

(17) Deferred tax assets and liabilities

	Deferred tax on accruals and provisions	Retirement benefit obligations	Share based payments	Tax losses	Intangible assets	Other	Total
At 1 January 2005	30	4	2	28	-10	4	58
Credit (charge) to profit or loss for the year	5	-1	1		-2		3
Exchange differences	-1			1			
Disposal of associate				-13			-13
At 1 January 2006	34	3	3	16	-12	4	48
Credit (charge) to profit or loss for the year	-6			5	-2		-3
Recognised in equity			-2				-2
Exchange differences	-2				1		-1
Transfer to current	-7						-7
At 31 December 2006	19	3	1	21	-13	4	35

The following is the analysis of the deferred tax balances for balance sheet purposes:

	2006	2005
Deferred tax assets	57	61
Deferred tax liabilities	-22	-13
	<u>35</u>	<u>48</u>

At 31 December 2006, the Company had unrecognised operating loss carry forwards of €139 million (2005: €126 million) which are available to offset future tax liabilities. The majority of these losses will expire between 2011 and 2015. Taking into consideration the uncertainty of the timing and the amount of future profits, no deferred tax assets have been taken into account related to these operating losses.

(18) Trade and other receivables

	2006	2005
Trade receivables	1,578	1,444
Prepayments and accrued income	39	41
Other receivables	61	43
	<u>1,678</u>	<u>1,528</u>

Trade receivables are net of impairment losses for doubtful accounts amounting to €32 million (2005: €30 million).

(19) Issued Capital

	Ordinary shares at €0.05		Preference shares B at €100	
in thousands	2006	2005	2006	2005
December	<u>320,000</u>	<u>320,000</u>	<u>36</u>	<u>36</u>
Issued and fully paid				
At 1 January	168,893	166,116	27	27

Payment in stock to shareholders		1,995		
Exercise of share options	2,307	719		
Issued under US stock purchase plan	83	63		
At 31 December	<u>171,283</u>	<u>168,893</u>	<u>27</u>	<u>27</u>

The ordinary shares for which depositary receipts have been issued are held by the Foundation for ordinary Vedior shares, based in Amsterdam, the Netherlands. For further explanation see this page.

The Annual General Meeting held on 29 April 2005 approved the redemption of the preference B shares effective 1 July 2007. The redemption price will be €100 per share.

The preference B shares for which depositary receipts have been issued are held by a separate foundation.

(20) Dividends

After the balance sheet date the following dividends relating to the financial year were proposed by the Board of Management. The dividends have not been provided for in the balance sheet and there are no income tax consequences.

	2006	2005
€0.30 per ordinary share (2005: €0.25)	52	42
€6.00 per preference B share (2005: €6.00)	<u>52</u>	<u>42</u>

(21) Interest-bearing loans and borrowings

	2006	2005
Syndicated credit facility	416	568
Senior Notes	165	
Medium term loans	44	43
Commitment from profit sharing in France	14	13
Other loans	64	35
Overdrafts	42	31
	<u>745</u>	<u>690</u>

	2006	2005
The borrowings are repayable as follows:		
On demand or within one year	180	87
In the second year	16	168
In the third year	15	13
In the fourth year	1	1
In the fifth year	367	418
After five years	<u>166</u>	<u>3</u>

	745	690
Less: Amounts due for settlement within 12 months	-180	-87
Amounts due for settlement after 12 months	565	603

The carrying amounts of Vedior's borrowings are denominated in the following currencies:

	Euro	GBP	USD	AUD	CAD	Other	Total
31 December 2006							
Syndicated credit facility	144	147	33	54	30	7	415
Senior Notes			165				165
Other loans and overdrafts	158					7	165
	<u>302</u>	<u>147</u>	<u>198</u>	<u>54</u>	<u>30</u>	<u>14</u>	<u>745</u>
31 December 2005							
Syndicated credit facility	285	155	121	4		3	568
Other loans and overdrafts	118					4	122
	<u>403</u>	<u>155</u>	<u>121</u>	<u>4</u>		<u>7</u>	<u>690</u>