19.5)
Financing cash flows	-	(14.6)
Total cash flows	**(0.1)**	**(9.6)**

Net proceeds from the sale of operations for the year ended December 31, 2007 and 2006 is as follows:

	December 31, 2007	December 31, 2006
Consideration received or receivable:		
cash received	55.9	1,668.3
cash disposed of	0	(28.0)
Total net consideration of Disposed Group	55.9	1,640.3

Below is an analysis of the assets and liabilities of the Disposed Group in 2007 and "Disposed and Disposal group" in 2006 until the date of the sale completion.

	At date of sale 2007	At date of sale 2006
Assets of the Disposed Group:		
property, plant and equipment	0.6	32.0
intangible assets	7.9	811.8
inventory	0	4.6
Available for sale financial assets	0	49.4
cash and cash equivalents	0.9	28.9
other current assets	2.9	104.2
Total assets of the Disposed Group	**12.3**	**1,030.9**
Liabilities related to Disposed Group :		
trade and other payables	1.3	39.3
Borrowings	0	12.2
financial liabilities related to put options	1.3	154.9
other current liabilities	1.4	32.3
Other non-current liabilities	1.7	86.1
Total liabilities of the Disposed Group	**5.7**	**324.8**
Total net assets of the Disposed Group	**6.6**	**706.1**

Included in the "Disposed and Disposal group" in 2006 was the 13% investment in Trader Media East Limited, subsequently sold in 2007. This investment presented as an available-for-sale financial asset was recorded as at December 31, 2006 at fair market value, being for this investment the offering price from Hurryiet Invest B.V. at US$10 per GDR (One GDR being equivalent to one share). Gain or loss on available-for-sale financial assets is recognized directly in equity, through the statement of changes in equity, until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in equity is recognized in profit or loss. The Fair market value investment resulted in a reduction of the value of investment of €14.8 as at December 31, 2006, being the difference between the initial public offering price of €11.10 per share ($13 per share) and the offering price per share by Hurriyet of €7.60 ($10 per share) and was included in the loss from disposed operations in 2007.

(Euro and other currencies in millions except share and per share amounts)

NOTE 3 DISCONTINUED OPERATIONS (continued)

- ***Corporate activities***

Corporate activities for the for the year ended December 31, 2007 are as follows

Income statement information	**Year ended December 31,**	
	2007	**2006**
Revenue	-	-
Operating expenses	(6.5)	(17.4)
Net financial income	1.4	10.3
Provision for future liquidation expenses	9.3	(12.4)
Gain (loss) before tax from corporate activities	4.2	(19.5)
Tax benefit	0.5	0.8
Gain (loss) from corporate activities	**4.7**	**(18.7)**

Provisions for future liquidation expenses represent liabilities for estimated cash outflows until the liquidation of Group companies. They also include personnel and legal costs and provisions for litigation. Further to the costs incurred in 2007 and the positive outcome of certain litigation, provisions and accruals were reduced by €9.4 to €3.0 as at December 31, 2007.

NOTE 4 OTHER RECEIVABLES

	December 31, 2007	**December 31, 2006**
Prepaid expenses	-	0.1
Receivables related to VAT	0.2	0.6
Other receivables	-	3.0
Other receivables	**0.2**	**3.7**

Other receivables and other assets primarily related to receivables from Trader Media East as at December 31, 2006, subsequently received in 2007.

NOTE 5 CASH AND CASH EQUIVALENTS

	December 31, 2006	**December 31, 2006**
Cash at bank and in hand	24.8	76.6
Cash and cash equivalents	**24.8**	**76.6**

Included in Cash and Cash equivalents as at December 31, 2006 was restricted cash in connection with the sale of our 15% investment in Soufun. €7.6 (US$9.7) of the proceeds from the sale was placed in an escrow account. Further to the expiration of the escrow on December 31, 2007, cash has been received and classified as Cash and Cash equivalents.

December 31, 2006 balances do not include €1.0 of cash and cash equivalents held by discontinued operations, which have been reclassified in "assets held for sale".

As at December 31, 2007 and 2006, the Group had no bank overdraft.

(Euro and other currencies in millions except share and per share amounts)

NOTE 6 SHARE CAPITAL

	Ordinary shares	Share premium	Treasury shares	Total
At January 1st, 2006	**79.1**	**666.9**	**(0.7)**	**745.3**
Issuance of share	1.5	44.9	-	46.4
Distribution to shareholders	-	(711.2)	-	(711.2)
Treasury shares purchased	-	-	0.7	0.7
At December 31, 2006	**80.6**	**0.6**	**-**	**81.2**
Reduction of par value of share capital	(75.6)	75.6	-	-
Distribution to shareholders	-	(66.8)	-	(66.8)
At December 31, 2007	**5.0**	**9.4**	**-**	**14.4**

In November 2006 the shareholders of the Company approved the reduction in the par value of the Class A and Class B shares from €0.16 and €1.92 per share, respectively, to €0.01 and €0.12 per share, respectively. This decision was effective as at March 6, 2007. Consequently, share capital has been reduced by €75.6, with an increase of share premium by the same amount.

Ordinary shares

A description of the shares of Trader Classified Media N.V. is provided below:

	December 31, 2007	December 31, 2006
Par value		
Class A, €0.01 and €0.16 nominal value as of December 31, 2007 and 2006, respectively; 1,783,282,600 and 1,783,282,600 shares authorized, 67,982,556 and 67,982,556 issued and outstanding; one vote per share.	0.7	10.9
Class B, €0.12 and €1.92 nominal value as of December 31, 2007 and 2006, respectively; 36,300,000 and 36,300,000 shares authorized, 36,300,000 and 36,300,000 shares issued and outstanding; 12 votes per share.	4.3	69.7
Total par value	**5.0**	**80.6**
Share premium	**9.4**	**0.6**
Total share capital and share premium	**14.4**	**81.2**

Class A Common Shares

Each Class A common share is entitled to one vote per share and has similar distribution rights as Class B shares. A reconciliation of activity for Class A Common Shares during 2007 and 2006 is as follows:

	Shares	Par Value	Share premium
Balances, January 1st, 2006	**58,680,895**	**9.4**	**589.4**
Exercise of share options	9,301,661	1.5	122.4
Distribution to shareholders	-	-	(711.2)
Balances, December 31, 2006	**67,982,556**	**10.9**	**0.6**
Reduction of par value	-	(10.2)	10.2
Distribution to shareholders	-	-	(10.2)
Balances, December 31, 2007	**67,982,556**	**0.7**	**0.0**

NOTE 6 SHARE CAPITAL (continued)

Class B Common Shares

Holders of Class B Common Shares are entitled to 12 votes per share in a general meeting of shareholders. Each Class B Common Share shall be automatically converted into 11 Class C Shares and 1 Class A Common share upon transfer to any person other than a permitted transferee of Class B Common Shares and other than certain transfers resulting in the transferee holding a majority of the voting interests. Such permitted transferees consist only of (i) John H. McCall MacBain, Eric Teyssonnière de Gramont and certain of their family members, (ii) corporations and trusts wholly-owned by or solely for the benefit of John H. McCall MacBain or Eric Teyssonnière de Gramont and certain of their family members and (iii) not-for-profit entities to which Class B Common Shares have been donated.

Upon any transfer of any Class B Common Shares the transferee of such shares must immediately transfer all Class C Shares received by such transferee upon such transfer to Trader Classified Media for no consideration. Trader Classified Media may then redeem and cancel all such Class C Shares for no consideration.

Distributions of all types (other than share dividends), including dividends and liquidation distributions among common shareholders shall be made ratably, as a single class, regardless of the relative nominal value of the Class A and Class B Common Shares. If a share dividend is paid on Class A Common Shares, a dividend at the same rate, payable in Class B Common Shares, must be paid on the Class B Common Shares, and vice versa. Trader Classified Media may not issue additional Class B Common Shares except in payment of such a share dividend. The shares of one class of common shares may not be split or combined, or the nominal value thereof changed, unless the shares of the other class are proportionally split or combined, or the nominal value thereof proportionally changed.

Class C Shares

Each Class C Share has a nominal value of €0.01 and is entitled to a non-cumulative cash dividend up to €0.01 per year. In the event of a liquidation of the Group's assets, holders of Class C Shares shall be entitled to payment out of the net assets available for distribution to shareholders of € 0.01 per share, and no more. Holders of Class C Shares are entitled to one vote per share in a general meeting of shareholders. Trader Classified Media can redeem and cancel all issued Class C Shares at any time, in whole or in part, provided such redemption and subsequent cancellation has been approved by the general meeting of shareholders of Trader Classified Media. For Class C shares held by the Company no consideration will be payable upon such redemption and cancellation. There are 168,300,000 shares authorized and 0 (zero) issued and outstanding as of December 31, 2007 and 2006.

Share options

The Group has three share options plans. In accordance with the transitional provisions of IFRS 2 *"Share Based payments"*, IFRS 2 has been applied only to grants made after November 7, 2002 that were unvested as of January 1, 2005.

In accordance with the Plan documents, the Compensation and Nominating Committee accelerated the vesting of options under the 1998 and the 2000 equity incentive plans in the first semester of 2006. Accelerated option grants included grants of options to employees in disposed of operations, grants to employees in headquarter and central support operations, as well as grants made to directors. In certain cases, the acceleration of vesting is dependent upon the beneficiary entering into a share restriction agreement. Acceleration of vesting resulted in an immediate recognition of the amount that otherwise would have been recognized for services received over the remainder of the vesting period, for an amount of €0.2 in 2006. All in-the-money vested options were exercised prior to September 2006 distribution.

(Euro and other currencies in millions except share and per share amounts)

NOTE 6 SHARE CAPITAL (continued)

The information below relates to all share options plans. The plans which were accounted for under IFRS 2 are presented under the paragraph "Share options restated under IFRS" at the end of this note.

		Exercise Price per share	
	Number of Options	Range	Weighted Average
January 1, 2006	**9,783,371**	**1.56 – 16.62**	**5.42**
Granted	-	-	-
Exercised	(9,301,661)	1.56 – 16.62	4.98
Cancelled / Forfeited	(158,725)	1.56 – 16.62	12.49
December 31, 2006	**322,985**	**6.09 – 16.62**	**14.48**
Granted	-	-	-
Exercised	-	-	-
Cancelled / Forfeited	-	-	-
December 31, 2007	**322,985**	**6.09 – 16.62**	**14.48**

Outstanding options expire 10 years from grant date, ranging from 2010 and 2015. As the exercise price of remaining outstanding options is significantly above market value, exercise of these options is unlikely.

Trader Classified Media's 1998 Equity Incentive Plan, 1999 Option Plan and 2000 Option Plan (together the "Equity Plans") provided for the grant of options to purchase Class A Common shares to key employees and other individuals who provide services to the Group. The Equity Plans are administered by a committee appointed by the Supervisory Board. Options generally expire ten years after grant date or 12 months after termination of business relationship, whichever is earlier, and generally vest in equal annual instalments over a five-year period. No grants of options were made in 2006 or 2007 and the Company does not intend to make further grants.

Share options and restricted shares restated under IFRS 2 Share-based payments

IFRS 2 Share-based payments allows the Company to use the fair value model only for options granted since November 7, 2002. The following table presents options accounted for under IFRS 2.

		Exercise Price per share	
	Options	Range	Weighted share price
January 1, 2006	**4,182,138**	**3.99 – 13.24**	**5.97**
Granted	-	-	-
Exercised	(4,182,138)	3.99 – 13.24	5.97
Cancelled / Forfeited	-	-	-
Adjustments	-	-	-
December 31, 2006	**-**	**-**	**-**
Granted	-	-	-
Exercised	-	-	-
Cancelled / Forfeited	-	-	-
Adjustments	-	-	-
December 31, 2007	**-**	**-**	**-**

(Euro and other currencies in millions except share and per share amounts)

NOTE 7 OTHER RESERVES

Statement of recognized Income and expense

	2007	2006
Net fair value gains, gross of tax:		
Cash flow hedges	-	(1.8)
Currency translation differences	-	(12.2)
Net income recognized directly in equity	-	(14.0)
Profit (loss) for the year	(10.3)	1,026.5
Total recognized income (loss) for the year	**(10.3)**	**1,012.5**
Attributable to:		
Equity holders of the Company	(10.3)	1,012.4
Minority interest	-	0.1
	(10.3)	**1,012.5**

NOTE 8 FINANCIAL LIABILITY RELATED TO PUT OPTIONS

In the course of its past acquisitions, TCM entered into put-option contracts with minority interests in acquired businesses. Further to the sale of investments during the year, the only outstanding put option contract at December 31, 2006 was related to the NetClub investment. In relation to the initial purchase of a 80.25% interest in NetClub B.V., a 95.95% direct subsidiary of Trader (NetClub) Holdings BV, the Company granted a put option to the holder of the 19.75% minority interest in NetClub B.V..The fair value of the put option was estimated at €1.3 as at December 31, 2006 and recorded as part of "liabilities related to non-current assets held for sale".

This right was extinguished with the sale of the NetClub operations in 2007.

NOTE 9 CURRENT AND DEFERRED INCOME TAX

Current income taxes

The income tax benefit from our corporate activities in 2007 and 2006 are primarily generated by the release of tax provisions of €0.5 and €1.1 respectively, as a result of the positive outcome of certain tax audits (refer to note 3) . The breakdown of income tax benefit on our corporate activities is as follows:

	2007	2006
Current income tax benefit	0.5	0.7
Deferred income tax benefit	0.0	0.1
	0.5	**0.8**

	2007	2006
Loss before income taxes	(10.2)	(20.3)
Estimated statutory tax benefit	3.1	6.0
Effect of foreign tax rate differences	-	0.7
Non-deductible differences:		
Loss on sale and non deductible expenses	(2.6)	-
Write-down of goodwill	-	(5.9)
Income tax benefit	**0.5**	**0.8**

(Euro and other currencies in millions except share and per share amounts)

NOTE 9 CURRENT AND DEFERRED INCOME TAX (continued)

Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

At December 31, 2007, Trader Classified Media N.V. had €107.4 of accumulated net operating loss carry forwards, including €36.9 which expires in various years from 2011 through 2012 and €70.5 expires from 2013 through 2015. Including in the €107.4 are €74.4 related to the fiscal years up to 2005 and formally assessed by the Dutch Tax Authorities. The Group has not recognized any deferred income tax asset on these nols given the non-probability of future taxable profit generation.

NOTE 10 PROVISIONS, ACCRUED EXPENSES & OTHER LIABILITIES

	Restructuring & liquidation	Post-employment benefits	Legal claims	Total
At January 1, 2006	**0.1**	**4.3**	**0.1**	**4.5**
Charged to consolidated income statement:				
Additional provisions	19.4	-	-	19.4
Unused amounts reversed	-	(0.2)	-	(0.2)
Discontinued operations	(0.1)	(4.1)	(0.1)	(4.3)
Exchange differences	-	-	-	-
Increase in provision – discount unwinding	-	-	-	-
Used during year	(7.0)	-	-	(7.0)
At 31 December 2006	**12.4**	**-**	**-**	**12.4**
Charged to consolidated income statement:				
Additional provisions	2.2	-	-	2.2
Unused amounts reversed	(8.2)	-	-	(8.2)
Used during year	(3.3)	-	-	(3.3)
At 31 December 2007	**3.1**	**-**	**-**	**3.1**

The Group is following a liquidation plan of its remaining corporate activities. Expected costs, including accruals for future liquidation costs and litigation were reduced to €3.0 as at December 31, 2007 compared to €12.4 as at December 31, 2006 further to expenses incurred in 2007 and the successful outcome of certain litigation

NOTE 11 TRADE, ACCRUED PAYABLES AND OTHER LIABILITIES

This amount is primarily comprised of supplier invoices to be paid.

12 EARNINGS PER SHARE

Basic and Diluted earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Only share options are dilutive potential ordinary shares. Given the exercise price of the outstanding options, well in excess of the average annual market share price of the Company's shares, the issuable shares upon the exercise of share options is computed at 0 for the years ending December 31, 2007 and 2006.

(Euro and other currencies in millions except share and per share amounts)

NOTE 12 EARNINGS PER SHARE (continued)

	2007	2006
Profit from continuing operations attributable to equity holders of the Company	-	-
Weighted average number of ordinary shares in issue	104,282,556	98,332,417
Basic and diluted earnings per share (€ per share)	**-**	**-**
Profit from discontinued operations attributable to equity holders of the Company	(10.3)	1,026.5
Weighted average number of ordinary shares in issue	104,282,556	98,332,417
Basic and diluted earnings (loss) per share (€ per share)	**(0.10)**	**10.44**
Profit attributable to equity holders of the Company	(10.3)	1,026.5
Weighted average number of ordinary shares in issue	104,282,556	98,332,417
Basic and diluted earnings (loss) per share (€ per share)	**(0.10)**	**10.44**

NOTE 13 CASH GENERATED FROM OPERATIONS

This table reconciles net income to cash flow generated from operations as per statements of cash flows.

	Note	2007	2006
Net Profit for the period		**(10.2)**	**1,028.3**
Adjustments for:			
Minority interests		-	-
Income taxes	9	-	0.2
Depreciation		-	1.0
Amortization		-	0.8
Provision for doubtful accounts		-	1.2
Net fair value gains on derivative financial instruments		-	(1.9)
Fair value losses (including loss on disposal) on other financial assets		-	13.4
Interest expense		(1.6)	(3.6)
Dividends received / (paid)		1.8	(3.2)
Share of loss from associates		-	0.1
Non cash compensation expense		-	0.5
Foreign exchange gains		-	(1.2)
Net future liquidation expenses		(0.3)	12.4
Net change in disposal group held for sale		(1.5)	(1,038.4)
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):			
Inventories		-	(0.6)
Trade and other receivables		-	(4.2)
Trade and other payables		-	3.5
Cash generated from operations		**(11.2)**	**8.3**

NOTE 14 COMMITMENTS AND CONTINGENCIES

Commitments

The commitments reflecting minimum lease payments under existing operating leases for office space, automobiles and office equipment amount to approximately €0 in 2007 €0.8 in 2006. All major lease contracts were terminated by December 31, 2006, but certain termination agreements included future operating lease payments in 2007 for an amount of €0.3. Lease expense amounted to €0.3 and €0.8 for the years ended December 31, 2007 and 2006, respectively.

(Euro and other currencies in millions except share and per share amounts)

NOTE 14 COMMITMENTS AND CONTINGENCIES (continued)

Contingencies

The Group is or may be involved in various litigation and tax audits arising in the normal course of business in several countries. The Group believes that none of these actions, individually or in the aggregate, will have material adverse effect on the Group's results of operations or financial position. In particular, the Company is involved in an arbitration proceeding in Hungary regarding the calculation of an earn-out payment payable to the sellers in relation to the 2003 acquisition of Kisokos.

NOTE 15 BOARD REMUNERATION

Key management compensation

Remuneration of Members of the Management Board in 2007

	Remuneration (in k€)	Incentive (in k€)	Total (in k€)	Stock options issued	Stock options exercised	Average value of stock options exercised
François Jallot	161.9	171.3	333.2	-	-	-
Ruud Waals	155.0	-	-	-	-	-
Total	**161.9**	**171.3**	**333.2**	**-**	**-**	**-**

Remuneration of Members of the Management Board in 2006

	Remuneration (in k€)	Incentive (in k€)	Total (in k€)	Stock options issued	Stock options exercised	Average value of stock options exercised
John McCall MacBain	80.0	-	80.0	-	2,642,836	3.64
Didier Breton	250.3	96.0	346.3	-	2,402,024	7.42
François Jallot	265.2	86.0	351.2	-	287,152	5.21
Ruud Waals	174.0	-	174.0	-	43,510	6.16
Total	**769.5**	**182.0**	**951.5**	**-**	**5,375,522**	**5.22**

Remuneration of Members of the Supervisory Board in 2007

Name	Attendance fees (in k€)	Stock options Issued	Stock options exercised
Eric Teyssonnière de Gramont	28.8	-	-
Robert Fetherstonhaugh	23.8	-	-
Christiaan Antonius van den Berg	18.8	-	-
Total	**71.3**	-	-

Remuneration of Members of the Supervisory Board in 2006

Name	Attendance fees (in k€)	Stock options issued	Stock options exercised	Average value of options exercised
William Altman	43.8	-	36,139	4.41
Robert Fetherstonhaugh	41.3	-	432,407	2.65
Barry Nalebuff	30.0	-	18,070	4.41
René Rijntjes	20.0	-	18,070	4.41
Sean Riley	27.5	-	36,139	4.41
Donald Sobey	25.0	-	-	-
Christiaan Antonius van den Berg	36.2	-	18,070	4.41
Eric Teyssonnière de Gramont	37.5	-	386,233	1.56
Total	**261.3**	**-**	**945,128**	2.44

NOTE 16 RELATED PARTY TRANSACTIONS

Company's Parent

Trader Classified Media N.V.'s principal shareholder is Jactmac B.V., a Dutch Company registered in the Netherlands.

NOTE 17 EVENTS AFTER THE BALANCE SHEET DATE

Refer to the subsequent events paragraph on page 8 of this annual report.

TRADER CLASSIFIED MEDIA N.V.
Company-only Balance Sheets
(in millions of euros)
before proposed appropriation of result

	Notes	December 31, 2007	December 31, 2006
ASSETS			
Fixed assets:			
Financial fixed assets	2	149.4	203.6
Total fixed assets		149.4	203.6
Current assets:			
Other receivables		0.0	0.2
Cash		14.0	68.6
Total current assets		14.0	68.8
Total assets		163.4	272.4

	Notes	December 31, 2007	December 31, 2006
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity:			
Share capital		5.0	80.6
Share premium	10	9.4	0.6
Retained earnings		16.7	(976.5)
Net income (loss) for the period		(10.3)	1,026.5
Non current assets held for sale directly recognized in equity and legal reserves for cash flow hedges		-	(14.8)
Cumulative Translation Adjustment		-	(0.4)
Total equity	9	20.8	116.0
Current liabilities:			
Accounts payable and accrued liabilities	3	0.1	4.6
Provision for accrued expenses and liabilities	4	3.1	12.4
Payable to subsidiaries	5	139.4	139.4
Total current liabilities		142.6	156.4
Total liabilities and shareholders' equity		163.4	272.4

See accompanying notes to the financial statements.

TRADER CLASSIFIED MEDIA N.V.
Company-only Income Statements
(in millions of euros)

	December 31, 2007	December 31, 2006
Net result (loss) after tax from subsidiaries	(4.5)	514.3
Other after tax income and (expenses)	(5.8)	512.2
Net income (loss)	(10.3)	1,026.5

See accompanying notes to the financial statements.

(in millions of euros)

1 General

A description of the group's activity and group structure is included in the consolidated financial statements. The Company itself has no active trading or business activities. Its primary activity is the holding of investments in subsidiaries. The functional currency and reporting currency of the Company is the euro.

Summary of accounting policies:

General

In accordance with the statutory provisions of the Netherlands Civil Code, Book 2:362 Part 8 the Company has prepared its company financial statements in accordance with IFRS as adopted by the EU, being accounting principles generally accepted in the Netherlands and applied in the consolidated financial statements.

Financial fixed assets

Investments in subsidiaries are stated at net asset value as the company effectively exercises influence of significance over the operational and financial activities of these investments. The net asset value is determined on the basis of the IFRS accounting principles applied by the company in its consolidated financial statements.

2 Financial fixed assets

This represents as at December 31, 2007 the investment from Trader Classified Media N.V. in its direct wholly-owned subsidiary Trader Classified Media International B.V.

The movements of the financial fixed assets are as follows:

	December 31, 2007	**December 31, 2006**
Opening balance	203.6	368.5
Income (loss) for the year	(4.5)	514.3
Sale of the investment in Trader Media East	(49.7)	-
Dividends declared to Trader Classified Media N.V.	-	(303.1)
Movements in loans to subsidiaries	-	(164.9)
Exchange differences & other	-	(7.6)
Closing balance	**149.4**	**203.6**

The following is a list of subsidiaries of Trader Classified Media as at December 31, 2007. Ownership is 100%, unless otherwise indicated in parentheses.

<u>Trader Classified Media N.V. and its holding companies:</u>

- Trader Classified Media International B.V. (Amsterdam - Netherlands)
- Trader Classified Media Group B.V. (Amsterdam - Netherlands)
- Trader Classified Media Management (Services) B.V. Swiss Branch (Amsterdam - Netherlands) in liquidation
- TCM Services B.V. (Amsterdam - Netherlands)
- Trader (NetClub Holdings) B.V. (95.95%) (Amsterdam-Netherlands)
- NetClub B.V. (96.73%) (Amsterdam-Netherlands)
- Trader Classified (Mauritius) Holdings Ltd (Mauritius)

(in millions of euros)

2 FINANCIAL FIXED ASSETS (continued)

Discontinued operations:

▪ NetClub Inc. (96.73%)	(Canada)
▪ TC Media China (Switzerland) SA, in liquidation	(Switzerland)
▪ Tarai Trading Pte, Ltd.	(Singapore)
▪ Tullio Kft, in liquidation	(Hungary)

3 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities were primarily impacted as at December 31, 2007 by transaction fees payable for €3.1.

4 PROVISION FOR ACCRUED EXPENSES AND LIABILITIES

Provision for accrued expenses and liabilities is disclosed as "provisions, accrued expenses and other liabilities" in note 10 to the consolidated financial statements (page N°34).

5 PAYABLES TO SUBSIDIARIES

The "Payables to the subsidiaries" is an intercompany loan to Trader Classified Media International B.V., which is expected to be offset against a distribution by this company to Trader Classified Media N.V. as part of the liquidation process of the corporate activities.

6 RELATED PARTY TRANSACTIONS

Please refer to note 16 to the consolidated financial statements (page N°37).

7 EMPLOYEES

The number of employees is nil in 2007 and 2006.

8 REMUNERATION OF BOARD MEMBERS

Please refer to note 15 of the consolidated financial statements (page N° 36). All of the Supervisory Board remuneration was paid by the Company in 2007 and 2006. Only €5 of the Management Board remuneration was paid by the Company in 2007 and 2006, with the remainder being paid by other entities in the group.

(in millions of euros)

9 STATEMENTS OF SHAREHOLDERS' EQUITY

	Share capital	Treasury shares	Share premium	Retained Earnings	Net income for the period	Non-current assets held for sale directly recognized in equity and legal reserves for cash-flow hedges	Currency Translation Adjustment	Total Attributable to equity holders
As of January 1, 2006	**79.1**	**(0.7)**	**666.9**	**(496.4)**	**12.7**	**1.8**	**10.1**	**273.5**
Issuance of Class A common shares	1.5	-	44.9	-	-	-	-	**46.4**
Repurchases of shares	-	0.7	-	-	-	-	-	**0.7**
Deferred compensation expense	-	-	-	0.5	-	-	-	**0.5**
Appropriation of result	-	-	-	12.7	(12.7)	-	-	**-**
Net income for the year ended December 31, 2006	-	-	-	-	1,026.5	-	-	**1,026.5**
Distributions to shareholders	-	-	(711.2)	(493.3)	-	-	-	**(1,204.5)**
Recycling of Currency translation adjustment further to the sale of entities	-	-	-	-	-	-	(9.5)	**(9.5)**
Non current assets held for sale directly recognized in equity	-	-	-	-	-	(14.8)	-	**(14.8)**
Net impact of cash-flow hedges	-	-	-	-	-	(1.8)	-	**(1.8)**
Foreign currency translation adjustment	-	-	-	-	-	-	(1.0)	**(1.0)**
As of December 31, 2006	**80.6**	**-**	**0.6**	**(976.5)**	**1,026.5**	**(14.8)**	**(0.4)**	**116.0**
Reduction of capital	(75.6)	-	75.6	-	-	-	-	**-**
Appropriation of result	-	-	-	1,026.5	(1,026.5)	-	-	**-**
Net loss for the year ended December 31, 2007	-	-	-	-	(10.3)	-	-	**(10.3)**
Distributions to shareholders	-	-	(66.8)	(33.3)	-	-	-	**(100.1)**
Recycling of Currency translation adjustment further to the sale of entities	-	-	-	-	-	-	0.4	**0.4**
Non current assets held for sale directly recognized in income	-	-	-	-	-	14.8	-	**14.8**
As of December 31, 2007	**5.0**	**-**	**9.4**	**16.7**	**(10.3)**	**-**	**-**	**20.8**

Refer to note 6 for a description of the reduction in capital and "Liquidity and Capital Resources" in the Director's report for an explanation of the distributions to shareholders.

(in millions of euros)

10 SHARE PREMIUM (ADDITIONAL PAID IN CAPITAL)

As of December 31, 2007, share premium (APIC) amounts to EUR 9.4. This figure was split between "recognized" and "unrecognized" share premium (in Dutch: "erkend en niet-erkend agio") until 2006 when all unrecognized share premium was distributed to shareholders. Subject to certain conditions, distributions out of the recognized share premium can be made without Dutch dividend withholding tax. The reconciliation for the financial year 2007 is as follows:

	Recognized share premium	Unrecognized share premium	Total
Share premium under IFRS as of January 1st, 2005	**613.7**	**109.6**	**723.3**
Distribution on July 30, 2005 to shareholders qualifying under the participation exemption	-	(43.0)	(43.0)
Distributions on July 30, 2005 to shareholders non-qualifying under the participation exemption	(16.7)	-	(16.7)
Issuance of new shares in 2005	3.3	-	3.3
Share premium as of December 31, 2005	**600.3**	**66.6**	**666.9**
Distribution on September 26, 2006 to shareholders qualifying and non-qualifying under the participation exemption	(600.8)	-	(600.8)
Distribution on September 26, 2006 to shareholders qualifying under the participation exemption	-	(66.6)	(66.6)
Distribution on November 15, 2006 to shareholders qualifying and non-qualifying under the participation exemption	(43.8)	-	(43.8)
Issuance of new shares in 2006	44.9	-	44.9
Share premium as of December 31, 2006	**0.6**	**-**	**0.6**
Par value capital reduction as at March 2007	75.6	-	75.6
Distribution on May 10, 2007 to shareholders qualifying and non-qualifying under the participation exemption	(66.8)	-	(66.8)
Share premium as of December 31, 2007	**9.4**	**-**	**9.4**

11 COMMITMENTS AND CONTINGENCIES

Please refer to note 14 to the consolidated financial statements (page n° 35).

The Company forms a fiscal unity with certain of its Dutch subsidiaries (refer to Note 9 to the consolidated financial statements) for corporate income tax purposes. In accordance with standard conditions, the Company, along with the subsidiary that is part of the fiscal entity, are wholly and severally liable for taxation payable by the fiscal unity.

Amsterdam, April 25, 2008

SUPERVISORY BOARD:

/s/ Eric Teyssonnière de Gramont

ERIC TEYSSONNIERE DE GRAMONT, Chairman

/s/ Robert Fetherstonhaugh

Robert FETHERSTONHAUGH

/s/ Christiaan van den Berg

Christiaan van den BERG

MANAGEMENT BOARD:

/s/ François Jallot

Francois JALLOT

/s/ Ruud Waals

Ruud WAALS

TRADER CLASSIFIED MEDIA N.V.
OTHER INFORMATION

STATUTORY REGULATION GOVERNING THE DISTRIBUTION OF PROFIT

General provision relating to dividends:

1. The General Meeting of Shareholders of the Company may from time to time declare dividends in accordance with the provisions of the Articles of Association, subject in each case to compliance with applicable provisions of law and, as the case may be, article 23 of the Articles of Association.

2. The Supervisory Board of the Company may from time to time declare interim dividends in accordance with the provisions of the Articles of Association, subject in each case to compliance with applicable provisions of law and, as the case may be, article 23, paragraph 8 of the Articles of Association.

Profit appropriation

In accordance with article 23 of the Articles of Association, the loss is proposed to be charged to the retained earnings.

SUBSEQUENT EVENTS

On February 9, 2008, Trader Classified Media N.V. announced an exceptional distribution to shareholders of share premium and retained earnings in the aggregate amount of €0.15 per share, payable on February 21, 2008. Of the total amount of €0.15 per share, €0.08 represented a distribution of share premium which is not subject to withholding tax in the Netherlands. The balance of the distribution, or €0.07 per share, represented a distribution of retained earnings and is subject to a 15% withholding tax in the Netherlands.

Following the payment of this distribution, Trader's net cash position amounted to approximately €9 million. Subject to regulatory and statutory capital requirements, the Company expects to make one or more distributions of its remaining cash after the liquidation procedures and after satisfaction of its liabilities as they become due.

Effective February 19, 2008, the Company entered into a definitive settlement agreement with respect to an arbitration proceeding in Hungary regarding the calculation of an earn-out payment payable to the sellers in relation to the 2003 acquisition of Kisokos.

To the General Meeting of Shareholders of Trader Classified Media N.V.

AUDITORS' REPORT

Report on the financial statements

We have audited the accompanying financial statements 2006 of Trader Classified Media N.V., Amsterdam as set out on pages 12 to 63. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2006, the profit and loss account, statement of recognized income and expense and cash flow statement for the year then ended and the notes.
The company financial statements comprise the company balance sheet as at 31 December 2006, the company profit and loss account for the year then ended and the notes.

The management board's responsibility

The management board of the company 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 directors' 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, 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 Trader Classified Media N.V. as at 31 December 2006, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with 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 Trader Classified Media N.V. as at 31 December 2006, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Emphasis of matter

We draw attention to note 1.1 starting on page 17 of the financial statements which indicate that management and supervisory board have the intention, subject to shareholders approval, to liquidate the Company and that as a result the 2006 financial statements are no longer prepared on a going concern basis. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the directors' report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Utrecht, April 25, 2008

PricewaterhouseCoopers Accountants N.V.

A.F. Kranenburg RA