

(4) 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. Under the new policy, pursuant to these put options granted to certain minority shareholders, Vedior recognises an obligation to buy the minority shares upon certain conditions instead of classifying them as a minority share in the balance sheet and to disclose the liability as an off balance sheet obligation. The effects of this change of accounting policy are set out below.

| Effects on balance sheet | Minority interest | Deferred consideration business combinations | Retained earnings | Goodwill |
|---------------------------------|--------------------------|---|--------------------------|-----------------|
| Balance at 1 January 2005 | -23 | | 277 | 792 |
| Restatement | 19 | -38 | -19 | 38 |
| Balance at 1 January 2005 | <u>-4</u> | <u>-38</u> | <u>258</u> | <u>830</u> |

The effects on the income statement and the earnings per share are summarised in the tables below.

| Effects on Income statement | 2006 | 2005 |
|---|-------------|-------------|
| Profit attributable to equity holders Vedior N.V. | 178 | 154 |
| Effect of restatement | 8 | 4 |
| Profit attributable to equity holders Vedior N.V. | <u>186</u> | <u>158</u> |

| Effects on earnings per share | 2006 after restatement | 2006 before restatement | 2005 after restatement | 2005 before restatement |
|--|-------------------------------|--------------------------------|-------------------------------|--------------------------------|
| Earnings per share | | | | |
| Basic earnings per share | 1.09 | 1.04 | 0.93 | 0.91 |
| Diluted earnings per share | 1.08 | 1.03 | 0.92 | 0.90 |
| Earnings per share | | | | |
| <i>Excluding gain on disposal of subsidiaries and associates</i> | | | | |
| Basic earnings per share | 1.06 | 1.02 | 0.84 | 0.82 |
| Diluted earnings per share | <u>1.05</u> | <u>1.00</u> | <u>0.83</u> | <u>0.81</u> |