

[**Company balance sheet and notes**]

as at 31 december 2006 (before appropriation of net profit)

in millions of Euro	2006	2005 *
Non-current assets		
④ Investments in subsidiaries	988	849
Loans and receivables		1
Deferred tax assets	1	7
	<u>989</u>	<u>857</u>
⑤ Receivables	373	755
Current liabilities	-208	-586
	<u>1,154</u>	<u>1,026</u>
Financed by:		
⑥ Shareholders equity	<u>1,154</u>	<u>1,026</u>

(2) Change of accounting policy

As of 2006 Vedior has changed the accounting policy for put options of minority shareholders that have rights to sell their minority interest to Vedior. The accounting policy change effects the Company's profit for the year and the Company's equity as set out below. For the part of the profit and equity that will not be distributable to shareholders of Vedior N.V. a legal reserve is accounted for in the Company's equity. The comparative information has been restated for comparison purposes.

	2006	2005
Effect on income statement		
Profit for the period	178	154
Effect change of accounting policy	8	4
Profit for the period	<u>186</u>	<u>158</u>

	2005
Effect on equity	
Balance equity as at 1 January	850
Effect change of accounting policy	19
Balance equity as at 1 January	<u>869</u>

(4) Investments in subsidiaries

	2006	2005
Position as at 1 January	849	597
Effect of accounting policy change		19
Share in result of subsidiaries	170	150
Acquisition of subsidiary		30
Exchange differences	-31	53
Position as at 31 December	988	849

The 100% participating interests in Vedior Holding B.V. and Tiberia B.V. are reported under Investments in subsidiaries.

(5) Receivables

	2006	2005
Receivables due from subsidiaries	371	752
Taxes	1	2
Other receivables	1	1
	373	755

(6) Company statement of changes in equity

in millions of Euro	Share capital	Share premium reserve	Share option reserve	Legal translation reserve	Other legal reserve	Retained earnings	Total
Balance at 1 January 2005	11	1,127	4	-15	11	-288	850
Effect change of accounting policy					19		19
Balance at 1 January 2005	11	1,127	4	-15	30	-288	869
Exchange differences arising on translation of foreign operations				53			53
Profit for the year					4	154	158
Transfer to retained earnings due to exercised put options minority shareholders					-2	2	
Issue of share capital		7					7
Redemption preference shares A		-51					-51
Recognition of share based payments			6				6
Payment from reserves		-16					-16
Balance at 1 January 2006	11	1,067	10	38	32	-132	1,026
Exchange differences arising on translation of foreign operations				-34			-34
Profit for the year					8	178	186
Transfer to retained earnings due to exercised put options minority shareholders					-2	2	
Issue of share capital		14					14
Recognition of share based payments			5				5
Dividend						-43	-43
Balance at 31 December 2006	11	1,081	15	4	38	5	1,154