Tele Atlas

2005 Global Offer and Euronext Amsterdam Listing — Tele Atlas

Tele Atlas NV

(a limited liability company incorporated under the laws of The Netherlands, with its corporate seat in Amsterdam)

Global Offer of up to 25,680,535 ordinary shares with a nominal value of €0.10 per Share

Up to 7,704,161 new ordinary shares (the "**New Shares**") are being offered by Tele Atlas NV ("**Tele Atlas**") and up to 17,976,374 existing ordinary shares (the "**Existing Shares**" and, together with the New Shares, the "**Shares**") are being offered by Bosch, IAM, Meritech, NEA, Oak, TeleSoft and Stanford University (collectively, the "**Selling Shareholders**") in the offering (the "**Global Offer**"). The Global Offer consists of a public offering in The Netherlands (including to certain institutional investors) and an international offering to certain institutional investors.

We will receive the net proceeds from the sale of the New Shares but will not receive any proceeds from the sale of Existing Shares, all of which will be paid to the Selling Shareholders.

We intend to apply for admission of our ordinary shares to trading on the Stock Market of Euronext Amsterdam NV ("**Euronext Amsterdam**") and to list all of our ordinary shares on Euronext Amsterdam NV's Eurolist by Euronext ("**Eurolist by Euronext**") under the symbol "TA". We expect that trading in our ordinary shares on Euronext Amsterdam will commence on or about 18 November 2005 (the "**Euronext Listing Date**") on an "as-if-and-when-issued" basis and that delivery will take place on or about 22 November 2005 (the "**Settlement Date**"). If closing of the Global Offer does not take place on the Settlement Date or at all, the Global Offer will be withdrawn, all subscriptions for the Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and all transactions in our ordinary shares on Euronext Amsterdam will be cancelled. All dealings in our ordinary shares prior to settlement and delivery are at the sole risk of the parties concerned. Euronext Amsterdam NV does not accept any responsibility or liability for any loss or damage incurred by any person as a result of the listing and trading of our ordinary shares on an "as-if-and-when-issued" basis as from the Euronext Listing Date until the Settlement Date.

Prior to the Global Offer, our ordinary shares have been traded on the Prime Standard Segment of the regulated market (*Geregelter Markt*) of the Frankfurt Stock Exchange (the "**FSE**"). We intend to apply for admission of the New Shares, and of the 35,276,329 existing ordinary shares which have not yet been listed on the FSE, to listing on the Prime Standard Segment of the regulated market of the FSE. We expect that listing of the New Shares and the existing ordinary shares not yet listed on the FSE will occur on or about 22 November 2005 (the "**FSE Listing Date**"), and that such New Shares and existing ordinary shares will be included into trading of the ordinary shares already admitted on the FSE on or about 23 November 2005. The closing price of our ordinary shares on the FSE on 4 November 2005 was €19.47.

See "Risk Factors" beginning on page 11 to read about factors that should be considered before buying Shares.

Offer Price: To be determined

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"). The Shares are being offered and sold in the United States only to "qualified institutional buyers" ("QIBs") in reliance on Rule 144A under the Securities Act ("Rule 144A"). Prospective purchasers that are QIBs are hereby notified that sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of restrictions on offers, sales and transfers of the Shares and the distribution of this Prospectus in other jurisdictions, see "Selling and Transfer Restrictions".

The Selling Shareholders, other than IAM, have granted to Goldman Sachs International, Lehman Brothers, Morgan Stanley and Fortis Bank (collectively, the "**Underwriters**") an option (the "**Underwriters' Option**") exercisable within 30 calendar days after the Allotment Date pursuant to which the Underwriters may require such Selling Shareholders to sell up to 3,852,080 additional existing ordinary shares at the Offer Price.

Delivery of the Shares is expected to take place on or about 22 November 2005 through the book-entry facilities of Nederlands Centraal Instituut voor Giraal Effectenverkeer BV ("**Euroclear Netherlands**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream Luxembourg**"), in accordance with their normal settlement procedures applicable to equity securities and against payment for the Shares in immediately available funds.

The number of Shares offered in the Global Offer can be increased prior to the Settlement Date. Any increase in the maximum number of Shares being offered in the Global Offer will be announced in a press release. The actual number of Shares offered in the Global Offer and the Offer Price will be determined after taking into account the conditions described under "The Global Offer" and by reference to the factors set forth on pages 133 and 134, and will be deposited with the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) ("**AFM**") and published in a pricing statement on or about 17 November 2005.

Any acceleration or extension of the timetable for the Global Offer will be announced in a press release at least two hours before the proposed expiration of the accelerated timetable for the Global Offer or, in the event of an extended timetable for the Global Offer, at least two hours before the expiration of the original timetable for the Global Offer. Any extension of the timetable for the Global Offer will be for a minimum of one full business day.

This document constitutes a prospectus for the purposes of Article 3 of the Directive 2003/71/EC ("**Prospectus Directive**") and has been prepared in accordance with Article 3 of the Dutch Securities Act 1995 (*Wet Toezicht Effectenverkeer 1995*) as amended by the Act of 23 June 2005 and the rules promulgated thereunder. This Prospectus has been approved by and filed with the AFM and the approved Prospectus will be notified by the AFM to the German Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht—BaFin)*.

Joint Global Coordinators and Joint Bookrunners

Goldman Sachs International **Lehman Brothers** **Morgan Stanley**

Lead Manager

Fortis Bank

Financial Advisor to the Issuer

Atlas Advisors LLC

Prospectus dated 7 November 2005

TABLE OF CONTENTS

SUMMARY

This summary must be read as an introduction to this Prospectus. Any decision to invest in any Shares should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference and the risks of investing in the Shares set out in "Risk Factors". This summary is not complete and does not contain all the information that you should consider in connection with any decision relating to the Shares.

No civil liability will attach to us in respect of this Summary, including the Summary of Terms of the Global Offer and the Summary Consolidated Financial Data included herein, or any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a state within the European Economic Area, the plaintiff may, under the national legislation of the state where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Overview

We are a leading provider of digital maps for use in a wide range of navigation, mapping and geography-related applications. We supply our digital maps to many of the leading providers of personal navigation products, such as TomTom NV ("TomTom"), Navigon GmbH ("Navigon"), Navman NZ Limited ("Navman"), Destinator Technologies Inc. ("Destinator") and ViaMichelin SA ("ViaMichelin"). We also provide digital map data for use in in-car navigation systems installed in many of the most prestigious brands in the world, including Mercedes-Benz, Volkswagen/Audi, General Motors, Toyota/Lexus, Ford and Fiat as well as to a wide range of major enterprises and government agencies such as VNU NV ("VNU"), MapInfo Inc. ("MapInfo") and the US Department of Transportation.

Our digital map database is highly accurate and provides full or partial map coverage of 37 countries on four continents, covering approximately 17.7 million kilometres of roadway in Europe and North America alone. Through partnerships and joint ventures, we provide partial digital map coverage of three countries in the Asia-Pacific region, and we will soon add China. In addition to our maps, we currently offer our customers enriched content from us and third parties. Our enriched content includes access to a pool of over 23 million points of interest ("POIs") worldwide, including fuel stations, restaurants, hotels and tourist attractions as well as dynamic content such as traffic incident, speed and flow data, road construction, fuel price and weather information in selected areas.

We have invested significantly in the development and enhancement of our map database and our proprietary methods and technology to enhance the quality and content of our database and the processes used to build it. We significantly increased the scale of our North American operations with the acquisition in July 2004 of Geographic Data Technology, Inc. ("GDT"), a company that had been active in the North American digital map industry since 1980.

While we have focused primarily on Europe and, more recently, on North America, we believe that the market for digital maps is expanding globally and that there are significant opportunities to sell our digital map products in other countries. We will continue to seek to expand our coverage in Asia, Eastern Europe and into Mexico over the next year. We will also consider strategic acquisitions where appropriate to build our coverage.

Market Opportunity

The market for digital map data has grown rapidly, driven by a number of factors including:

Strong Consumer Demand. The rapid growth in consumer demand for location-based applications that utilise digital maps, such as automotive navigation and, more recently, personal navigation products is a key driver of growth in the digital map market. We believe that the wider availability of the Internet on mobile devices and growth in demand for local search and location-relevant information will drive growth in the use of digital maps.

Large, Under-Penetrated Market. Overall market penetration in both the personal navigation and automotive navigation markets remains low and we see significant opportunities for growth in both these markets.

Rapid Technology Advances. Recent technology advances in processing power, display size and capability, memory capacity, data compression, Global Positioning Systems ("GPS") receiver technology, satellite positioning accuracy and usability, together with declining component costs, have made navigation products more accessible, attractive and affordable to consumers which is driving increased demand for these products.

Availability. Location-based services are becoming an increasingly common feature in cars, mobile devices and on the Internet. The trend towards navigation as a widely available feature in new cars and the further penetration of GPS-enabled devices is expected to further drive growth in the market for digital maps.

Our Competitive Strengths

We believe that we have a number of competitive strengths that position us as a leading provider of digital maps:

Strong Market Position. We are the leading digital map provider to the personal navigation market in Europe, which we believe positions us well to capture future growth as the number of applications utilising digital maps on mobile devices continues to grow. We are also a leading supplier of digital maps to the enterprise and public sector market in North America.

Highly Accurate Database with Extensive Coverage. We provide a database of highly accurate digital maps with unique attributes and extensive coverage in Europe and North America and, through partnerships, growing coverage in Asia. We are currently in the final stages of integrating the GDT database with our North American database to create what we believe will be a digital map of North America with the highest accuracy and broadest coverage.

Innovative Unique Data Collection Processes. We believe that we have innovative, unique data collection processes for the creation and maintenance of our database. These processes combine compilation of geographic data from third party sources with information collected by our field survey team. We believe this combination of third party data and field survey produces more accurate and current maps at a lower cost than comparable databases that are developed predominantly from field survey.

Significant Experience and Investment. We have focused on the digital map market for over two decades and have built up significant experience and made significant investments in this market. We have also established longstanding relationships with our customers, who themselves have long histories of developing products using our database platform.

Partnership Focus. We devote significant resources to help our customers develop, market and sell their products utilising our maps. We do not compete with any of our customers, nor do we intend to do so in the future. We believe our collaborative approach fosters customer loyalty, improves the quality of our customers' products and facilitates the use of our maps.

Our Strategy

Extend Market Leadership in the Personal Navigation Sector. We view the personal navigation market as a high-growth, high-volume market, and our goal is to be the leading map supplier globally into this market. We currently have the leading position in the European personal navigation market and are working with our customers to expand the North American presence of their products and, in turn, our maps.

Enhance Accuracy and Richness of our Database. We continually strive to enhance the accuracy and richness of our database. We plan to continue investing in our unique data collection technologies, such as our mobile mapping vans. We have also put in place strategic initiatives to facilitate integration of third-party data with our database and are building partnerships with many content providers to increase the content available on our maps. We believe a wider variety of content and applications available with our maps will increase the overall usability of our products.

Continue Partnership Focus. We have developed strong relationships with our customers and plan to continue investing significant resources in these relationships. We have no intention of competing with our customers and intend to increase initiatives in the retail channel and co-marketing efforts to help our customers succeed.

Grow Market Share in the Automotive Market. We plan to grow our share in the automotive market segment through continuing to invest in our existing customer relationships and capitalising on our integrated North American database to capture new business. We also believe that the personal navigation market is beginning to encroach on the automotive market and that, as the leading supplier in the personal navigation market in Europe, we are well placed to both expand on and take advantage of this trend.

Expand Presence in Internet and Wireless. We believe that the Internet and mobile devices in general will play an increasingly important role in the use of our maps. To capitalise on this trend, we are focused on growing our relationships with the Internet portals, mobile device manufacturers and wireless carriers, among others.

Expand Geographically. To date, our business has been focused on Europe and North America. We plan to expand our coverage by targeting more partnerships in Asia and expanding our coverage in Eastern Europe and into Mexico.

Risk Factors

Before investing in the Shares, prospective investors should consider carefully, together with the other information contained in this Prospectus, the factors and risks attaching to an investment in the Shares described in "Risk Factors", including the following risks:

- we have a history of losses and these losses may continue;
- the demand for our products would be adversely affected if demand for personal or automotive navigation products declines or does not continue to grow;
- if we are unable to compete effectively with our existing or any new competitors, our business, results of operations or financial condition could be materially adversely affected;
- there can be no assurance that the growth we have recently experienced will continue;
- we derive a significant amount of our revenues from a limited number of key customers;
- our inability to maintain or update our database or control errors would harm our reputation, increase our costs or adversely affect our ability to sell our products;
- our map data is generally integrated into our customers' applications and hardware and their inability to integrate our products or develop, maintain or market their products may adversely impact our revenues;
- a substantial portion of our costs is relatively fixed. As a result, any shortfall in revenues could adversely affect our operating profit;

- our growth will depend in part on adding new geographic areas to our database, which can require significant expenditure in advance of revenues. There is no assurance that we will be able to complete the database for new geographical areas or that we will be able to market and sell any resulting products;
- we may not be able to protect our intellectual property and are exposed to the risk of intellectual property litigation. In particular, we face intellectual property risks with regard to third-party intellectual property, indemnification, trademarks and service marks, confidentiality and piracy;
- our intellectual property rights are not as strong in databases as in other copyrighted materials;
- our share price is subject to volatility and you may be unable to sell the Shares at or above the price you pay for them; and
- following the Global Offer, the Selling Shareholders will own a significant number of the Shares, and consequently other shareholders will be able to exercise less than total influence over our business.

Corporate Information

We are a public company with limited liability incorporated under the laws of The Netherlands, with registration number 16079560 and we have our corporate seat in Amsterdam, The Netherlands. Our business address is Reitscheweg 7F, 5232 BX 's-Hertogenbosch, The Netherlands.

Summary of Terms of the Global Offer

The Issuer	Tele Atlas NV, a public company with limited liability incorporated under the laws of The Netherlands, with its corporate seat in Amsterdam, The Netherlands.
The Selling Shareholders	Bosch, IAM, Meritech, NEA, Oak, TeleSoft and Stanford University. See "Glossary of Selected Terms". For a discussion of the relationship between the Selling Shareholders and certain of our directors and members of senior management, see "Selling Shareholders and Related Party Transactions". The Selling Shareholders have granted the Underwriters the Underwriters' Option, as discussed below.
The Shares	We are offering up to 7,704,161 New Shares and the Selling Shareholders are offering up to 17,976,374 Existing Shares. The rights of holders of New Shares and Existing Shares will rank *pari passu* with each other.
Shares Outstanding	Immediately prior to the Global Offer, and assuming the Capital Restructuring has taken place, we will have 76,100,648 ordinary shares outstanding. Immediately after the Global Offer, we expect to have 89,263,937 ordinary shares outstanding, assuming no exercise of the Underwriters' Option and an Offer Price of €19.47, being the closing price of our ordinary shares on the FSE on 4 November 2005, and the conversion of the Warrants as described in "Description of Share Capital and Corporate Governance—Share Capital—Outstanding Warrants and Recent Conversion of Preferred A Shares".
Share Ownership	Immediately after the Global Offer, assuming no exercise of the Underwriters' Option and an Offer Price of €19.47, and the conversion of the Warrants, we expect approximately 52.9% of our outstanding share capital will be owned by the Selling Shareholders.
The Global Offer	The Global Offer consists of a public offering in The Netherlands (including to certain institutional investors) and an international offering to certain institutional investors.
Offer Price	The Offer Price, which applies to the New Shares and the Existing Shares, will be determined by reference to the factors set forth on pages 133 and 134 and published in a pricing statement on or about 17 November 2005.
Pricing Date	Expected to be on or about 17 November 2005, subject to acceleration or extension of the timetable for the Global Offer.
Allotment Date	The allotment is expected to take place before the start of trading on Euronext Amsterdam on 18 November 2005, subject to acceleration or extension of the timetable for the Global Offer.
Settlement Date	Expected to be on or about 22 November 2005, the second business day following the date on which trading is expected to commence on Euronext Amsterdam, subject to acceleration or extension of the timetable for the Global Offer.
Joint Global Coordinators and Joint Bookrunners	Goldman Sachs International, Lehman Brothers International

	(Europe) ("Lehman Brothers") and Morgan Stanley & Co. International Limited ("Morgan Stanley") are acting as Joint Global Coordinators and Joint Bookrunners in connection with the Global Offer.
Underwriters' Option	The Selling Shareholders, other than IAM, have granted to the Underwriters an option, exercisable within 30 calendar days after the Allotment Date, pursuant to which the Underwriters may require such Selling Shareholders to sell up to 3,852,080 additional existing ordinary shares at the Offer Price. The Underwriters may exercise this option at their discretion for any purpose in accordance with applicable law, including to cover short positions created in the initial allotment of Shares or in subsequent transactions.
Use of Proceeds	We intend to raise approximately €150 million of gross proceeds from the issue of New Shares in the Global Offer. We intend to use the net proceeds we receive from the Global Offer, after deduction of the underwriting commission and our expenses related to the Global Offer, primarily for general corporate purposes, including the acquisition of underlying map data in the territories in which we are planning to expand our coverage, international expansion generally, the acquisition or investment in businesses, products or technology that complement our business and growth strategy and for working capital, as described under "Use of Proceeds". We will not receive any proceeds from the sale of the Existing Shares in the Global Offer, all of which will be paid to the Selling Shareholders.
Lock-up Arrangements	We, the Selling Shareholders, the members of the Management Board and the members of Senior Management have agreed that, other than pursuant to the Underwriting Agreement, we, the Selling Shareholders, the members of the Management Board and the members of Senior Management will not, during the period commencing on the date of the Underwriting Agreement and ending 180 days from the Settlement Date, (A) offer, sell, contract to sell or otherwise dispose of any of our securities that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, our ordinary shares or any such substantially similar securities (other than pursuant to share option plans available to our employees and officers existing on the date of the Underwriting Agreement and the terms of which are disclosed in this Prospectus), or (B) purchase or sell any option or other guaranty or enter into any swap, hedge or other arrangement that transfers to any other entity, in whole or in part, any of the economic consequences of ownership of our ordinary shares, whether any such transaction described above in (A) or (B) is to be settled by transfer of ordinary shares or such other securities, in cash or otherwise, except (i) with the prior written consent of the Joint Bookrunners or (ii) the conversion of the Warrants or (iii) in the case of the Selling Shareholders only, to any of their affiliates (as defined in Rule 144(a)(1) under the Securities Act), provided that such

	affiliate agrees with the Underwriters in writing to be bound by similar restrictions on the sale of similar securities.
Listing and Trading	We are currently listed on the FSE. After the Global Offer, we will evaluate whether to maintain our listing on the FSE. In order to seek to increase the liquidity of our ordinary shares, align the trading of our ordinary shares with the Company's domicile and raise our investor profile, we intend to apply for the admission of our ordinary shares to trading on Euronext Amsterdam and to list our ordinary shares on Eurolist by Euronext under the symbol "TA". We further intend to apply for admission of the New Shares, and of the 35,276,329 existing ordinary shares which have not yet been listed on the FSE, to listing on the Prime Standard Segment of the regulated market of the FSE. We expect that listing and trading in our ordinary shares on Euronext Amsterdam will commence on or about 18 November 2005 on an "as-if-and-when-issued" basis and that the Global Offer will close and delivery will take place on or about 22 November 2005. We expect that listing of the New Shares and the existing ordinary shares not yet listed on the FSE will occur on or about 22 November 2005 and that such New Shares and existing ordinary shares will be included into trading of the ordinary shares already admitted on the FSE on or about 23 November 2005. If closing of the Global Offer does not take place on the Settlement Date or at all, the Global Offer will be withdrawn, all subscriptions for the Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and all transactions in our ordinary shares on Euronext Amsterdam will be cancelled. All dealings in our ordinary shares on Euronext Amsterdam prior to settlement and delivery are at the sole risk of the parties concerned. Euronext Amsterdam NV does not accept any responsibility or liability for any loss or damage incurred by any person as a result of the listing and trading of our ordinary shares on an "as-if-and-when-issued" basis as from the Euronext Listing Date until the Settlement Date. If the Global Offer is withdrawn, and at the time of withdrawal any New Shares or Existing Shares in the Global Offer have been sold short on the FSE, such sales will not be unwound on the FSE and any person so selling New Shares or Existing Shares from the Global Offer on the FSE will bear the risk of being unable to settle such sale by delivering New Shares or Existing Shares from the Global Offer.
Dividends	We do not anticipate paying any dividends for the foreseeable future. See "Dividend Policy".
Voting Rights	Holders of the Shares will be entitled to one vote per Share at General Meetings of Shareholders. See "Description of Share Capital and Corporate Governance".

Payment, Delivery, Clearing and Settlement	Payment for the Shares, and payment for any shares subject to the Underwriters' Option provided this option has been exercised prior to the Settlement Date, will take place on the Settlement Date. Delivery of the Shares is expected to take place on or about 22 November 2005 through the book-entry facilities of Euroclear Netherlands and Clearstream Luxembourg, in accordance with their normal settlement procedures applicable to equity securities and against payment for the Shares in immediately available funds. Settlement of trades on Euronext Amsterdam is expected to take place on or about 22 November 2005.
Share Trading Information	ISIN: NL0000233948. Common Code: 011066585. Amsterdam Security Code Number: 23394. Eurolist by Euronext Symbol: TA.
Lead Manager, Listing Agent and Paying Agents	Fortis Bank (Nederland) NV ("Fortis Bank"), Lead Manager, Listing Agent Agents and Paying Agent in relation to Euronext Amsterdam. Deutsche Bank AG ("Deutsche Bank"), Paying Agent in relation to the FSE, Frankfurt.

Summary Consolidated Financial Data

The summary consolidated financial data set forth below is that of Tele Atlas and its subsidiaries. The summary consolidated financial data should be read in conjunction with "Operating and Financial Review", "Selected Consolidated Financial Data" and the consolidated financial statements and notes thereto included elsewhere in this Prospectus. The year-end consolidated financial data is extracted from our consolidated financial statements that have been audited by Ernst & Young, independent auditors. The nine-month consolidated financial data is based upon our unaudited interim consolidated financial accounts for the nine-month periods ended 30 September 2004 and 2005. The results for the nine-month period ended 30 September 2005 are not necessarily indicative of results for the full year. The financial statements and accounts from which the summary consolidated financial data set forth below have been derived were prepared in accordance with IFRS. The summary consolidated financial data set forth below may not contain all of the information that is important to you.

	Year ended 31 December			Nine months ended 30 September	
Profit and Loss Data	**2002**	**2003**	**2004[1] (restated)**	**2004[1] (restated)**	**2005**
	(€ in millions, except percentages, per share and share amounts)				
Revenues	**78.3**	**86.5**	**127.7**	**85.0**	**142.2**
Operating expenses					
Cost of revenue	8.4	9.4	16.5	10.5	19.8
% of revenue	*11%*	*11%*	*13%*	*12%*	*14%*
Personnel expenses	78.9	77.4	88.7	62.8	84.7
Depreciation and amortisation	36.0	40.1	40.8	30.0	39.0
Impairment of intangible assets	—	62.0	—	—	—
Other operating expenses	40.6	45.1	48.0	33.9	41.5
Total operating expenses	**163.9**	**234.0**	**194.1**	**137.1**	**185.0**
% of revenue	*209%*	*271%*	*152%*	*161%*	*130%*
Capitalised databases and tools	66.6	61.9	59.7	41.5	23.5
Net operating expenses	**97.3**	**172.1**	**134.4**	**95.6**	**161.6**
Operating result from discontinued operations	—	—	—	—	0.2
Loss on disposal of discontinued operations	—	—	—	—	(0.6)
Operating result (loss)	**(19.0)**	**(85.6)**	**(6.7)**	**(10.7)**	**(19.7)**
% of revenue	*−24%*	*−99%*	*−5%*	*−13%*	*−14%*
Other income (expenses) net	1.3	(1.1)	(3.5)	(2.5)	0.7
Result (loss) before income taxes	**(17.7)**	**(86.7)**	**(10.2)**	**(13.2)**	**(19.0)**
Income tax	(1.0)	(0.6)	5.2	(0.7)	(1.9)
Net result (loss)	**(18.6)**	**(87.3)**	**(5.0)**	**(13.9)**	**(20.9)**
% of revenue	*−24%*	*−101%*	*−4%*	*−16%*	*−15%*
Net result (loss) per ordinary share					
Basic and diluted	(0.49)	(2.31)	(0.13)	(0.37)	(0.53)
Weighted average number of ordinary shares used to calculate net result (loss) per share					
Basic and diluted	37,878,579	37,691,326	37,716,789	37,684,552	39,227,550

Balance Sheet Data	As of 31 December			As of 30 September	
	2002	2003	2004(1) (restated)	2004(1) (restated)	2005
	(€ in millions)				
Total current assets	60.0	25.9	83.7	82.6	103.1
Total non-current assets	243.4	191.1	306.7	286.0	301.3
Total assets	**303.4**	**217.0**	**390.4**	**368.6**	**404.4**
Total current liabilities	28.5	35.1	47.5	39.9	56.4
Total non-current liabilities	44.6	54.4	43.2	44.7	24.6
Total equity	230.3	127.5	299.7	283.9	323.4
Total equity and liabilities	**303.4**	**217.0**	**390.4**	**368.6**	**404.4**

Cash Flow Data	As of 31 December			Nine months ended 30 September	
	2002	2003	2004	2004	2005
	(€ in millions)				
Net cash provided by (used in) operating activities after capitalisation of databases and tools	(57.3)	(41.0)	(28.5)	(28.0)	15.1
Net cash used in investing activities	(13.6)	(3.5)	(91.2)	(87.0)	(3.7)
Net cash provided by (used in) financing activities	(0.2)	13.8	155.1	154.6	4.7
Net increase/(decrease) in cash and cash equivalents	**(71.0)**	**(30.7)**	**35.5**	**39.6**	**16.1**
Cash and cash equivalents at the end of the period	**40.1**	**9.5**	**44.9**	**49.1**	**61.0**

(1) The figures as of and for the year ended 31 December 2004 and as of and for the nine months ended 30 September 2004 have been restated to reflect the retrospective application of IFRS 2, pursuant to which the effects of share-based payment transactions, including expenses associated with share options granted to employees, must be reflected on the profit and loss statement and financial condition.

RISK FACTORS

Before investing in the Shares, prospective investors should consider carefully the following risks and uncertainties in addition to the other information presented in this Prospectus. If any of the following risks actually occurs, our business, results of operations or financial condition could be materially adversely affected. In that event, the value of the Shares could decline, and you might lose part or all of your investment. Although we believe that the risks and uncertainties described below are our most material risks and uncertainties, they are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also have a material adverse effect on our business, results of operations or financial condition and could negatively affect the price of the Shares.

Risks Relating to the Business

We have a history of losses and these losses may continue.

We have invested significantly in the development, modification and maintenance of our map database and products over the years. In the years ended 31 December 2003 and 2004, we had operating losses of €85.6 million and €6.7 million, and net losses of €87.3 million and €5.0 million, respectively. We have also had negative cash flow from operations after capitalisation of databases and tools over recent fiscal years.

We cannot assure you that we will operate profitably. We may not be able to sustain our revenues or achieve growth, and our losses may increase. We may also continue to be unprofitable if we are not able to expand our customer base, increase our revenues or manage our costs. If we do not achieve or sustain profitability, or if our losses increase, the price of the Shares is likely to decline.

The demand for our products would be adversely affected if demand for personal or automotive navigation products declines or does not continue to grow.

Our map database is our principal product, and we do not have a diversified product offering. Our revenues have been derived largely from the sale of map data used in automotive navigation systems and personal navigation products. We derived approximately 71% and 74% of our total revenues from the sales of our map data for use in automotive navigation systems and personal navigation products in the nine months ended 30 September 2005 and the year ended 31 December 2004, respectively.

Our success and growth going forward will depend substantially on the general level of demand for automotive navigation systems and personal navigation products. In the event that demand for automotive navigation systems or personal navigation products declines or does not continue to grow, our revenues and prospects would be adversely affected. The market for personal navigation products, in particular, is still developing, and it is difficult to predict both the future growth of that market and the size of our future customer base. If the personal navigation market fails to develop and grow, if we lose market share, if we are forced to reduce our licence fees to maintain or increase market share, or if we fail to achieve a market share in any significant jurisdiction or market category, this could have a material adverse effect on our future revenue growth and our business, results of operations or financial condition. Moreover, the automotive navigation market has historically experienced fluctuations due to a number of factors, including economic conditions generally and competition, and additional fluctuations are likely to occur in the future. If sales of new automobiles with navigation systems enabled by digital maps fail to develop and grow or if we lose market share, our business, results of operations or financial condition would be adversely affected.

In addition, we have made significant investments recently in acquiring GDT and developing and integrating our North American database with GDT's database. If the level of demand for navigation systems in North America fails to grow, or if we fail to gain market share in North America, our business, results of operations or financial condition would be materially adversely affected.

We operate in a highly competitive industry. If we are unable to compete effectively with our existing or any new competitors, our business, results of operations or financial condition could be materially adversely affected.

The market for digital map information is highly competitive. Our principal competitor, Navteq Corporation ("Navteq"), has significantly higher revenues than we do and may be able to invest significantly more in database development and marketing efforts. In addition, Navteq's licensed and registered intellectual property portfolio is greater than ours. Navteq may use its scale to seek to gain a competitive advantage over us. We may be unable to win any customer contracts from Navteq's customers or we may be required to significantly lower our licence fees to do so. Navteq may also win business from our customers. Any decline in our licence fees or prices for our products, or any inability to increase our customer base, which are not offset by increases in sales of our data and products, could adversely affect revenue and profitability.

We could face competition in the future in certain countries in the enterprise and public sector market from governmental and quasi-governmental agencies, particularly the Census Bureau in the United States, the Ordnance Survey in the United Kingdom and IGN in France, which make map data available free of charge or at prices lower than ours. Advances in technology, to date and in the future, may also make it easier, quicker and cheaper for new entrants to emerge, which could affect our ability to maintain our level of licence fees and prices and could reduce our market share.

There can be no assurance that the growth we have recently experienced will continue.

We have achieved rapid growth in a relatively short period of time. Our revenues have increased from €86.5 million in the year ended 31 December 2003 to €127.7 million in the year ended 31 December 2004 and to €142.2 million in the nine months ended 30 September 2005. We cannot assure you that our revenues will continue to increase or that they will not decline due to various factors, including:

- lack of consumer demand for navigation-related products, in particular personal navigation products or automotive navigation systems, that incorporate digital maps;
- our inability to maintain or update our map database;
- increased competition from existing competitors or new market entrants;
- disruption or termination of our relationships with key customers or map data sources;
- any legal or regulatory proceeding involving us, or our intellectual property; or
- changes in our key senior management.

If we fail to continue to grow our revenues, our results of operations would be adversely affected and the price of our Shares would likely decline.

We derive a significant amount of our revenues from a limited number of key customers.

A significant amount of our revenues are dependent on a few key customers. In the nine months ended 30 September 2005, our top two customers, TomTom and Blaupunkt GmbH ("Blaupunkt"), accounted for approximately 17% and 12% of our total revenues, respectively. Blaupunkt is a wholly-owned subsidiary of Robert Bosch GmbH ("Bosch"), one of the Selling Shareholders, who will own approximately 7.9% of our issued and outstanding shares immediately after the Global Offer, assuming no exercise of the Underwriters' Option, an Offer Price of €19.47, and the conversion of the Warrants. Our top five customers accounted for approximately 43% of our total revenues for the nine months ended 30 September 2005.

Our agreements with TomTom, Blaupunkt (except in relation to aftermarket data sales in countries in Europe, to the extent we are able to offer competitive coverage) and other key customers are non-exclusive and generally do not commit our key customers to any minimum purchases of map data. In addition, these agreements are generally terminable upon advance written notice. Our relationship with our key customers could be adversely affected by a number of factors, including an inability to agree mutually acceptable pricing terms, a decision by our key customers to diversify or change their sources of map data or a significant dispute with or between our key customers. If, as a result of these or other factors, our commercial relationship with TomTom, Blaupunkt or another key customer terminates for any reason, or if TomTom, Blaupunkt or another key customer significantly reduces its business with us, and we are unable to enter into similar relationships with another provider of personal navigation products or automotive navigation developer on a timely basis, on acceptable terms or at all, our business, results of operations or financial condition would be adversely affected. We cannot assure you that our relationships with our key customers will continue or that our revenue from our current customers will reach or exceed historical levels in any future period.

Our inability to maintain or update our database or control errors could harm our reputation, increase our costs or adversely affect our ability to sell our products.

The database from which we derive our products requires constant maintenance and updating, which is a complex process that is subject to error. We have procedures in place and training programs for our staff to maintain and update our database and to ensure our data continues to meet the requirements of applications developers, hardware manufacturers and ultimately end users. We cannot assure you, however, that our procedures and programs for maintaining and updating our digital map database are sufficient to maintain the standard of quality expected by application developers, hardware manufacturers and end users. If we are unable to maintain and update our database to a sufficient standard of quality, we would suffer reputational damage which would adversely affect our ability to win new customers or keep existing customers.

Many of our customers, particularly those in the automotive industry, require their suppliers to maintain quality assurance standards and certifications, including those pursuant to the ISO series of international standards. We completed ISO 9001:2000 certification in the United States during 2001 and ISO/TS 16949 certification in Europe during 2005, as awarded by the International Automotive Task Force (IATF) and the Japan Automobile Manufacturers' Association. However, we cannot assure you that we will be able to continue to meet these standards in the future. Our customers could also require us to obtain and maintain certifications under different or more stringent standards in the future, which we may not be able to accomplish. If we are unable to do so, those customers may cease doing business with us, which could materially reduce our revenue and adversely affect our reputation. A failure to maintain these standards may also adversely affect our reputation and our ability to market ourselves as a quality provider.

Our map data is generally integrated into our customers' applications and hardware and their inability to integrate our products or develop, maintain or market their products may adversely impact our revenues.

Many of our customers adapt our map data to the format of their proprietary applications and hardware. If our customers are unable to integrate our products in a timely manner and deliver products that meet their end-users expectations as to quality and value, our reputation or business could be significantly harmed.

In addition, our growth and revenues depend upon our customers successfully marketing and selling products, applications and devices which incorporate our map data. If our customers do not continue to successfully develop and market new applications, devices and services which incorporate our map data, or if the products that our customers develop and market do not meet end user expectations or the market fails to grow, our reputation, business or results of operations could be adversely affected.

Our revenues are derived substantially from the licence fees we charge for the use of our map data. Declines in these licence fees due to price reductions or other factors would adversely impact our revenues.

The level of licence fees we can charge is subject to a number of factors, including our customers' and end-users' perception of our product quality, competition from other map data providers, a decrease in the prices of the navigation products sold by our customers and technological advances that reduce the cost of map data compilation and processing. Prices for navigation products have declined recently and end users are generally expecting the price of personal navigation devices and automotive navigation systems to continue to fall. We have experienced, and it is likely that we will continue to experience, decreases in the licence fees we are able to charge our customers as navigation providers face increasing competition and attempt to cut costs. We may face further pressure to lower our licence fees to preserve customer relationships or extend the use of our database to a broader range of products. Our pricing policies are based, in part, on our assessment of the level of licence fees we expect to be able to charge for use of our data in light of how we foresee the personal and automotive navigation market developing. Both of these judgements are subjective and, if either assessment is incorrect or inaccurate, our operating revenue and growth prospects would be adversely affected.

If we are unable to adequately assess the level of our licence fees we will be able to charge for use of our data, or if we are unable to offset decreased per-unit revenues through volume growth, our revenues could suffer.

A substantial portion of our costs is relatively fixed. As a result, any shortfall in revenues could adversely affect our operating profit.

The majority of our costs is relatively fixed and not directly linked to the level of our revenues. Our primary operating expense, personnel costs, remains generally fixed and tends not to significantly fluctuate with revenues. Other principal operating expenses are also driven to a large extent by the number of personnel we employ. In addition, as we pursue the geographical expansion of our database, our cost levels are based, in part, on our expectation of future revenues. As a result, any shortfall in revenues relative to our expectations in any given period would not necessarily result in a proportionate reduction in our costs, and could therefore have a material adverse effect on our operating results.

It is difficult for us to verify the licensing fees due under our agreements with customers, which may cause us to lose revenues.

We generally provide our customers with a master copy of the products they license. Our customers generally configure our data in the format required by their system and create the media (typically CD, DVD or an SD card) that they then deliver to their end customers. Our agreements with these customers generally calculate licence fees payable on the basis of a fixed fee per unit (such as a CD, DVD or SD card). Other customers pay us based on data usage, such as number of web hits or users. Our customers' total units sold or usage rates are generally reported to us in arrears on a monthly or quarterly basis. We rely on our customers to accurately record sales and the corresponding amount of licensing revenues they owe us. We have the contractual right, under most of our agreements, to inspect our customers' books to verify the information they provide us. However, this inspection process can be expensive and time consuming and could possibly undermine the relationships we have with our customers. In addition, there is no assurance that the amounts recovered will cover the costs of undertaking those investigations. Moreover, there may be accounting disputes associated with such investigations which can make resolving any such discrepancies time consuming and costly. As a result, to date, we have relied exclusively on the accuracy of reports supplied by our customers without independently verifying the information in them. Any past or future significant inaccuracy in the reporting by our customers or our failure to audit our customers' books and records may result in our receiving lower licensing revenue than we are entitled to under the terms of our license agreements. Though we believe the revenue lost from under-reporting has not been material historically, we cannot estimate any future under-payments. In addition, there is no assurance that any amounts detected in such inspections would be recoverable or that, if recoverable, such recoveries would cover our inspection costs.

Our growth will depend in part on adding new geographic areas to our database, which can require significant expenditure in advance of revenues. There is no assurance that we will be able to complete the database for new geographical areas or that we will be able to market and sell any resulting products.

The addition of new geographic areas and increased coverage to our digital map database will require significant investment. We are seeking to expand our map database in Eastern Europe and Asia and into Mexico in the next year. Expanding coverage for new territories is labour intensive, involves high fixed costs and requires us to compile data from third parties and collect information in the field. If we are unable to obtain such information on reasonable terms, in a cost efficient and timely manner, or at all, we may not be able to successfully extend the coverage of our digital map database and our revenue growth may be affected. Even if we are able to expand coverage into new geographic areas, we may not derive sufficient revenues to offset our costs in expanding our coverage.

A substantial part of the work on our database is done by our outsourcing partners, the most significant of which is based in India. Any failure of our outsourcing partners to adequately perform the work as agreed or any increases in the cost of this work could adversely affect our ability to deliver our products in a timely or cost effective manner.

We outsource a substantial part of the manual input and digitisation of our acquired data to third party partners, including Infotech Enterprises Limited (“Infotech”), which is based in India. Any failure of our outsourcing partners or their employees to ensure data quality or consistency could harm our business or reputation, and result in us incurring additional costs. The suspension of data input by our outsourcing partners for any reason, including political instability, natural disaster, or labour disputes, or a deterioration in our relationship with our outsourcing partners, could cause our map database to become outdated and develop a backlog of manual data inputs, which could require us to expend significant costs and manpower or could prevent us from updating our maps for a period of time. The increase in labour or other costs of our outsource partners may adversely impact their ability to perform the work or increase the cost of the work to us. In addition, intellectual property laws are not as strongly enforced in India as in many other countries so that if any information that we feel is proprietary is misappropriated in India, our recourse may be limited.

We may be unable to manage our growth in operations.

The growth we have experienced recently has placed, and may continue to place, significant demands and strains on our resources, systems, internal controls and senior management. Management of our growth will require, among other things:

- continued improvements in the quality of our map data, including the completion of successful integration of the GDT database with our North American database;
- the ability to manage key customer relationships and win new customers;
- maintenance of quality standards and customer and end user satisfaction levels;
- implementation and continued development of financial, management and other controls, including financial and other reporting procedures, and information technology systems;
- members of our management team effectively managing our business and executing our strategy, while being widely dispersed geographically in Europe and the United States; and
- hiring, training, motivating and retaining quality personnel.

Our growth is dependent upon our ability to successfully integrate new personnel or systems and will require expenditures and allocation of valuable management resources. Any failure to successfully manage our business and our growth could materially adversely affect our revenues.

We may not be able to protect our intellectual property and are exposed to the risk of intellectual property litigation.

We rely on a combination of trademarks, trade names, service marks, patents, confidentiality and non-disclosure clauses and agreements, copyrights and registered and unregistered design rights to define and protect our rights to the intellectual property in our products, including our geographic information and our data collection and processing technology, which we need to compete in the market for digital maps. Some of the countries in which we operate do not protect our intellectual property rights to the same extent as the laws of other countries. For example, although our database and software are protected in part by copyright, database and trade secret rights, copyright protection does not extend to facts. Legislative database protections that relate to compilations of facts currently exist only in certain countries of Europe and do not exist in the United States or Canada. In addition, as we continue to expand our geographic coverage outside of Europe and North America, there may be little or no intellectual property protection in general and increased rates of piracy. Also, there can be no assurance that third parties, including parties to whom we disclose our proprietary knowledge, information and technology under licensing or other arrangements, will not attempt to misappropriate it or challenge our right to it. To the extent that our products are not protected by patents, copyrights or other intellectual property rights, third parties, including competitors, may be able to commercialise our products or use our know how without compensating us. Further, third parties may use our intellectual property without our authorisation in the development of databases, software or technologies that are substantially equivalent to ours, and even if we discover evidence of infringement, misappropriation or intellectual property piracy, our recourse may be limited or could require us to pursue litigation, which could involve substantial attorneys' fees, costs and expenses and diversion of management's attention from the operation of our business.

Third-party Intellectual Property

We have obtained from third parties licences required to use the technologies applied in our data collection and processing activities. We have also obtained appropriate licences, to the extent necessary, to use the geographic information contained in our database from third parties, including various public authorities and private entities. However, our principal competitor has a large intellectual property portfolio and has made infringement claims against some of our customers in the past and may continue to make such claims in the future. We cannot assure you that our use or our customers' use of our technologies or geographic information does not constitute an infringement upon third parties' proprietary, or allegedly proprietary, rights. Due to the nature of intellectual property laws, regardless of the merit of our position we may be required to litigate intellectual property infringement claims that could be time consuming, costly to defend and may result in our loss of significant rights. We may also be required to obtain one or more licences from third parties in the event that claims of infringement are asserted against us. We may not be able to obtain those licences at a reasonable cost or at all. If we are found to have infringed upon the intellectual property rights of a third party, we may also be required to develop new data collection and processing techniques, pay substantial royalties or damages, modify the means by which we modify and update our maps or be enjoined or otherwise prevented from commercialising part or all of our database, software or related technologies, any of which could cause us to lose revenue, impair our customer relationships or damage our reputation.

Indemnification

Our license agreements with our customers may contain indemnification provisions which, in certain circumstances may require us to indemnify our customers for liabilities, costs and expenses arising out of violations of intellectual property rights. These provisions may result in indemnification claims or claims of intellectual property right infringement. In some instances, the potential amount of the indemnities may be greater than the revenue we receive from the customer. Any indemnification claims or related disputes or litigation, whether we are or are not required to provide indemnification, could be time-consuming and costly, damage our reputation, or require us to enter into royalty or licensing arrangements, which may not be on terms favourable to us.

Trademarks and Service Marks

We also claim rights in our trademarks and service marks. Certain of our marks are registered in Europe, the United States and elsewhere, and we have filed applications to register certain other marks in these jurisdictions. We cannot assure you that we will be able to continue using all of our marks or that certain of our marks do not infringe the marks of others. We have licensed others to use certain of our marks in connection with our database and software and expect to continue licensing certain of our marks in the future. Licensees of our marks might take actions that materially and adversely affect the value of our marks or reputation.

Confidentiality

In order to protect our proprietary know-how and technology, we generally require all employees, contractors, consultants and advisors to enter into confidentiality agreements that prohibit the disclosure of confidential information, which in some cases includes our map data. The agreements with employees and consultants also require disclosure and assignment to us of ideas, developments, discoveries and inventions. These agreements may not effectively prevent disclosure of our confidential information, provide meaningful protection for our confidential information or assign to us all such intellectual property rights. The enforceability of these agreements may vary from jurisdiction to jurisdiction. Further, our remedies may be limited to any disclosures in breach of these agreements and it is difficult to police disclosures by employees who leave our employment. Moreover, the potential damages we face could exceed the capacity of an employee's, customer's or other entity's ability to pay. In some jurisdictions, failure to take action to protect our trade secrets could cause us to lose protection for some of our core innovations.

Piracy

As with many intellectual property intensive companies, we are subject to the risk of piracy in our after-market business. Although the data copied is contained on static media, such as CD-ROMs, which quickly becomes outdated, continued unauthorised copying and piracy of our products could have an adverse impact on our revenues. To date, unauthorised copying of our products has primarily been limited to individual consumers and occurs primarily in Europe, but as demand for map data grows we expect the rate of piracy may increase as well.

Intellectual property rights are not as strong in databases as in other copyrighted materials.

Because the databases we produce are comprised almost entirely of non-proprietary information (such as locations, addresses and other readily observable information) we cannot protect the data as such under intellectual property laws but only the compilation of the data as a database. The laws on database protection vary widely from region to region. In EU member states, there is a legislative right in databases and extensive copying from databases is prohibited. However, there are often questions of proof and whether a sufficient amount of data has been copied to constitute infringement. In the United States, databases are only protected to the extent that their compilation includes creativity in selection or arrangement. Since our databases seek to be comprehensive and are searched electronically, they may be entitled to only minimal, or no protection under US copyright law. We rely on our contracts with our customers to bolster the limited protection in the United States and other countries, such as Canada, where protection of databases is also limited or unsettled. It would be difficult for us to stop unauthorised use of our data if it became available to parties with whom we have no contractual relationship, including our competitors or those who may decide to become our competitors. Also, third parties may be able to use publicly available information or techniques similar to ours to independently create a database containing substantially the same information as our database.

We may face litigation, including product liability claims, in the event there are any defects or errors in our database.

We are exposed to potential litigation, product liability and recalls and adverse publicity arising out of the use of our digital map database and other products in our customers' navigation products in the event of any defects or errors, or perceived defects or errors in our digital map database. Such litigation may come from customers, end users, or others who may have suffered loss, damage or distress as a result of any significant defects or errors, or perceived defects or errors, in our database. Any claims arising against us for any defects or errors, or perceived defects or errors, in our database, may leave us liable to pay damages and attorneys' fees, may take up senior management time and may also significantly damage our reputation. In the event we discover our database contains any defects or errors we may also be required to perform short-notice updates to our distributed map information or we may voluntarily initiate such an update in order to maintain good customer relationships. To the extent we seek to limit or exclude our contractual liability with third parties for damages arising in relation to product liability, the limitation or exclusion may not be enforceable under the laws of some jurisdictions. Our potential exposure to product liability claims may increase as a result of our maps being used in the emergency 911 systems in the United States or other safety systems worldwide or as earlier versions of our map data become obsolete. Adverse publicity in relation to any potential litigation may harm our reputation and our results of operations.

To create and update our database, we compile large amounts of data from a wide variety of governmental and other sources. If this data were not made available to us it would adversely affect the cost and timeliness of the construction, maintenance and update of our database.

We depend upon third party suppliers, such as the US Geological Survey, the United Kingdom Ordnance Survey and the US Postal Service, for access to some of the data we use to build, maintain, update and enhance our map database. The quality of our products and the success of our business are dependent upon the availability and accuracy of the data that we acquire from these sources. We cannot assure you that we will continue to be able to obtain from these sources the data we require to build, maintain, update and enhance our database at a reasonable cost, or at all. If certain of our sources were to significantly increase the prices they charge us for access to their map data, or if certain other sources were to cease providing data free of charge, we could face a significant increase in our operating costs, which could materially impact our results of operations.

Many of our data sources are local and regional, and we rely on our local branch offices for their familiarity with local areas and their network of relationships with the sources of information available. A breakdown in these local source networks, for instance due to economic or personnel changes, may adversely affect our ability to obtain data locally from these sources.

Whilst we generally own our underlying map data within the United States and Europe, we currently license such data in the Asia-Pacific region from suppliers and use the licensed data in our database. We cannot assure you that our suppliers will continue to provide the underlying data on licence terms that are favourable to us, or at all. Our rights to data may also be limited in scope and duration or subject to other restrictions. Our suppliers may fail to update and maintain the underlying data to a sufficient quality for that expected by our customers and end users. In addition, we may be unable to establish relationships with suppliers in geographic areas we seek to expand into, which could impair our ability to execute our strategy.

Our success depends to a significant extent upon our ability to attract, integrate, motivate and retain key personnel.

Our success and business prospects depend to a significant extent on the continued services of our key personnel. The loss of any of the members of our senior management could adversely affect our business. Our business prospects also depend upon attracting, integrating, motivating and retaining qualified new personnel. Competition for qualified management, engineering, development and sales and marketing personnel in our industry is intense, and there may only be a limited number of persons with the requisite skills to serve in those positions. Our business would suffer if we are unable to motivate and retain required personnel to keep pace with our overall rate of growth.

Our business operates in several different countries and we may be unable to manage risks associated with our international operations.

We currently sell our products to consumers in approximately 37 different countries in Europe, the United States, Canada, Asia and South America and maintain corporate offices and staff in The Netherlands, Belgium and the United States. In addition, we rely on data entry assistance from partners such as Infotech in India and on other third-party data sources worldwide. Accordingly, we face economic, regulatory, legal and political risks inherent in having relationships, operations and sales in other jurisdictions, including:

- fluctuations in currency exchange rates, in particular between the US dollar and the euro;
- limited intellectual property protection in some countries and increased rate of intellectual property piracy in some jurisdictions;
- unanticipated changes in laws or regulatory requirements, including barriers to trade;
- restrictions on the movement of capital;
- general economic conditions, particularly as they impact consumer spending patterns or labour costs;
- foreign tax consequences, including import and export duties;
- potential for longer collection periods and for difficulty in collecting accounts receivable and enforcing contractual obligations;
- price controls;
- protectionist laws and business practices that favour local businesses in certain countries;
- potential for political, legal and economic instability;
- challenges caused by distance and linguistic and cultural differences; and
- maintenance of quality standards for contracted work.

Any of these or other factors could have a material adverse affect on our business, on the cost of our operations, on our ability to compete within the relevant overseas markets, or on the quality of the data that we use in respect of the overseas jurisdictions we cover, each of which could have an adverse affect on our results of operations.

We expect to continue to develop our international operations, which strategy could expose us to new or additional risks and uncertainties, including differing laws and business dynamics. Further international expansion may place significant additional burdens on our senior management, product development, sales and marketing teams. We may not be able to process and make available to consumers enriched map data for a new geographic market in a timely or commercially favourable manner, in the native language or without substantial errors. Moreover, our ability to expand successfully depends in part on our establishing sufficient operational resources, infrastructure and data sources in a given jurisdiction. Our data compilation and collection efforts may fail to gather sufficient data in a new jurisdiction, and our sales and marketing efforts in a new geographic market may fail to establish a viable distribution network, market acceptance or brand recognition sufficient to offset the costs of geographic expansion. If we fail to properly manage these risks, we may incur higher expenses and lower revenues, and any geographic expansion we have undertaken or may undertake could have a material adverse effect on our business, results of operations or financial condition.

We are exposed to risks associated with operations in multiple currencies.

We conduct our business in multiple currencies, principally the euro and the US dollar. We currently sell our products in Europe, the United States, Canada, Asia and South America. Currently, the majority of our revenues are in euros. This may change over time as we continue to expand our international operations. Because of our significant US employee base and our agreements with certain of our data sources, a substantial portion of our costs are in US dollars.

Our principal currency translation risk arises from the fact that the financial records of our North American operations are maintained in US dollars. Upon preparing consolidated financial statements, our euro-denominated consolidated reported financial results can be affected by changes in the relative value of the US dollar against the euro. Fluctuations in currency values also distort period-to-period comparisons of financial performance.

Our exposure to currency transaction risk and currency translation risk could have a material adverse effect on our business, results of operations or financial condition. We do not currently engage in any hedging activities to limit our exposure to exchange rate fluctuations.

We have issued options to our US employees that may not have been exempt from registration or qualification under federal and states securities laws. Holders of these options may have rescission rights that could require us to reacquire the options.

From 2 February 2004 to 29 July 2005, we issued options to certain of our US employees under our United States 2003 Share Option Plan and our 2004 Share Option Plan. The issue of options to certain of our US employees may not have been exempt from registration or qualification under US federal securities laws and the securities laws of certain states. As a result, the US holders of these options may have rescission rights that could require us to reacquire the options. We expect that a US holder of these options will most likely exercise any rescission right if the trading price of our ordinary shares falls below the exercise price of that holder's options. The weighted average exercise price of our outstanding options issued to US employees which may be subject to rescission rights is €10.10. The closing price of our ordinary shares on the FSE was €19.47 on 4 November 2005. We have valued the aggregate purchase price of the US options which may be subject to rescission rights at approximately €14.1 million. However, it is possible that an option holder could argue that this does not represent an adequate remedy for the issuance of the option in violation of applicable US securities laws, and if a court were to impose a greater remedy, our exposure could be higher. The US Securities and Exchange Commission or certain state regulators could also initiate an inquiry into this matter. If it is determined that we offered securities without properly registering them under US federal or state law, or securing an exemption from registration, regulators could impose monetary fines or other sanctions as provided under these laws.

We may not generate sufficient future taxable income to allow us to realise our deferred tax assets.

We have substantial tax loss carryforwards that may be available to reduce our future tax liabilities. As of 30 September 2005, we have recognised €13.0 million of deferred tax assets relating to tax loss carryforwards in The Netherlands. Our ability to use these deferred tax assets, and the carrying value of these assets, are dependent upon having future taxable income during the periods in which we are permitted, by law, to use the loss carryforwards underlying these assets. We cannot assure you that our future operations will be profitable to allow us to realise those assets. The value of these tax assets may also be impacted by and changes in tax rates in The Netherlands.

Our operations rely on technology and infrastructure systems which could suffer failures and business interruptions resulting in significant operating costs and delays in our business.

Our information technology, telecommunications and other infrastructure systems face the risk of failure or penetration and exploitation by outside parties, which could seriously disrupt our operations and materially adversely affect our operations. In particular, our database is the host for the map data which is our core product offering. Although we have security and disaster recovery plans in place, our operations and our information technology, telecommunications and other infrastructure systems are vulnerable to damage and interruption. A significant exploitation of our information technology, telecommunications or other infrastructure systems or a disruption in the availability of those systems could cause unauthorised disclosure of our database or other intellectual property, interruptions in our service to customers, loss of or delays in our research and development work and our product shipments, affect our distributor and consumer relationships, take up senior management time and increase our operating costs.

Our revenues are subject to seasonal fluctuations.

Our revenues are subject to seasonal fluctuations that may cause our results of operations to vary. Historically, the increased vacation travel in the second calendar quarter and holiday spending in the fourth calendar quarter of each year have caused the in-car navigation market to peak during those quarters, and we therefore have historically expected our revenues to be higher during those periods. Recently however, the personal navigation market has become an increasingly important part of our revenues and this market is too new for us to determine what, if any, seasonal pattern exists. Furthermore, any seasonal fluctuations may be masked by both our revenue growth and the timing and marketing of the introduction of new or upgraded products and services by our customers.

We may fail to effectively identify or execute strategic acquisitions, joint ventures or investments, and if we do pursue such transactions we may fail to successfully integrate them into or realise anticipated benefits to our business in a timely manner.

We may selectively pursue opportunities to acquire, form joint ventures with, or make investments in businesses, products, technologies or innovations which complement our business and growth strategy. We may not be able to identify suitable candidates for such acquisitions, joint ventures or investments, or if we do identify suitable candidates, we may not be able to complete any transaction on acceptable terms, or at all. Any acquisitions, joint ventures or investments we may pursue in the future could entail risks including:

- difficulties in realising cost, revenue or other anticipated benefits from the acquired entity or investment, including the loss of key employees or intellectual property from the acquired entity, joint venture or investment;
- costs of executing the acquisition, joint venture or investment, both in terms of capital expenditure and increased management attention;
- potential for undermining our growth strategy, our customer relationships or other elements critical to the success of our business;
- liabilities or losses resulting from our control of the acquired entity, joint venture or investment; and
- difficulty in adapting acquired technology to our own systems.

If we pursue acquisitions, partnerships or investments in the future and fail to successfully integrate them, our business, results of operations or financial condition could be materially adversely affected.

In July 2004, we acquired GDT and its full map database. Shortly thereafter, we began to integrate the GDT database with our North American database with the goal of producing a single integrated common map database for the North American market. The integration of the two data sets is a complex and time-consuming process that we do not expect to complete until the end of March 2006. If we are unable to completely integrate our database into GDT's database in a timely manner, if the combined database contains significant errors after integration, or if the map data derived from the integrated database fails to meet customer expectations, our ability to grow, compete and market our products in North America could be adversely affected.

The markets for digital map data and the applications which run that data are undergoing rapid innovation and change, which could render our products obsolete and could cause us to incur substantial costs to make changes to our products.

The markets for digital map data and the applications using digital maps are experiencing rapid innovation and change, evolving and multiple industry standards, frequent new product and service introductions and changes in the marketing and delivery of digital map-dependent products. Our ability and that of our customers to react to evolving technological conditions, to continuously modify our and their products and applications and to develop new products to remain competitive, attract new customers and maintain time-to-market advantage and market reputation, will have a material effect on our business and revenues.

If the markets for digital map data, our products or the applications which utilise them decline or our customers' market share declines, our operating revenue and growth prospects may be adversely affected because we may not have additional products or services that would generate sufficient revenue to enable us to sustain our business while seeking new markets and applications for our database or products. If we seek to diversify our product and service offerings, we may not be successful.

Our business could suffer from increased governmental regulation or other changes in government policies.

Although we do not believe governmental regulation has had a material adverse effect on our business and operations to date, it is possible that we will experience the effects of increased regulation in the future. In Europe, the United States or other jurisdictions, the combination of heightened security concerns and the increase in the breadth and accuracy of map databases could result in more restrictive laws and regulations, such as export control laws, being applied to our database. In addition, automobile and other safety initiatives or privacy initiatives may result in restrictions being placed on products that incorporate our map data. Any of these or other occurrences could materially adversely affect our ability to complete, improve, licence or distribute our products, which could result in a competitive disadvantage for us and the possible loss of customers and revenue.

In addition, products sold by most of our customers, particularly our personal navigation and automotive navigation customers, depend on the reliable operation of GPS satellites which may become inoperable, unavailable or not replaced. GPS satellites are funded and maintained by the US government, and neither we nor our customers have any control over their operation, maintenance, support or repair. The free use and availability of GPS signals to the level of accuracy required for commercial use depends on the discretion of the US government, which may terminate or restrict GPS signals for any reason, such as national security, and at any time, without providing notice or compensation to users. If the use, reliability or accuracy of GPS satellite positioning data is materially degraded or terminated for any reason, sales of and demand for personal navigation and automotive navigation products and other products using the GPS signal would likely decline, and our business, results of operations or financial condition would be materially adversely affected.

Risks Relating to the Global Offer

The volume of trading in our shares has historically been low. Our share price is subject to volatility and you may be unable to sell the Shares at or above the price you pay for them.

Since 2000, our shares have been listed on the FSE. After the Global Offer, we will evaluate whether to maintain our listing on the FSE. As part of the Global Offer, we intend to apply for the admission of our ordinary shares to trading on Euronext Amsterdam and to list our ordinary shares on Eurolist by Euronext. We further intend to apply for admission of the New Shares, and of the 35,276,329 existing ordinary shares which have not yet been listed on the FSE, to listing and trading in the Prime Standard Segment of the regulated market of the FSE. We cannot predict the extent to which an active market for the Shares will develop or be sustained after the Global Offer, or how the development of such a market might affect the market price for the Shares. An illiquid market for the Shares may result in lower trading prices and increased volatility, which could adversely affect the value of your investment.

The Offer Price will be agreed between us and the Selling Shareholders following recommendations from the Joint Global Coordinators and Joint Bookrunners and taking into account a number of factors, including market conditions in effect at the time of the Global Offer that may not be indicative of future performance. The market prices of securities of technology companies have historically been very volatile, and the market price for the Shares may fall below the Offer Price. The market price of the Shares could also fluctuate substantially due to a number of factors, including, but not limited to:

- consumer demand for products incorporating digital maps generally;
- disruption or termination of our relationships with key customers and data sources;
- our ability to maintain and update our database;
- fluctuations in our quarterly or yearly results of operations;
- any legal or regulatory proceeding involving us or our intellectual property;
- market acceptance of our products;
- changes in key senior management;
- fluctuations in currency exchange rates, in particular between the US dollar and the euro;
- changes in the financial performance, conditions or market valuation of our customers or competitors;
- the issue of additional ordinary shares by us or a significant increase in our debt obligations;
- publication of research reports about us or the navigation industry by securities or industry analysts;
- failure to meet or exceed securities analysts' expectations relating to our financial results;
- speculation in the press or investment community generally;
- general economic conditions, particularly as they impact consumer spending patterns; or
- war, acts of terrorism and other man-made or natural disasters.

In the past, following periods of volatility in the market price of a company's securities, securities litigation has often been instituted against such companies. This type of litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Following the Global Offer, the Selling Shareholders will own a significant number of the shares, and consequently other shareholders will be able to exercise less than total influence over our business.

Immediately after the Global Offer, the Selling Shareholders, taken as a group, will own approximately 52.9% of our shares, assuming no exercise of the Underwriters' Option and an Offer Price of €19.47, and the conversion of the Warrants. Because the Selling Shareholders will own a significant number of our ordinary shares and could act together, investors may not be able to exercise as much influence over the business as they might otherwise. In addition, the members of our Supervisory Board are nominated by our largest shareholders, all of whom are Selling Shareholders. The majority of these members are not "independent" as such term is defined by the Dutch Corporate Governance Code. So long as these shareholders have members on our Supervisory Board, they will continue to be able to influence our decisions and may pursue corporate actions that may conflict with interests of our other shareholders.

Management has broad discretion over the use of the net proceeds received by us from the Global Offer and may not apply the net proceeds effectively or in ways to which you agree.

Our Senior Management has broad discretion over the use of net proceeds from the sale of New Shares in the Global Offer. We intend to use the net proceeds we receive from the Global Offer primarily for general corporate purposes, including the acquisition of underlying map data in the territories in which we are planning to expand our coverage, international expansion generally, the acquisition or investment in business products or technology that complements our business and growth strategy and for working capital. Our senior management will have considerable discretion in allocating the net proceeds. You will not have an opportunity, as part of your investment decision, to assess whether the net proceeds received by us are being used appropriately. We cannot assure you that Senior Management will apply the net proceeds effectively or that the net proceeds will be invested to yield a favourable return.

We may require additional capital in the future, which may not be available to us. Future financings to provide this capital may dilute your ownership in us.

We may raise capital in the future through public or private debt or equity financings by issuing additional shares or other preferred shares, debt or equity securities convertible into our shares, or rights to acquire these securities, and exclude the pre-emption rights pertaining to the then outstanding shares. We may need to raise this additional capital in order to:

- take advantage of opportunities to expand our business, our geographic coverage or the composition of our database;
- acquire, form joint ventures with or make investments in complementary businesses or technologies;
- develop new products or services; or
- respond to competitive pressures.

Any additional capital for these or other purposes raised through the sale of additional shares may dilute your percentage ownership interest in us. Furthermore, any additional financing we may need may not be available on terms favourable to us or at all, which could adversely affect our future plans.

Future sales, or the possibility of future sales, of a substantial amount of the Shares may depress the price of the Shares.

Future sales of the Shares, or the perception that such sales will occur, could cause a decline in the market price of the Shares. Immediately after the Global Offer, 89,263,937 of our total ordinary shares will be outstanding, including 47,179,659 ordinary shares owned by the Selling Shareholders, assuming no exercise of the Underwriters' Option and an Offer Price of €19.47, and the conversion of the Warrants. In connection with the Global Offer, we, the Selling Shareholders, the members of the Management Board and the members of Senior Management have agreed to certain restrictions on the sale or other disposition of our ordinary shares or securities exchangeable or convertible into, or exercisable for, our ordinary shares for periods of 180 days, from the Settlement Date, except with the prior written consent of the Joint Global Coordinators and Joint Bookrunners, and except for the conversion of the Warrants as described in "Description of Share Capital and Corporate Governance—Share Capital—Outstanding Warrants and Recent Conversion of Preferred A Shares into Ordinary Shares." We cannot predict whether substantial numbers of the Shares will be sold in the open market following the expiry of the 180 day period. In particular, there can be no assurance that after this period expires, the Selling Shareholders will not reduce their holdings of our shares. A sale of a substantial number of our shares or the perception that such sales could occur, could materially and adversely affect the market price of the Shares and could also impede our ability to raise capital through the issue of equity securities in the future.

US and other non-Dutch holders of the Shares may not be able to exercise pre-emption rights.

In the event of an increase in our share capital, holders of the Shares are generally entitled to certain pre-emption rights unless these rights are excluded by a resolution of the General Meeting of Shareholders or of the Supervisory Board, if so designated by the General Meeting of Shareholders or pursuant to our Articles of Association.

In particular, US holders of the Shares may not be able to exercise pre-emption rights unless a registration statement under the Securities Act is declared effective with respect to the shares issuable upon exercise of such rights or an exemption from the registration requirements is available. We intend to evaluate at the time of any rights issue the cost and potential liabilities associated with any such registration statement, as well as the indirect benefits and costs to us of enabling the exercise by US holders of their pre-emption rights for the Shares and any other factors considered appropriate at the time, and then make a decision as to whether to file such a registration statement. No assurance can be given that any registration statement would be filed or that any exemption from registration would be available to enable the exercise of a US holder's pre-emption rights.

If securities or industry analysts do not publish research or reports about our business, or if they downgrade their recommendations regarding our shares, our share price and trading volume could decline.

The trading market for the Shares may be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us or our industry downgrade our ordinary shares in their report, the market price of our ordinary shares would likely decline. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause the market price of our ordinary shares or trading volume to decline. If in the future we have rated debt and any ratings agency downgrades our credit rating, this could also cause the market price of our shares or trading volume to decline.

As a new investor, you may experience immediate and substantial dilution in the value of your Shares.

The Offer Price of the Shares is considerably more than the book value per share of our outstanding shares. Accordingly, investors purchasing Shares in the Global Offer will pay a price per share that substantially exceeds the value of our assets after subtracting liabilities.

In addition, we may raise capital in the future through public or private debt or equity financings by issuing additional ordinary shares or debt or equity securities convertible into our ordinary shares, or rights to acquire these securities, and exclude the pre-emption rights pertaining to the then outstanding shares. If we raise significant amounts of capital by these or other means, it could cause dilution for our existing shareholders. Moreover, the sale of our ordinary shares could have a negative impact on the trading price of our ordinary shares and could increase the volatility in the market price of the Shares.

We do not currently anticipate paying dividends in the foreseeable future.

We do not intend to pay any dividends in the foreseeable future. Payment of any future dividends to shareholders will be effectively at the discretion of the Management Board after taking into account various factors, including our business prospects, cash requirements, financial performance, new product developments, plans for international expansion and the requirements of Dutch law. In addition, payment of future dividends may be made only if our shareholders' equity exceeds the sum of our called up and paid-in share capital plus the reserves required to be maintained by law and by our Articles of Association. Accordingly, investors cannot rely on dividend income from the Shares and any returns on an investment in the Shares will likely depend entirely upon any future appreciation in the price of the Shares. We can provide no assurance that the price of the Shares will increase above the Offer Price after the Global Offer or that the market price for the Shares will not fall below the Offer Price after the Global Offer.

We are not in full compliance with the Dutch Corporate Governance Code (the "Code") and do not expect to be in full compliance in the near future.

Whilst our corporate governance structure still complies with the principles of Dutch law, we deviate in a number of respects from the best practice provisions set forth in the Code. One of our principal deviations from the Code is that the majority of the members of our Supervisory Board are not independent within the meaning of the Code. We also deviate from the best practice provisions of the Code in other respects and we do not expect to be in full compliance in the near future. See "Description of Share Capital and Corporate Governance—Corporate Governance."

IMPORTANT INFORMATION

No person is or has been authorised to give any information or to make any representation in connection with the offering or sale of the Shares, other than as contained in this Prospectus, and, if given or made, any other information or representation must not be relied upon as having been authorised by us, the Selling Shareholders, the Underwriters or Atlas Advisors LLC. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in our affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

Tele Atlas accepts responsibility for the information contained in this Prospectus. To the best of our knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. Potential investors should not assume that the information in this Prospectus is accurate as of any other date than the date of this Prospectus.

In connection with the Global Offer, the Underwriters through Lehman Brothers or its affiliates or agents as stabilisation manager may over-allot or effect transactions that stabilise or maintain the market price of the Shares at levels above those which might otherwise prevail in the open market. Such transactions may be effected on Euronext Amsterdam, the FSE, in the over-the-counter market or otherwise. There is no assurance that such stabilisation will be undertaken and, if it is, it may be discontinued at any time and will be undertaken between the date of adequate public disclosure of the Offer Price and no later than 30 calendar days after the Allotment Date.

Notice to Investors

The distribution of this Prospectus and the offering and sale of the Shares offered hereby in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. This Prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the Shares offered hereby in any jurisdiction in which such offer or invitation would be unlawful.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing passed upon or endorsed the merits of the Global Offer or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Presentation of Financial and Other Information

In this Prospectus, the “Company”, “we”, “our”, “us” and similar terms refer to Tele Atlas NV and its subsidiaries.

Our consolidated financial information in the Prospectus has been prepared in accordance with International Financial Reporting Standards (“IFRS”). IFRS differ in certain significant respects from US GAAP as they relate to our consolidated financial information. In making an investment decision, investors must rely upon their own examination of us, the terms of the Global Offer and the financial information provided herein. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS and US GAAP. For a discussion of the most significant differences between IFRS and US GAAP as they relate to us, see “Summary of Significant Differences between IFRS and US GAAP”.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or a row in tables contained in this Prospectus may not conform exactly to the total figure given for that column or row.

All references in this Prospectus to "euros" or "€" are to the currency introduced at the start of the third stage of the Economic and Monetary Union, pursuant to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union. All references to "US dollars", "US$" or "$" are to the lawful currency of the United States. See "Exchange Rates".

Unless the context otherwise requires or it is expressly provided to the contrary, this Prospectus assumes no exercise of the Underwriters' Option and an Offer Price of €19.47, being the closing price of our ordinary shares on the FSE on 4 November 2005, and the conversion of the Warrants as described in "Description of Share Capital and Corporate Governance—Share Capital—Outstanding Warrants and Recent Conversion of Preferred A Shares.

Certain digital map industry and other terms used in the Prospectus are defined in "Glossary of Selected Terms".

Market Data

All references to market data, industry statistics and industry forecasts in this Prospectus consist of estimates compiled by industry professionals, organisations, analysts, publicly available information or our own knowledge of our sales and markets. The reports used include: Canalys, "EMEA Mobile GPS Navigation Solutions Q2 2005" 8 August 2005; Telematics Research Group Inc. ("TRG") "Navigation Systems: In-vehicle and Portable Devices" 15 May 2005; Strategy Analytics "Global GPS Phone Sales" September 2005; Global Insight World Car Sales 27 September 2005 and other publicly available third-party data. Industry publications generally state that their information is obtained from sources they believe reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. Although we believe these sources are reliable, as we do not have access to the information, methodology and other bases for such information we have not independently verified the information and therefore cannot guarantee its accuracy and completeness.

In this Prospectus, we make certain statements regarding our competitive position and market leadership. We believe these statements to be true based on market data and industry statistics regarding the competitive position of certain of our customers.

The information in this Prospectus that has been sourced from third parties has been accurately reproduced and, as far as we are aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Documents Incorporated by Reference

Our Current Articles (*statuten*) are incorporated by reference into this prospectus. See "Description of Share Capital and Corporate Governance—General". No other documents or information form part of, or are incorporated by reference into, this Prospectus.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements, including statements about our beliefs and expectations. These statements are based on our current plans, estimates and projections, as well as our expectations of external conditions and events. In particular the words "expect", "anticipate", "estimate", "may", "should", "believe" and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. We undertake no duty to and will not necessarily update any of them in light of new information or future events, except to the extent required by applicable law. We caution investors that a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements. These factors include, but are not limited to:

- the general level of customer demand for digital map data, personal navigation products or automotive navigation systems;
- the continued maintenance of our customer relationships with key customers from whom we derive a significant proportion of our revenues;
- our ability to effectively compete with our competitors; and
- our ability to maintain or update our database.

Additional factors that could affect our ability to achieve our objectives and could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, those discussed under "Risk Factors".

DIVIDEND POLICY

We currently intend to retain future earnings, if any, to finance the growth and development of our business. As a result, we do not anticipate paying any dividends for the foreseeable future.

Our dividend policy will, however, be reviewed from time to time and payment of any future dividends will be effectively at the discretion of the Management Board after taking into account various factors including our business prospects, cash requirements, financial performance, new product development, plans for international expansion and the requirements of Dutch law. In addition, payment of future dividends may be made only if our shareholders' equity exceeds the sum of our called up and paid-in share capital plus the reserve required to be maintained by law and by our Articles of Association.

EXCHANGE RATES

We publish our consolidated financial statements in euros. The exchange rates below are provided solely for information and convenience. No representation is made that the euro could have been, or could be, converted into US dollars at these rates.

The table below shows the high, low, average and end period exchange rates expressed in US dollars per €1.00 for the years given as computed using the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate") during the period indicated.

Year ended 31 December	High	Low	Average[1]	End of period
		(US dollars per euro)		
2000	1.0335	0.8270	0.9207	0.9388
2001	0.9535	0.8370	0.8909	0.8901
2002	1.0485	0.8594	0.9495	1.0485
2003	1.2597	1.0361	1.1321	1.2597
2004	1.3625	1.1801	1.2478	1.3538

(1) The average of the Noon Buying Rates on the last business day of each month during the relevant period.

The table below shows the high and low Noon Buying Rates expressed in US dollars per €1.00 for the first ten months during 2005.

	High	Low
	(US dollars per euro)	
January 2005	1.3476	1.2954
February 2005	1.3274	1.2773
March 2005	1.3465	1.2877
April 2005	1.3093	1.2819
May 2005	1.2936	1.2349
June 2005	1.2320	1.2035
July 2005	1.2200	1.1917
August 2005	1.2434	1.2147
September 2005	1.2538	1.2011
October 2005	1.2148	1.1914

On 4 November 2005, the Noon Buying Rate for the euro was €1.00 = $1.1828.

USE OF PROCEEDS

We expect to raise approximately €150 million of gross proceeds from the issue of New Shares in the Global Offer. The net proceeds we will receive from the issue of New Shares in the Global Offer are estimated to be approximately €140.6 million after deducting the estimated underwriting commission and expenses payable by us, based on an Offer Price of €19.47, being the closing price of our ordinary shares on the FSE on 4 November 2005. We intend to use the net proceeds we receive from the Global Offer primarily for general corporate purposes, including the acquisition of underlying map data in the territories in which we are planning to expand our coverage, international expansion generally, the acquisition or investment in businesses, products or technology that complement our business and growth strategy and for working capital. We will retain broad discretion in allocating the net proceeds of the Global Offer.

We will not receive any proceeds from the sale of the Existing Shares in the Global Offer, all of which will be paid to the Selling Shareholders.

CAPITALISATION

The table below sets forth our unaudited consolidated cash and equivalents and capitalisation as of 30 September 2005, as follows:

- *on an actual basis; and*
- *on a pro forma basis, as adjusted to reflect our receipt of the estimated net proceeds from the issue of the New Shares in the Global Offer, after deducting the estimated underwriting commission and expenses payable by us, based on the closing price of our ordinary shares on the FSE on 4 November 2005 and after giving effect to the conversion of the Warrants.*

You should read this table together with our consolidated financial statements and the related notes thereto, as well as the information under "Operating and Financial Review". The table below is prepared for illustrative purposes only and, because of its nature, may not give a true picture of our financial condition following the Global Offer. For a summary of our principal contractual obligations and commercial commitments over the next five years, see "Operating and Financial Review".

	As of 30 September 2005	
Total Capitalisation	**Actual**	**Pro forma, as adjusted**
	(€ in millions)	
Cash and equivalents	**61.0**	**205.8**
Share capital—ordinary shares	4.1	8.9
Share capital—convertible preferred shares	3.5	—
Additional paid capital	476.2	619.7
Foreign currency adjustment net of tax	(20.7)	(20.7)
Retained earnings	(139.6)	(139.6)
Total equity	323.4	468.3
Total capitalisation	**323.4**	**468.3**

SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data set forth below is that of Tele Atlas and its subsidiaries. The selected consolidated financial data should be read in conjunction with "Operating and Financial Review" and the consolidated financial statements and notes thereto included elsewhere in this Prospectus. The year-end consolidated financial data is extracted from our consolidated financial statements that have been audited by Ernst & Young, independent auditors. The nine-month consolidated financial data is based upon our unaudited interim consolidated financial accounts for the nine-month periods ended 30 September 2004 and 2005. The results for the nine-month period ended 30 September 2005 are not necessarily indicative of results for the full year. The financial statements and accounts from which the selected consolidated financial data set forth below have been derived were prepared in accordance with IFRS. The selected consolidated financial data set forth below may not contain all of the information that is important to you.

	Year ended 31 December			Nine months ended 30 September	
Profit and Loss Data	**2002**	**2003**	**2004[1] (restated)**	**2004[1] (restated)**	**2005**
	(€ in millions, except percentages, per share and share amounts)				
Revenues	**78.3**	**86.5**	**127.7**	**85.0**	**142.2**
Operating expenses					
Cost of revenue	8.4	9.4	16.5	10.5	19.8
% of revenue	*11%*	*11%*	*13%*	*12%*	*14%*
Personnel expenses	78.9	77.4	88.7	62.8	84.7
Depreciation and Amortisation	36.0	40.1	40.8	30.0	39.0
Impairment of intangible assets	—	62.0	—	—	—
Other operating expenses	40.6	45.1	48.0	33.9	41.5
Total operating expenses	**163.9**	**234.0**	**194.1**	**137.1**	**185.0**
% of revenue	*209%*	*271%*	*152%*	*161%*	*130%*
Capitalised databases and tools	66.6	61.9	59.7	41.5	23.5
Net operating expenses	**97.3**	**172.1**	**134.4**	**95.6**	**161.6**
Operating result from discontinued operations	—	—	—	—	0.2
Loss on disposal of discontinued operations	—	—	—	—	(0.6)
Operating result (loss)	**(19.0)**	**(85.6)**	**(6.7)**	**(10.7)**	**(19.7)**
% of revenue	*−24%*	*−99%*	*−5%*	*−13%*	*−14%*
Other income (expenses) net	1.3	(1.1)	(3.5)	(2.5)	0.7
Result (loss) before income taxes	**(17.7)**	**(86.7)**	**(10.2)**	**(13.2)**	**(19.0)**
Income tax	(1.0)	(0.6)	5.2	(0.7)	(1.9)
Net result (loss)	**(18.6)**	**(87.3)**	**(5.0)**	**(13.9)**	**(20.9)**
% of revenue	*−24%*	*−101%*	*−4%*	*−16%*	*−15%*
Net result per ordinary share					
Basic and diluted	(0.49)	(2.31)	(0.13)	(0.37)	(0.53)
Weighted average number of ordinary shares used to calculate net result (loss) per share					
Basic and diluted	37,878,579	37,691,326	37,716,789	37,684,552	39,227,550

Balance Sheet Data

	As of 31 December			As of nine months ended 30 September	
	2002	2003	2004[(1)] (restated)	2004[(1)] (restated)	2005
			(€ in millions)		
Current assets					
Cash and cash equivalents	40.1	9.5	44.9	49.1	61.0
Trade accounts receivable	14.2	13.9	34.8	26.6	36.9
Inventories	0.3	0.3	0.6	0.5	1.1
Prepaid expenses and other current assets	5.4	2.2	3.3	6.4	4.1
Total current assets	**60.0**	**25.9**	**83.7**	**82.6**	**103.1**
Non-current assets					
Property, plant and equipment	10.6	7.0	10.1	8.5	9.1
Databases and tools	208.4	183.4	245.0	241.9	245.1
Goodwill	24.4	0.6	14.6	16.3	16.4
Other intangible assets	—	—	15.7	19.2	15.7
Deferred tax	—	—	21.3	—	13.0
Investments	—	—	—	—	2.0
Total non-current assets	**243.4**	**191.1**	**306.7**	**286.0**	**301.3**
Total assets	**303.4**	**217.0**	**390.4**	**368.6**	**404.4**
Equity and liabilities					
Current liabilities					
Short term debt and current portion of long term debt	0.7	4.2	0.1	0.1	0.0
Shareholders entitlement to potential tax benefits	—	—	2.1	—	—
Trade accounts payable	5.5	5.4	10.6	8.6	16.9
Income tax payable	1.1	1.3	1.4	1.7	3.5
Accrued expenses and other liabilities	18.1	21.7	31.8	27.7	33.2
Deferred revenues	1.9	1.8	1.4	1.9	2.8
Financial instruments	1.2	0.7	—	—	—
Total current liabilities	**28.5**	**35.1**	**47.5**	**39.9**	**56.4**
Non-current liabilities					
Shareholder loans	—	10.0	—	—	—
Shareholder entitlement to potential tax benefits	20.3	20.3	18.2	20.3	—
Deferred taxes	21.7	21.4	21.1	21.5	20.5
Pension accrual	2.2	2.6	3.8	2.6	3.8
Other non-current liabilities	0.3	0.0	0.2	0.3	0.3
Total non-current liabilities	**44.6**	**54.4**	**43.2**	**44.7**	**24.6**
Shareholders' equity					
Ordinary shares, at par €0.10	3.8	3.8	3.8	3.8	4.1
Convertible preferred shares, at par €0.10	—	—	3.5	3.5	3.5
Additional paid in capital	287.3	287.3	452.0	452.0	476.2
Treasury shares	(0.5)	(0.7)	(0.3)	(0.4)	—
Foreign currency adjustment net of tax	(15.0)	(30.3)	(26.9)	(30.9)	(20.7)
Accumulated result (deficit)	(26.6)	(45.2)	(127.6)	(130.1)	(118.7)
Result (loss)	(18.6)	(87.3)	(5.0)	(13.9)	(20.9)
Total equity	**230.3**	**127.5**	**299.7**	**283.9**	**323.4**
Total equity and liabilities	**303.4**	**217.0**	**390.4**	**368.6**	**404.4**

Cash Flow Data

	As of 31 December			Nine months ended 30 September	
	2002	2003	2004	2004	2005
	(€ in millions)				
Net cash provided by (used in) operating activities after investments in databases and tools	(57.3)	(41.0)	(28.5)	(28.0)	15.1
Net cash used in investing activities	(13.6)	(3.5)	(91.2)	(87.0)	(3.7)
Net cash provided by (used in) financing activities	(0.2)	13.8	155.1	154.6	4.7
Net increase/(decrease) in cash and cash equivalents	**(71.0)**	**(30.7)**	**35.5**	**39.6**	**16.1**

(1) The figures as of and for the year ended 31 December 2004 and as of and for the nine months ended 30 September 2004 have been restated to reflect the retrospective application of IFRS 2, pursuant to which the effects of share-based payment transactions, including expenses associated with share options granted to employees, must be reflected on the profit and loss statement and financial condition.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

On 7 July 2004, through our wholly owned subsidiary Tele Atlas North America Inc, we acquired GDT for $100.0 million in cash. We also incurred $1.2 million in acquisition expenses. The purchase price was allocated to the estimated fair value of the assets acquired and liabilities assumed. The total net fair value of the assets and liabilities assumed was $81.8 million. The excess of the cost of the acquisition over the net fair value of the assets and liabilities of $19.4 million was allocated to goodwill.

The following unaudited pro forma condensed consolidated statement of operations for the year ended 31 December 2004 gives effect to the acquisition of GDT as if it had occurred on 1 January 2004 and combines our historical financial statement of operations for the year ended 31 December 2004 with the statement of operations of GDT for the period 1 January 2004 through 6 July 2004 prior to the acquisition. The pro forma adjustments give effect to the recurring purchase accounting adjustments.

The historic financial statements of GDT were prepared under US GAAP, whereas our financial statements are prepared under IFRS. As a result, certain adjustments were made to reflect the application of IFRS. The adjustments made are not intended to be a comprehensive reconciliation to IFRS of GDT's statement of operations for the period 1 January through 6 July 2004.

The unaudited pro forma condensed consolidated statement of operations is not necessarily indicative of results that would have occurred if the acquisition had occurred as of the beginning of the period presented and should not be construed as being representative of future operating results or financial position. The unaudited proforma condensed consolidated statement of operations should be read in conjunction with the notes to the unaudited proforma condensed consolidated statement of operations and the Company's consolidated financial statements and related notes.

Unaudited Pro Forma Condensed Consolidated Statement of Operations

	Tele Atlas NV Year ended 31 December 2004 (restated)	GDT Inc 1 Jan-30 Jun 2004	Pro Forma Adjustments		Pro Forma Condensed Consolidated
	(amounts in € millions, except share and per share data)				
Revenues	**127.7**	**19.6**	**0.3**	**(1)**	**147.6**
Operating expenses					
Cost of revenue	16.5	0.3	—		16.8
% of revenue	13%	1%	—		11%
Personnel expenses	88.7	10.9	—		99.6
Depreciation and Amortisation	40.8	0.7	4.1	**(2)**	45.6
Impairment of intangible assets	—	—	—		—
Other operating expenses	48.0	5.0	—		53.0
Total operating expenses	**194.1**	**16.9**	**4.1**		**215.1**
% of revenue	152%	86%			146%
Capitalised databases and tools	59.7	—	6.3	**(3)**	66.0
Net operating expenses	**134.4**	**16.9**	**(2.3)**		**149.0**
Operating result from discontinued operations	—	—	—		—
Loss on disposal of discontinued operations	—	—	—		—
Operating result (loss)	**(6.7)**	**2.7**	**2.6**		**(1.4)**
% of revenue	−5%	14%	—		−1%
Other income (expenses) net	(3.5)	(1.4)	—		(4.9)
Result (loss) before income taxes	(10.2)	1.3	2.6		(6.3)
Income tax	5.2	—	—		5.2
Net result (loss)	(5.0)	1.3	2.6		(1.1)
% of revenue	−4%	7%	—		−1%
Net result (loss) per ordinary share					
Basic and diluted	(0.13)	0.03	0.07		(0.03)
Weighted average number of ordinary shares used to calculate net result (loss) per share					
Basic and diluted	37,716,789	37,716,789	37,716,789		37,716,789

Notes to Unaudited Pro Forma Condensed Consolidated Statement of Operations

The pro forma adjustments that give effect to the acquisition of GDT as if the acquisition had occurred as of 1 January 2004 for pro forma statements of operations are explained below. The financial statements of GDT are prepared in US dollars. For the purpose of preparing the pro forma condensed consolidated statement of operations, the results of GDT for the first six months of 2004 and the adjustments in US dollar have been converted to euros using an average exchange rate for the first six months of 2004 of $1.2276 per euro.

1. Revenues

Consistent with IFRS 3, which requires a purchaser to allocate the cost of the acquisition by identifying the acquiree's identifiable assets, liabilities and contingent liabilities, deferred revenue that was carried on the balance sheet of GDT as of 30 June 2004 was written off. To the extent that this amount of deferred revenue would have been recognised in 2004, had the acquisition taken place on 1 January 2004, an adjustment is made to revenues. Similarly, revenue that was recognised in 2004 was reversed to the extent that it was included in the deferred revenue balance as of 1 January 2004. The net amount of these adjustments has been adjusted to revenues resulting in an increase in revenues of $0.4 million (€0.3 million).

2. Depreciation and Amortisation

To amortise the capitalised databases as discussed under Note 3 below, and to record the amortisation on assets of GDT created as a result of the acquisition for the six months ended 30 June 2004 as follows:

Description	Fair value of asset acquired ($)	Life	Amount $	Amount €
Database	52.7	10	2.6	2.1
Customer Relationships	22.5	5	2.3	1.8
Trademarks	1.1	5	0.1	0.1
Total	**76.3**		**5.0**	**4.1**

3. Capitalised Databases and Tools

GDT incurs costs in connection with the development of their digital map databases that are under IFRS subject to capitalisation. Under US GAAP, these costs were expenses as incurred. To capitalise the development costs of databases for the six months ended 30 June 2004, an adjustment was made to capitalise databases of $7.7 million (€6.3 million).

Auditors' Assurance Report on the Pro Forma Consolidated Statement of Operations 2004

For the purposes of this "Auditors' Assurance Report on the Pro Forma Consolidated Statement of Operations 2004" the terms "we", "our", "us" and similar terms refer to Ernst and Young Accountants.

Introduction

We report on the unaudited pro forma consolidated statement of operations for the year ended 31 December 2004, also including the figures for Geographic Data Technologies Inc. (GDT) for the first two quarters of the year 2004 as included in this Prospectus on pages 37 and 38. This unaudited pro forma consolidated statement of operations 2004 has been prepared for illustrative purposes only to provide information about how the acquisition of GDT could have affected the consolidated statement of operations 2004, should the date of acquisition have been 1 January 2004 instead of 6 July 2004. Because of its nature, the pro forma consolidated statement of operations 2004 addresses a hypothetical situation and, therefore, does not represent the actual consolidated financial results for the year ended 31 December 2004 of Tele Atlas NV.

It is management's responsibility to prepare the pro forma consolidated statement of operations 2004 with reference to the requirements of EU Regulation 2004-809. It is our responsibility to provide the conclusion required by Annex II item 7 of EU Regulation 2004-809. We are not responsible for expressing any other conclusion on the pro forma consolidated statement of operations 2004 or on any of its constituent elements.

Scope

We performed our work in accordance with the Dutch Standard "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and, accordingly, including such procedures as we considered necessary in the circumstances. We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the unaudited pro forma consolidated statement of operations 2004 has been properly compiled. We believe that our work provides a reasonable basis for our conclusion.

Conclusion

In our opinion, the unaudited pro forma consolidated statement of operations 2004 has been properly compiled on the basis stated in the introduction paragraph and the basis of accounting used for the unaudited pro forma consolidated statement of operations 2004 is consistent with the accounting policies of Tele Atlas NV.

Eindhoven, The Netherlands, 7 November 2005

Ernst & Young Accountants

PROFIT FORECAST

Forecast

In our press release issued in connection with our third quarter results announcement on 28 October 2005, we forecast, on the basis set out below and in the absence of unforeseen circumstances, that our revised expected revenue for 2005 will be between approximately €195.0 million and €200.0 million and our adjusted EBITDA for 2005 will be between approximately €13.0 million and €16.0 million.

Adjusted EBITDA is the operating result before capitalisation, depreciation and amortisation and before costs related to share based payments as prescribed by IFRS 2. We present adjusted EBITDA because we believe it is a measure that appropriately reflects our operating performance. Other companies may use different measures or may calculate adjusted EBITDA differently than we do. Adjusted EBITDA is not a measurement of financial performance under IFRS and should not be considered an alternative to cash flow from operating activities nor as a measure of liquidity. Further, adjusted EBITDA should not be considered an alternative to operating results as an indicator of our operating performance nor any other measures of performance derived in accordance with IFRS.

We confirm that the profit forecast given in our press release issued in connection with our third quarter results announcement on 28 October 2005 continues to be valid, as of the date of this Prospectus. We do not intend to furnish profit forecasts in the future.

Basis of Preparation

The profit forecast is based on our unaudited interim results for the nine month period ended 30 September 2005 and management estimates and forecasts for the remainder of the forecast period ending 31 December 2005.

Principal Assumptions

The principal assumptions on which the forecast is based and which are outside the influence of the members of the Supervisory Board, Management Board and senior management are:

- the general level of demand for personal navigation systems and in-car navigation systems will continue to grow;
- the general level of demand for products in other market segments, including navigation data products and government and enterprise and government segments, will develop in line with our expectations;
- there will be no long-term material fluctuations in future currency exchange rates, in particular between the US dollar and the Euro;
- there will be no material downturn in general economic conditions which would materially adversely affect our business;
- our competitors' behaviour will not differ materially from their current behaviour;
- our customers will continue to integrate our data into their applications and systems in a timely manner and to a standard which meets their end-users' expectations as to quality and value;
- we will remain able to recover the licence fees due to us from our customers;
- our outsourcing partners will continue to perform the work for the remainder of the forecast period to the same standard and at the same cost;
- there will be no major regulatory or legislative changes, including changes in taxation, in any of the jurisdictions in which we operate; and

- there will be no material adverse change in our business or the businesses of our suppliers or customers due to industrial disruption, war, terrorism, civil disturbance or government action.

The principal assumptions on which the forecast is based and which are, to some degree, able to be influenced by members of the Supervisory Board, Management Board and senior management are:

- our sales in the personal navigation and in-car navigation markets will continue to grow both in Europe and North America in line with our expectations;
- our fixed costs will not increase materially and our variable costs will remain at the levels expected and provided for;
- the licence fees we charge for our map data will not adversely change;
- our competitive position within the map data market will not adversely change;
- there will be no disruption or termination of our relationships with key customers;
- we will be able to generate business with new customers in line with our expectations;
- there will be no disruption or termination of our relationships with key providers of map data;
- we will continue to maintain our digital map data to the quality standards expected by our customers and their end users;
- the final stages of the integration of the GDT database with our own North American database will continue successfully;
- we will not become the subject of any material legal or regulatory proceedings, including in relation to any of our intellectual property rights;
- the members of the Supervisory Board, Management Board and senior management will remain with us for the remainder of the forecast period; and
- our expansion into new geographic markets will not require significant expenditures not anticipated and provided for.

Auditors' Assurance Report on the Profit Forecast of Tele Atlas NV

For the purposes of this "Auditors' Assurance Report on the Profit Forecast of Tele Atlas NV", the terms "we", "our", "us" and similar terms refer to Ernst and Young Accountants.

Introduction

We report on the profit forecast comprising Revenue and adjusted EBITDA of Tele Atlas NV for the year 2005 as included in this Prospectus on pages 40 and 41.

It is management's responsibility to prepare the profit forecast in accordance with the requirements of the EU Regulation 2004-809. The profit forecast has been prepared on the basis stated on pages 40 and 41 of this Prospectus and is based on the unaudited interim financial results for the nine month period ended 30 September 2005 and management estimates and forecasts for the remainder of the forecast period ending 31 December 2005. The profit forecast is required to be presented on a basis consistent with the accounting policies of Tele Atlas NV.

It is our responsibility to provide the conclusion as required by article 13.2 of ANNEX I of the EU Regulation 2004-809.

Scope

We performed our work in accordance with the Dutch Standard "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and, accordingly, including such procedures as we considered necessary in the circumstances. We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the profit forecast has been properly compiled and is consistent with the accounting policies of Tele Atlas NV. We believe that our work provides a reasonable basis for our conclusion.

Actual results reported may be affected by required revisions to accounting estimates due to changes in circumstances or the impact of unforeseen events and therefore are likely to differ from the forecast and the deviations may be material. For that reason we can not express an opinion as to whether the actual results will correspond to those shown in the profit forecast.

Conclusion

In our opinion, the profit forecast has been properly compiled on the basis stated in the introduction paragraph and the basis of accounting used for the profit forecast is consistent with the accounting policies of Tele Atlas NV.

Eindhoven, The Netherlands, 7 November 2005

Ernst & Young Accountants

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the rest of the document, including our consolidated financial statements and related notes thereto beginning on page F-3 and the "Selected Consolidated Financial Data". Our consolidated financial statements have been prepared in accordance with IFRS, which differ from US GAAP in certain significant respects. For a discussion of the most significant differences between IFRS and US GAAP as they relate to us, see "Summary of Significant Differences between IFRS and US GAAP".

This discussion and analysis contains forward-looking statements that are subject to known and unknown risks and uncertainties. Our actual results and the timing of events could differ materially from those expressed or implied by such forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Prospectus, particularly under the headings "Forward-Looking Statements" and "Risk Factors".

Overview

We are a leading provider of digital maps and other geographic content for the consumer, automotive and enterprise and public sector markets. We have customer relationships with leading personal navigation companies that incorporate our digital map data into their products, such as TomTom, Navigon, Navman and ViaMichelin. We also provide digital map data for use in in-car navigation systems installed in some of the most prestigious brands in the world, including Mercedes-Benz, Volkswagen/Audi, General Motors, Toyota/Lexus, Ford and Fiat. In the enterprise and public sector market, we have relationships with major enterprises and government agencies such as VNU, MapInfo and the US Departments of Defence and Energy.

Our core business is the sale of tailored map data packages drawn from our digital map database, which provides full or partial map coverage of 37 countries and approximately 17.7 million kilometres of roadway in Europe and North America. In addition, through partnerships and joint ventures, we provide digital map coverage of an additional three countries in the Asia-Pacific region, and we will soon add China. In addition to our maps, we currently offer our customers enriched content from us and third parties, including POIs such as fuel stations, restaurants, hotels and tourist attractions and dynamic content such as traffic incident, speed and flow data, road construction, fuel price and weather information in selected areas.

We have grown our revenues from €78.3 million in 2002 to €86.5 million in 2003 to €127.7 million in 2004, and our revenues were €142.2 million for the nine month period ended 30 September 2005. During this time, we have invested significantly in the development and enhancement of our map database and our proprietary methods and technology to enhance the quality and content of our database and the processes used to build it. We significantly increased the scale of our North American operations with the acquisition in July 2004 of GDT, a company that had been a leader in the North American digital map industry since 1980. In 2002, 2003 and 2004, we had net losses of €18.6 million, €87.3 million and €5.0 million, respectively. In the nine months ended 30 September 2005, we had net losses of €20.9 million.

In the nine months ended 30 September 2005, we generated approximately 72% of our revenues in Europe (which included revenues from partnerships in the rest of the world) and approximately 28% from North America. While we have focused primarily on Europe and, more recently, on North America, we believe that the market for digital maps is expanding globally and that there are significant opportunities to sell our digital map products in other regions. We have established several key partnerships in Asia in countries such as China, Australia and Thailand to gain access to digital maps, and we plan to target more of these partnerships. We will continue building our Eastern European and Asian coverage and seek to expand our coverage into Mexico over the coming years. We will also consider strategic acquisitions where appropriate to build our coverage.

Material Factors Affecting our Results of Operations and Financial Condition

We believe the following factors have had and will continue to have a material effect on our results of operations and financial condition.

Revenues

We derive a substantial majority of our revenue from licensing our map data, POIs and dynamic content to customers in the following five segments:

- personal navigation, which consists principally of sales of map data for use in mobile devices;
- in-car navigation (bundled), which consists principally of sales of map data that are bundled with in-car navigation products, either to providers of these systems or directly to automotive manufacturers;
- in-car navigation (data products), which consists principally of sales, primarily in Europe, of map updates and maps for use in in-car navigation products of additional geographic areas to end users, dealers and system manufacturers;
- enterprise and public sector, which consists principally of sales of map data to enterprises or governments for use in applications such as business support systems and demographics assessment, risk management, utility management, telecommunications network planning and fleet and logistics management; and
- other segments, which consists principally of sales in the Internet, telematics and consumer wireless markets.

In the in-car and personal navigation segments, the European and North American markets are at different stages of development due in large part to the greater need for navigation assistance in Europe because of the generally more complex road network. Over the last 18 months, our revenue growth has been driven primarily by the rapid growth in the personal navigation market in Europe. The release of new personal navigation devices that use our map data, such as the TomTom GO in March 2004 has driven this rapid growth. The North American market for personal navigation devices is behind Europe, but is also growing rapidly and we believe a growing percentage of our North American revenues will be derived from sales of our North American map data to providers of personal navigation devices.

We have also derived a significant proportion of our revenues from use of map data in the in-car navigation market, most of which has come from Europe. To date, our revenue in this segment has been driven primarily by sales in Europe to our key in-car navigation system vendor customers Harman Becker GmbH (“Becker”), Blaupunkt, Pioneer Electronics (“Pioneer”) and Siemens VDO Trading GmbH (“Siemens VDO”). Our in-car navigation revenues in North America are at a relatively low level due in large part to the fact that we did not offer a product for navigation there until 2003. Since the introduction of our North American navigation database, we have developed our in-car navigation business with DENSO Corporation (“DENSO”) (a relationship acquired as part of the GDT transaction) and Pioneer. In addition, we believe that our integrated North American database, which is scheduled to be completed by the end of March 2006, will be the highest-quality North American database available on the market. We will seek to capitalise on our database to win additional North American business. The sale of in-car navigation aftermarket data products, which include sales of updates and additional geographic areas to end users either direct or through dealers, is mostly limited to Europe due in part to the larger installed base of navigation systems in Europe. We believe the growth in this market has decreased in the last several years with the growing prevalence of DVD based systems, which include maps for a broader geography than CD-based systems. We expect this trend to reverse with the incorporation of more short lived content such as POI data. Although aftermarket sales of data products in the personal navigation market are not significant today, we expect that as the installed base of personal navigation systems grows these sales of updates and additional geographies will become an increasingly important part of the business in this sector.

Overall, during the nine months ended 30 September 2005, we derived approximately 31% of our revenues from the sale of our map data for use in personal navigation devices and 27% for use bundled with in-car navigation systems. Additionally, approximately 14% of our revenues for the nine months ended 30 September 2005 were from the sale of in-car navigation data products. Although the personal and in-car navigation markets are still developing, particularly in North America, we believe that there is a significant market opportunity for high quality digital map data in both these markets. Our revenues will depend significantly on the development and growth of the personal and in-car navigation markets.

In addition to personal and in-car navigation products, we derived approximately 22% of our revenues for the nine months ended 30 September 2005 from sales of map data to enterprises or governments, principally for use in applications such as business support systems and demographics assessment, risk management, utility management, telecommunications network planning and fleet and logistics management. Although we are seeking to grow this business in Europe, the majority of our revenues in this segment to date have been in North America as a result of the acquisition of GDT, which was focused on this segment and was a North American market leader. Additionally, in Europe we face a larger degree of competition from government and quasi-government mapping companies that offer products that have basic map functionality, such as the layout of the road network, street names and addresses. Although this market is not growing as fast as either the personal navigation or in-car markets, we expect it to experience stable growth as more enterprises and government agencies realise the benefits of utilising digital maps and other geographic data.

We derived approximately 6% of our revenues for the nine months ended 30 September 2005 from the "other" segment, which consists principally of sales in the Internet, telematics and consumer wireless markets. Although we do not currently derive a significant portion of our revenues from the Internet or consumer wireless customers, we believe that these areas will play an increasingly important role in the sales of our maps. Many leading Internet portals currently use our maps to provide navigation, among other applications, to their users. Over time, we expect these Internet portals, partnering with wireless carriers and mobile device manufacturers, to increasingly target the local search market with the objective of providing any information, anywhere on any device. To take advantage of this trend, we are focused on growing our relationships with the Internet portals, mobile device manufacturers and wireless carriers, among others.

Acquisition of GDT

In July 2004, we acquired GDT for a purchase price of $100.0 million, plus $1.2 million in acquisition expenses (approximately €83.3 million overall). GDT was a company that had been active in the North American digital map industry since 1980 and was the leading provider of maps for enterprise and public sector applications in North America as well as an important supplier to Internet content providers and to DENSO in the in-car navigation market.

The acquisition of GDT boosted our market position and significantly increased the scale of our operations in North America. Our revenues in North America increased by €24.0 million, or 146%, to €40.4 million in the nine months ended 30 September 2005 from €16.4 million in the nine months ended 30 September 2004, due in large part to the effect of GDT. We are currently in the final stages of integrating the GDT database with our North American database, which we expect to complete by the end of March 2006. We believe our integrated North American database will result in a digital map with the highest accuracy and broadest coverage.

Licensing and Pricing of our Products

We generally provide our customers with a master copy of the products they license. Our customers generally re-configure our data in the format required by their system and create the media (typically CD, DVD or an SD Card) that they then deliver to their end customers.

Our licensing arrangements generally differ by market segment. In the in-car and personal navigation segments, our map data sales are generally in the form of a perpetual license for a specified geographic area with pricing on a per unit basis. Our customers self report royalties due to us based on the number of units they sell in each geographic area in a given month or quarter. In the enterprise and public sector segment, a large portion of our sales are derived from the incorporation of our maps into the product of value-added resellers ("VARs"), such as MapInfo. In these circumstances, we are typically paid a percentage of the revenues the VARs derive from the license of our product. VARs generally self report the amount of fees due to us on a monthly or quarterly basis.

For some customers in the in-car navigation segment, we produce customised CDs and DVDs that are used in their navigation systems. In some cases, we format the data in the system supplier's proprietary format and in other cases the system supplier performs this service. Our total revenue from CD and DVD customisation is expected to be approximately €12.0 million in 2005. The costs we incur in performing these services are typically equal to the revenue generated from these customers. We are currently working with our customers to phase out these services over the next two years. Although this will reduce the growth rate of our in-car navigation revenues, we believe it will not have a material impact on our earnings or cash flow.

We also enter into licences directly with enterprise and public sector entities. These customers license the data on a per user basis or on an enterprise basis which provides for unlimited use of our map data during the term of the licence for specified applications. Most licence fees in this segment are generally prepaid upon execution of the agreement, are for a fixed term of one to three years and include updates to the products that are released by us during the term. Our aftermarket data product sales to end users and dealers take the form of selling products, in CD or DVD format, to end users for perpetual use with no requirement for product updates. In other markets, such as the consumer wireless and Internet markets, we license on a per use or subscription basis.

Prices for personal navigation products and in-car navigation systems have declined recently and we expect these declines to continue. We have experienced, and expect to continue to experience, decreases in the licensing fees we charge for our digital map products in these segments. We may face further pressure to lower our per unit license fees to preserve existing customer relationships or establish new ones. Although we believe that the effect on our revenue and profitability from any decreases in our per unit licence fees in the foreseeable future will be offset by unit volume increases in the sales of our map products, there can be no assurance that this will be the case.

Customer Concentration

A significant amount of our revenues is derived from a few key customers. In the nine months ended 30 September 2005, our top two customers, TomTom and Blaupunkt, accounted for 17% and 12% of our total revenues, respectively. Our top five customers accounted for 43% of our total revenues for the nine months ended 30 September 2005. Our revenues and profitability have been, and will continue to be, significantly affected by our ability to retain our existing key customers and win new customers. In addition, the concentration of customers increases the risk that the loss of all or part of the business of one or more of these customers would adversely affect our revenues and results of operations.

Cost of Revenue and Operating Expenses

We incur costs of revenue, which consist principally of costs that are directly related to revenue and include costs for royalties payable to third parties for the use of source data or the proprietary product formats and contributions to marketing costs of our customer to the extent that they vary based on sales and manufacturing costs of our products.

Our operating expenses relate primarily to personnel expenses, depreciation and amortisation costs, outsourcing costs, vehicle and travel costs, housing, information technology, communication costs and marketing costs. For the nine months ended 30 September 2005, operating expenses before capitalisation of database and tool development costs were €185.0 million, an increase of 35% over the nine months ended 30 September 2004.

Personnel costs are our largest operating expense and have remained relatively stable over the last three years, except for an increase in 2004 due to the GDT acquisition. Personnel expenses represented approximately 46% of our total operating expenses in the nine months ended 30 September 2005 and the year ended 31 December 2004.

In addition, we incur depreciation and amortisation charges. Depreciation charges relate to fixed assets, which mainly consist of information technology equipment and furniture and fixtures. We do not own any real property. Amortisation expenses mainly relate to our database as well as software tools, customer relationships and trademarks.

A significant portion of our expenses relate to building and maintaining our database and the development of software tools to facilitate these activities. To the extent that these expenses meet the criteria for capitalisation of intangible assets under IFRS, these internally generated intangible assets are capitalised and shown in the statement of operations as a reduction to expenses.

The acquisition of GDT in July 2004 significantly increased our North American operating expenses. Excluding cost of revenue and depreciation and amortisation, our North American operating expenses before capitalisation of database and tool development cost increased by €16.8 million, or 68%, to €41.6 million in the second half of 2004 from €24.8 million in the first half of 2004, due in large part to the GDT acquisition. Although in absolute terms personnel expenses increased, we also realised significant cost reductions relating to personnel reductions made in connection with the consolidation of our North American operations into GDT.

Income Taxes

We have substantial tax loss carryforwards that may be available to reduce our future tax liabilities. We recognise tax assets on these tax losses if it is probable that these losses will be utilised during the three year period subsequent to the reporting period. As of 30 September 2005, we recognised €13.0 million of deferred tax assets. Our deferred tax assets relate to tax loss carryforwards in The Netherlands. We have not recognised any tax assets in relation to our tax losses in North America. Our ability to use these deferred tax assets, and the carrying value of any tax assets, are dependent upon having future taxable income during the periods in which we are permitted, by law, to use the loss carryforwards underlying these assets. The values of these tax assets may also be impacted by and changes in tax rates in The Netherlands.

Effect of Currency Fluctuations

Fluctuations in the value of the US dollar to the euro have had, and may continue to have, a significant affect on our results of operations and financial condition. In the nine months ended 30 September 2005, the appreciation of the euro against the US dollar decreased our revenues from North America when translated into euros by approximately 6%. Although we previously entered into forward exchange contracts from 2002 through 2004 to limit our foreign exchange risk, we are not currently engaging in any hedging transactions.

Effect of Seasonality

Our revenues are subject to seasonal fluctuations that may cause our results of operations to vary. Historically, the increased vacation travel in the second calendar quarter and holiday spending in the fourth calendar quarter of each year have caused the in-car navigation market to peak during those quarters, and we therefore have historically expected our revenues to be higher during those periods. Recently however, the personal navigation market has become an increasingly important part of our revenues and this market is too new for us to determine what, if any, seasonal pattern exists. Furthermore, any seasonal fluctuations may be masked by both our revenue growth and the timing and marketing of the introduction of new or upgraded products and services by our customers.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with IFRS. The preparation of these consolidated financial statements requires that we make assumptions, estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates and judgements based on historical experience and other factors and make various assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making estimates and judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

A summary of our significant accounting policies is contained in note 1 to our consolidated financial statements, beginning on page F-8. We consider a number of accounting policies to be critical to the understanding of our financial condition and results of our operations. These accounting policies relate to revenue recognition, database development costs, impairment of database development costs, acquisitions, accounts receivable and accounting for employee benefits. In the preparation of our consolidated financial statements under IFRS, the following critical accounting policies and estimates may involve a high degree of judgement and complexity.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured. We generate our revenues primarily by licensing our database to customers who in turn incorporate our map data into their products and services for sale to end-users. We recognise licensing revenue when the licence fees are earned, as provided in each contract. Generally, this is in the period when our customer loads our data on to a product for sale to their customers or when they deliver their products to their customers. We generally depend on our customers to report to us the use of our data to determine our revenues or, when this information is not available as of the end of a reporting period, we may estimate the use of our data based on other factors, such as historic information. Errors in reporting by our customers, or differences between actual reported royalties and estimates, may lead to adjustments in our revenue in later periods.

Licensing agreements sometimes contain minimum royalty amounts or may require us to provide updates to our products. Revenue in these cases is recognised when it is probable that the economic benefits associated with the transaction have passed to the customer. Depending on the revenue characteristics of the related agreement, revenue on these royalty agreements may be recognised upfront or over the period of the agreement.

Capitalisation, Amortisation and Depreciation

In accordance with International Accounting Standard ("IAS") 38, which was revised from 1 January 2005, we capitalise and amortise internally generated databases and production and software tools. We recognise additions to databases and tools as a reduction of expense in the statement of operations. In 2004, additions to the databases and tools (excluding amounts capitalised in connection with the purchase of GDT) were €59.7 million as compared to €61.9 million in 2003. Under revised IAS 38, only direct costs incurred in connection with the construction of our databases and development of our software tools are subject to capitalisation, while maintenance costs are expensed as incurred. Our policy is to capitalise all our direct costs incurred in connection with our database for a particular country until we have achieved fully attributed coverage of the road network covering 80% of the population of that country. As a result, we no longer capitalise database costs for most of Western Europe and, as a result, our capitalisation for the nine months ended 30 September 2005 decreased by 43% from the same period the prior year. We expect to discontinue capitalising our database costs for North America in early 2006 and, as a result, the amount of database costs we capitalise in 2006 will decrease significantly.

We amortise internally generated databases over a period of ten years and tools over a period of five years. Because intangible assets are not subject to amortisation until placed into service, we do not begin amortisation of amounts capitalised for database development during a calendar year until the beginning of the following year. Software tools are amortised from the moment they are placed into service. Customer relationships and trademarks which were acquired as part of the acquisition of GDT are also amortised over five years. The resulting amortisation of databases, tools, customer relationships and trademarks in the nine months ended 30 September 2005 (including the amortisation of intangible assets acquired through the acquisition of GDT) amounted to €35.2 million as compared to €26.2 million in the nine months ended 30 September 2004.

We depreciate fixed assets over the following lives:

Asset Class	Depreciation Period
Computers and equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements	5 years

Depreciation begins in the month the asset was acquired. The resulting depreciation of fixed assets (including the depreciation of fixed assets acquired through the acquisition of GDT) amounted to €3.8 million in both in the nine months ended 30 September 2005 and the nine months ended 30 September 2004.

In accordance with IFRS 3, goodwill is not amortised, but is carried at cost less any accumulated impairment losses.

Impairment of Intangible Fixed Assets

As of 30 September 2005, our intangible fixed assets consisted largely of geographic databases, goodwill, production tools, customer relationships and trademarks. At each balance sheet date, we assess any indication of impairment of intangible and tangible fixed assets. If any such indication exists, the amount recoverable is estimated, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to the estimated discounted (using the weighted average cost of capital) future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its discounted estimated future cash flows, an impairment charge is recognised in the amount by which the carrying amount of the asset exceeds the fair value of the asset.

As of 31 December 2003, we recognised an impairment charge of €62.0 million in connection with the database of our North America operations as a result of the outcome of an impairment test performed in accordance with IAS 36. The amount of €62.0 million represents the excess of the book value of the North American database over its recoverable amount, taking into account our plans to acquire GDT and to combine our database and activities in North America with GDT's database and operations.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. As of the acquisition date, any goodwill acquired is allocated to each of the cash generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of each cash-generating unit, to which the goodwill relates.

To the extent the carrying amount of an intangible asset (net of any previously recognised impairment charge) exceeds the recoverable value of the asset, any previously recognised impairment charge is reversed to the extent of the excess of the carrying amount of the asset over the recoverable value. Significant management judgement is required in determining the fair value of our long-lived assets to measure impairment, including projections of future discounted cash flows. We may be required to recognise an impairment charge on our intangible assets in the future and if this occurs it will negatively impact our reported financial results.

Share-Based Payments

In 2005, we adopted IFRS 2 "Accounting for Share-Based Payments". Accordingly, we expense an amount based upon the total number of vested options and their fair value as of the date of grant. Prior to 2005, we used the intrinsic value accounting method for option awards under which there is no charge to earnings for employee share option awards. IFRS 2 applies to grants of share options after 7 November 2002 that had not yet vested on 1 January 2005, and requires retrospective application to liabilities arising from the share based payment transactions existing as of 1 January 2005. In determining the fair value of the options granted we apply the enhanced binomial model. The resulting share-based compensation expenses increased to €13.6 million in the nine months ended 30 September 2005 from €2.4 million in the nine months ended 30 September 2004.

Post-employment Benefits

We have pension plans in the various countries where we operate. In most countries, a defined contribution plan is in operation, limiting our legal or constructive obligation to the amount we agree to contribute during the period of employment. These contributions are charged to the statement of operations in the year to which they relate.

In Germany, we operate a defined benefit plan. Accumulated obligations are carried as pension liabilities in the balance sheet and are based on actuarial calculations, using for the year ending 31 December 2004 a discount rate of 4.7%, an assumed rate of salary increase of 3.0% and German mortality rates. Benefits paid are deducted from this liability, while additions are charged to the statement of operations.

In Italy, all employees are paid a staff leaving indemnity on termination of their employment. Each year, we accrue an amount for each employee, based in part on the employee's remuneration and in part on the revaluation of amounts previously accrued. The indemnity has the characteristics of a defined contribution obligation and is an unfunded, but fully provided, liability.

The cost of providing benefits under the plan is determined separately for each plan. Actuarial gains and losses are recognised as income or expense immediately.

Allowance for Doubtful Accounts

We record allowances for estimated losses from uncollectible accounts based upon specifically identified amounts that we believe to be uncollectible. In addition, we record additional allowances based on historical experience and our assessment of the general financial condition of our customer base. If our actual collections experience changes, revisions to our allowances may be required. We have a number of customers with individually large amounts due at any given balance sheet date. Any unanticipated change in the creditworthiness of one of these customers or other matters affecting the collectibility of amounts due from these customers could have a material adverse affect on our results of operations in the period in which these changes or events occur.

The allowance for doubtful accounts as reflected in our consolidated balance sheet reflects our best estimate of the amount of our gross accounts receivable that will not be collected. Our actual level of bad debts has been relatively stable in recent years, which we believe is due to our practice of requiring customer prepayments in certain instances together with prompt identification of potential problem accounts. We continue to refine our estimates for bad debts as our business grows, and while our credit losses have historically been within both our expectations and the provision recorded, fluctuations in credit loss rates in the future may impact our financial results.

Results of Operations

The following discussion and analysis of our results of operations and financial condition is based on our historical results. Other factors, including the level of consumer demand for personal navigation products and in-car navigation systems, the pricing of our products and our ability to maintain existing customers and win new customers, will be significant to our future success and should be carefully considered.

The acquisition of GDT in July 2004 significantly increased the scale of our North American operations. Our results of operations for 2002 and 2003 do not reflect the acquisition of GDT, while our results of operations for 2004 reflect approximately six months post-acquisition results of GDT. Our results of operations for the nine month period ended 30 September 2005 include GDT for this entire period, while our results of operations for the nine month period ended 30 September 2004 reflect approximately three months of post-acquisition results of GDT. Principally as a result of the GDT acquisition, our historical results of operations are not directly comparable from period to period and should not be relied upon as indicative of future performance.

The following table sets forth our consolidated statement of operations for the periods indicated.

Consolidated Statement of Operations

	Year ended 31 December			Nine months ended 30 September	
	2002	2003	2004[1] (restated)	2004[1] (restated)	2005
			(€ in millions)		
Revenues	**78.3**	**86.5**	**127.7**	**85.0**	**142.2**
Operating expenses					
Cost of revenue	8.4	9.4	16.5	10.5	19.8
Personnel expenses	78.9	77.4	88.7	62.8	84.7
Depreciation and amortisation	36.0	40.1	40.8	30.0	39.0
Impairment of intangible assets	—	62.0	—	—	—
Other operating expenses	40.6	45.1	48.0	33.9	41.5
Total operating expenses	**163.9**	**234.0**	**194.1**	**137.1**	**185.0**
Capitalised databases and tools	66.6	61.9	59.7	41.5	23.5
Net operating expenses	**97.3**	**172.1**	**134.4**	**95.6**	**161.6**
Operating result from discontinued operations	—	—	—	—	0.2
Loss on disposal of discontinued operations	—	—	—	—	(0.6)
Operating result (loss)	**(19.0)**	**(85.6)**	**(6.7)**	**(10.7)**	**(19.7)**
Other income (expenses), net	1.3	(1.1)	(3.5)	(2.5)	0.7
Result (loss) before income taxes	**(17.7)**	**(86.7)**	**(10.2)**	**(13.2)**	**(19.0)**
Income tax	(1.0)	(0.6)	5.2	(0.7)	(1.9)
Net result (loss)	**(18.6)**	**(87.3)**	**(5.0)**	**(13.9)**	**(20.9)**

(1) The figures as of and for the year ended 31 December 2004 and as of and for the nine months ended 30 September 2004 have been restated to reflect the retrospective application of IFRS 2, pursuant to which the effects of share-based payment transactions, including expenses associated with share options granted to employees, must be reflected on the profit and loss statement and financial condition.

There has been no significant change in our financial or trading position, and no material adverse change in our financial position or prospects since 30 September 2005.

The following table sets forth our consolidated revenues and operating result (loss) by geographic segment for the periods indicated. The geographic segments are based on the location of customers. Revenues and operating result (loss) from areas outside of Europe and North America are included in revenues and operating result (loss) for Europe. Revenues are generally allocated to either the Europe or North America geographic segments, based on the location of the customers. When we sell map data covering the geography of one region to customers in different region, we allocate a portion of the revenues from the sale to the geographic segment which generated the data to compensate that region for the costs of the creation and maintenance of the data. Expenses related to corporate activities, such as the offices of the chief executive officer and chief operating officer, the corporate finance and accounting, marketing and technology staffs, are allocated evenly between Europe and North America. Operating expenditure for our production location in India (which was sold in March 2005) was allocated, and costs to our outsourcing partners in India are allocated, based on the actual costs incurred in connection with each geographical segment's database projects.

Europe

	Year ended 31 December			Nine months ended 30 September	
	2002	2003	2004(1) (restated)	2004(1) (restated)	2005
			(€ in millions)		
Revenues	67.0	78.4	98.7	68.6	101.8
Operating result (loss)	4.5	3.7	14.3	7.1	(3.0)

North America

	Year ended 31 December			Nine months ended 30 September	
	2002	2003	2004(1) (restated)	2004(1) (restated)	2005
			(€ in millions)		
Revenues	11.3	8.0	29.0	16.4	40.4
Operating result (loss)	(23.4)	(89.4)	(21.0)	(17.7)	(16.7)

(1) The figures as of and for the year ended 31 December 2004 and as of and for the nine months ended 30 September 2004 have been restated to reflect the retrospective application of IFRS 2, pursuant to which the effects of share-based payment transactions, including expenses associated with share options granted to employees, must be reflected on the profit and loss statement and financial condition.

Comparison of Nine Months Ended 30 September 2005 and 30 September 2004

Consolidated Revenues

Total revenues increased by €57.2 million, or 67%, to €142.2 million in the nine months ended 30 September 2005 from €85.0 million in the nine months ended 30 September 2004. Excluding the impact of currency fluctuations, revenues grew by €59.7 million, or 70.0%.

Revenues in Europe increased by €33.2 million, or 48%, to €101.8 million in the nine months ended 30 September 2005 from €68.6 million in the nine months ended 30 September 2004. This increase was driven largely by rapid growth in demand for personal navigation systems as well as steady growth in the in-car bundled segment, particularly from sales of the Becker in-car navigation system. Revenue growth was partly offset by a decrease in prices related to increased volumes in both segments.

Revenues in North America increased by €24.0 million to €40.4 million in the nine months ended 30 September 2005, from €16.4 million in the nine months ended 30 September 2004. This increase was driven largely by the acquisition of GDT in July 2004, which brought in sales to GDT customers in the enterprise and public sector market, particularly state and federal government customers in the United States.

Segmental Revenues

The following table sets forth our revenues by geographic segment and by business segment for the periods indicated.

Revenues per Segment

	Nine months ended 30 September 2004			Nine months ended 30 September 2005		
	Europe	North America	Total	Europe	North America	Total
			(€ in millions)			
In-car navigation (bundle)	24.0	3.9	27.9	31.9	5.9	37.8
In-car navigation (data products)	18.9	—	18.9	20.1	—	20.1
Personal navigation	18.0	1.3	19.3	38.7	4.7	43.4
Enterprise and public sector	4.4	8.5	12.9	6.9	25.0	31.9
Other segments	3.3	2.7	6.0	4.2	4.8	9.0
Total revenues	**68.6**	**16.4**	**85.0**	**101.8**	**40.4**	**142.2**

Revenues from the in-car bundled segment increased by 35% to €37.8 million in the nine months ended 30 September 2005 from €27.9 million in the nine months ended 30 September 2004, due mainly to increased sales in Europe. Revenues from the in-car bundled segment in Europe increased by 33% to €31.9 million in the nine months ended 30 September 2005 from €24.0 million in the nine months ended 30 September 2004, due mainly to increased sales of our map data products on navigation systems produced by Becker, as well as revenues from Pioneer's sales of its AVICN2 products, launched in the second quarter of 2005. In-car bundled revenues in North America increased to €5.9 million in the nine months ended 30 September 2005 from €3.9 million in the nine months ended 30 September 2004. This increase was due mainly to the addition of revenues from DENSO as a result of the GDT acquisition and Pioneer's sales of its AVICN2 products.

Revenues from in-car data products in Europe increased by 6% to €20.1 million in the nine months ended 30 September 2005 from €18.9 million in the nine months ended 30 September 2004, due mainly to the increased penetration of navigation systems in cars. Although the installed base of navigation systems in cars has continued to grow, sales growth has been offset as a result of the growing prevalence of DVD-based systems, which include maps for a broader geography than CD-based systems and therefore produce less demand for additional areas of geography. Revenue growth from in-car navigation data products was further offset by the loss of market share in earlier years by our major in-car navigation customer Blaupunkt.

Revenues from personal navigation products increased to €43.4 million in the nine months ended 30 September 2005 from €19.3 million in the nine months ended 30 September 2004, in large part due to the significant increase in both Europe and North America in demand for portable navigation systems, particularly integrated products designed to be placed in vehicles. Revenues from the personal navigation segment in Europe increased to €38.7 million in the nine months ended 30 September 2005 from €18.0 million in the nine months ended 30 September 2004, due mainly to growth in sales from TomTom, Navigon and other personal navigation customers. Revenues from the personal navigation segment in North America increased to €4.7 million in the nine months ended 30 September 2005 from €1.3 million in the nine months ended 30 September 2004, due mainly to growth in sales from TomTom and Destinator.

Revenues from the enterprise and public sector segment increased to €31.9 million in the nine months ended 30 September 2005 from €12.9 million in the nine months ended 30 September 2004, due primarily to the acquisition of GDT in July of 2004 and increased revenues in Europe. Revenues from the enterprise and public sector in Europe increased to €6.9 million in the nine months ended 30 September 2005 from €4.4 million in the nine months ended 30 September 2004. This increase was due mainly to increased royalties reported by various existing customers as well as revenue from new customers. Revenues from the enterprise and public sector in North America increased to €25.0 million in the nine months ended 30 September 2005 from €8.5 million in the nine months ended 30 September 2004. This increase was due primarily to sales to GDT customers in the enterprise and public sector market, particularly state and federal government customers in the United States.

Revenues from other segments increased by 50% to €9.0 million in the nine months ended 30 September 2005 from €6.0 million in the nine months ended 30 September 2004, due mainly to increased sales from consumer wireless and internet customers in Europe and the acquisition of GDT. Revenues from other segments in Europe increased to €4.2 million in the nine months ended 30 September 2005 from €3.3 million in the nine months ended 30 September 2004. This increase was due mainly to increased sales from consumer wireless customers. Revenues from other segments in North America increased to €4.8 million in the nine months ended 30 September 2005 from €2.7 million in the nine months ended 30 September 2004. This increase was due mainly to the acquisition of GDT in July of 2004.

Cost of Revenue

Cost of revenue increased to €19.8 million in the nine months ended 30 September 2005 from €10.5 million in the nine months ended 30 September 2004. This represented an increase in cost of revenue to 14% of total revenues in the nine months ended 30 September 2005 from 12% of total revenues in the nine months ended 30 September 2004. The increase in Europe was due mainly to higher royalty costs resulting from higher revenues as well as growth in co-marketing funds incurred by increased sales of personal navigation systems. The increase in North America was due largely to the acquisition of GDT.

Personnel Expenses

The substantial majority of our personnel costs comprise wages and salaries. In addition, personnel costs include severance payments, bonuses, social security costs, training costs, pension costs and costs related to share-based compensation.

Personnel expenses increased to €84.7 million in the nine months ended 30 September 2005 from €62.8 million in the nine months ended 30 September 2004, primarily as a result of the addition of GDT employees from 1 July 2004. As a result of the implementation of IFRS 2, we incurred charges related to share-based compensation of €13.6 million in the nine months ended 30 September 2005 and of €2.4 million in the nine months ended 30 September 2004. Excluding the impact of exchange rates, severance costs and costs related to share-based compensation, personnel expenses increased by 25% to €73.3 million in the nine months ended 30 September 2005. The increase in personnel expenses in Europe was due primarily to increases in headcount as our operations expanded and our business grew. The increase in personnel expenses in North America was due principally to the acquisition of GDT in July 2004.

Depreciation and Amortisation

Depreciation and amortisation charges relate to fixed assets, consisting mainly of information technology equipment and furniture and fixtures and to intangible assets, consisting of databases, software tools, customer relationships, trademarks and goodwill.

Depreciation and amortisation increased to €39.0 million in the nine months ended 30 September 2005 compared to €30.0 million in the nine months ended 30 September 2004. Depreciation and amortisation in Europe increased due to amortisation of the amounts previously capitalised for internally generated databases and tools. Depreciation and amortisation in North America increased due to depreciation and amortisation expenses on assets acquired with the GDT acquisition in July 2004.

Other Operating Expenses

Other operating expenses consist primarily of travel costs, housing, information technology and communication costs, marketing costs and outsourcing costs.

Other operating expenses increased by 22% to €41.5 million in the nine months ended 30 September 2005 from €33.9 million in the nine months ended 30 September 2004. Operating expenses for the period ended 30 September 2004 included €4.4 million in severance and other acquisition costs relating to GDT and the settlement of a tax audit of wage taxes on our employee option plans. Excluding the impact of currency fluctuations and the impact of severance and acquisition costs and costs related to the tax audit in the nine months ended 30 September 2004, other operating expenses increased by 44% in the nine months ended 30 September 2005. This increase was due principally to the acquisition of GDT, higher costs incurred from outsourcing our Indian operations, increased marketing costs and higher costs for source data.

Capitalisation of Databases and Tools

Capitalisation of databases and tools decreased by 43% to €23.5 million in the nine months ended 30 September 2005 from €41.5 million in the nine months ended 30 September 2004. This decrease was largely due to the result of the implementation of the revised International Accounting Standards Board pronouncement IAS 38 and our determination that for a number of countries in Europe, our map database has reached a level of completion at which activities are focused on maintaining and upgrading the database rather than building it. For those countries, capitalisation was discontinued as of 1 January 2005. The resulting decrease was partly offset by an increase in capitalisation in North America of databases acquired with GDT in July 2004.

Loss on Disposal of Discontinued Operation

In March 2005, we disposed of our Indian subsidiary Tele Atlas India Private Ltd. ("Tele Atlas India") to Infotech for €1.2 million. As part of the disposal, we agreed to purchase ordinary shares of Infotech in approximately the same amount. The disposal of Tele Atlas India resulted in a loss of €0.6 million including legal and other costs and capital gains tax on the transaction.

Other Income (Expenses), Net

Net other income in the nine months ended 30 September 2005 was €0.7 million compared to an expense of €2.5 million in the nine months ended 30 September 2004. This increase was primarily the result of a reduction in interest expenses due to the repayment of shareholder loans and bank loans out of the proceeds of the financing transaction in July 2004. Included in the net other income for the nine months ended 30 September 2005 were a €0.5 million gain on re-measuring our investment in Infotech at fair value and our €0.1 million share of the loss of our Chinese joint venture. Excluding these items, net other income was €0.2 million in the nine months ended 30 September 2005, compared to an expense of €2.5 million in the nine months ended 30 September 2004.

Income Taxes

Income taxes in the nine months ended 30 September 2005 were €1.9 million compared to a charge of €0.7 million in the nine months ended 30 September 2004.

Net Result (loss)

As a result of the above, our net loss increased to €20.9 million in nine months ended 30 September 2005 from €13.9 million in nine months ended 30 September 2004.

Comparison of 2004 and 2003

Consolidated Revenues

Total revenues increased by €41.2 million, or 48%, to €127.7 million in 2004 from €86.5 million in 2003.

Revenues in Europe increased by €20.3 million, or 26%, to €98.7 million in 2004 from €78.4 million in 2003. This increase was driven largely by rapid growth in the personal navigation segment.

Revenues in North America increased by €21.0 million to €29.0 million in 2004 from €8.0 million in 2003. Approximately €15.7 million of this increase was due to GDT. Excluding the impact of GDT and currency fluctuations, our revenues in North America increased by €7.7 million to €15.7 million in 2004. This increase was due largely to increased sales in the personal navigation segment as well as initial sales to Pioneer in the North American in-car navigation segment.

Segmental Revenues

The following table sets forth our revenues by geographic segment and by business segment for the periods indicated.

Revenues per Segment

	2003			2004		
	Europe	North America	Total	Europe	North America	Total
	(€ in millions)					
In-car navigation (bundle)	29.4	—	29.4	31.8	5.1	36.9
In-car navigation (data products)	29.1	—	29.1	24.4	—	24.4
Personal navigation	7.4	0.5	7.9	28.7	4.7	33.4
Enterprise and public sector	8.0	3.0	10.9	7.3	15.7	22.9
Other segments	4.7	4.5	9.2	6.5	3.5	10.0
Total revenues	**78.4**	**8.0**	**86.5**	**98.7**	**29.0**	**127.7**

Revenues from the in-car navigation bundled segment increased by 25% to €36.9 million in 2004 from €29.4 million in 2003, due primarily to increased sales to Pioneer resulting from Pioneer's introduction of the new AVIC system in 2004 and the addition of sales to DENSO as a result of the acquisition of GDT. Sales on navigation systems produced by other in-car navigation developers remained roughly at the same level in 2004 as in 2003. Sales to our largest navigation customer, Blaupunkt, remained at the same level despite the loss of market share in the European automotive navigation market by Blaupunkt. Revenues from the in-car navigation bundled segment in Europe increased to €31.8 million in 2004 from €29.4 million in 2003, as a result of sales to Pioneer. Revenues from the in-car navigation bundled segment in North America increased to €5.1 million in 2004 from zero in 2003, as a result of the acquisition of GDT and sales to Pioneer.

Revenues in the in-car data products segment decreased as a result of the growing prevalence of DVD-based systems and the loss of market share in earlier years by Blaupunkt.

Revenues in the personal navigation segment increased to €33.4 million in 2004 from €7.9 million in 2003, due primarily to increased sales to TomTom as a result of increased volumes from the release of its new TomTom GO product in March 2004. Revenue also increased on other accounts in the personal navigation segment as a result of increased volumes. Personal navigation revenues in Europe increased to €28.7 million in 2004 from €7.4 million in 2003, for the same reasons. Personal navigation revenues in North America increased to €4.7 million in 2004 from €0.5 million in 2003, as a result of market growth.

Cost of Revenue

Cost of revenue increased to €16.5 million in 2004 from €9.4 million in 2003. This represented an increase in cost of revenue from 11% of revenues in 2003 to 13% in 2004. The increase in Europe was due primarily to increased sales as well as increases in co-marketing funds resulting from increased sales into the personal navigation market. The increase in North America was due largely to the acquisition of GDT.

Personnel Expenses

Personnel expenses increased by 15% to €88.7 million in 2004 from €77.4 million in 2003. Excluding the impact of exchange rates and costs related to share-based compensation and severance costs in 2004, personnel expenses increased by 15% to €88.8 million in 2004. The increase in Europe was due primarily to increases in headcount as our operations expanded and our business grew in North America due to the acquisition of GDT.

Depreciation and Amortisation

Depreciation and amortisation remained broadly unchanged at €40.8 million in 2004 compared to €40.1 million in 2003. Depreciation and amortisation in Europe increased in 2004 over 2003 due to amortisation of the amounts previously capitalised for internally generated databases and tools. Depreciation and amortisation in North America decreased as a result of the reduction taken in the carrying value of the North American database due to the impairment of databases and goodwill in 2003 and currency fluctuations, partly offset by increased depreciation and amortisation on the assets acquired with GDT.

Impairment of Intangible Assets

As of 31 December 2003, we recognised an impairment charge of €62.0 million in connection with the database of our North America operations as a result of the outcome of an impairment test performed in accordance with IAS 36. The amount of €62.0 million represents the excess of the book value of the North American database over its recoverable amount, taking into account our plans to acquire GDT and to combine our database and activities in North America with GDT's database and operations.

Other Operating Expenses

Other operating expenses increased by 6% to €48.0 million in 2004 from €45.1 million in 2003. In 2004, operating expenses included €5.6 million in severance and other acquisition costs relating to GDT and the settlement of a tax audit of wage taxes on our employee option plans. In 2003, we incurred charges for termination payments to certain former Board members and employees, as well as a charge relating to the wage tax audit, totalling €4.2 million. Excluding the impact of these charges and currency fluctuations, other operating expenses increased by 12% due primarily to the addition of GDT's operating expenses and additional expenses to support the increase in our revenues.

Capitalisation of Databases and Tools

Capitalisation of databases and tools decreased to €59.7 million in 2004 from €61.9 million in 2003. Capitalisation in Europe increased, and capitalisation in North America decreased. The increase in Europe reflected the further expansion and enhancement of the European database. The decrease in North America was due largely to currency fluctuations.

Other Income (Expenses), Net

Net other expenses increased to €3.5 million in 2004 from €1.1 million in 2003, due mainly to increases in shareholder and bank loans used to fund operations during the first half of 2004.

Income Taxes

A net tax benefit of €5.2 million was included in 2004 compared to a charge of €0.6 million in 2003. The tax benefited resulted from the partial recognition of a tax asset on tax loss carryforwards in The Netherlands, which had previously not been recognised. Excluding this tax benefit, tax charges amounted to €2.5 million in 2004.

Net Result (loss)

As a result of the above, our net loss decreased to €5.0 million in 2004 from €87.3 million in 2003.

Comparison of 2003 and 2002

Consolidated Revenue

Total revenues increased by €8.2 million, or 10%, to €86.5 million in 2003 from €78.3 million in 2002.

Revenues in Europe increased by €11.4 million, or 17%, to €78.4 million in 2003 from €67.0 million in 2002. This increase was due largely to increased sales in the in-car navigation data products segment.

Revenues in North America decreased by €3.3 million, or 29%, to €8.0 million in 2003 from €11.3 million in 2002. Excluding the impact of currency fluctuations, revenues in North America decreased by €2.1 million, due primarily to our phasing out of lines of business acquired in connection with our acquisition of Etak Inc. and Etak The Digital Map Company Limited (together, "Etak") in 2000. This decrease was also due to declines in licence fee revenues from navigation patents.

Segmental Revenues

	2002			2003		
Revenues per Segment	**Europe**	**North America**	**Total**	**Europe**	**North America**	**Total**
			(€ in millions)			
In-car navigation (bundle)	29.6	—	29.6	29.4	—	29.4
In-car navigation (data products)	22.3	—	22.3	29.1	—	29.1
Personal navigation	1.9	0.7	2.6	7.4	0.5	7.9
Enterprise and public sector	8.5	3.1	11.6	8.0	3.0	10.9
Other segments	4.8	7.5	12.3	4.7	4.5	9.2
Total revenues	**67.0**	**11.3**	**78.3**	**78.4**	**8.0**	**86.5**

Revenues in the data products navigation segment in Europe increased to €29.1 million in 2003 from €22.3 million in 2002, as a result of the increase in the installed base of navigation systems in cars. Revenues from in-car navigation bundle remained broadly unchanged. Revenues from Blaupunkt in-car navigation systems decreased, largely offset by the initial revenues realised from Becker in-car navigation systems.

Cost of Revenue

Cost of revenue increased to €9.4 million in 2003 from €8.4 million in 2002 in line with the growth in our sales. As a percent of revenues these costs remained unchanged.

Personnel Expenses

Personnel expenses decreased slightly to €77.4 million in 2003 from €78.9 million in 2002 due primarily to the impact of changes in exchange rates. Excluding this impact, personnel expenses increased by €3.3 million due largely to increases in our employee base, primarily in India.

Depreciation and Amortisation

Depreciation and amortisation increased to €40.1 million in 2003 from €36.0 million in 2002 due mainly to the amortisation of amounts previously capitalised for internally generated databases and tools.

Impairment of Intangible Assets

As discussed above, we recognised an impairment charge of €62.0 million in connection with the database of our North America operations as a result of the outcome of an impairment test performed in accordance with IAS 36. The amount of €62.0 million represents the excess of the book value of the North American database over its recoverable amount, taking into account our plans to acquire GDT and to combine our database and activities in North America with GDT's database and operations.

Other Operating Expenses

Other operating expenses increased by €4.5 million to €45.1 million in 2003 from €40.6 million in 2002. Excluding the impact of currency fluctuations, other operating expenses increased by €6.7 million. This increase was due largely to a €4.2 million charge relating to a wage tax audit and one time charges for termination payments to certain former Board members and employees. The remainder of the increase was due primarily to higher marketing costs in Europe.

Capitalisation of Databases and Tools

Capitalisation of databases and tools decreased to €61.9 million in 2003 from €66.6 million in 2002. This decrease reflected in part the impact of changes in exchange rates on personnel and other expenses incurred in connection with our North American database activities.

Financial Income (Expenses), Net

Financial expenses, net, were €1.1 million in 2003 compared to financial income of €1.3 million in 2002, due mainly to lower net interest income on cash and deposit balances and interest payments on new loans.

Income Taxes

Income tax expense decreased to €0.6 million in 2003 from €1.0 million in 2002 as the result of changes in the levels of income realised in various European tax jurisdictions.

Net Result (loss)

As a result of the above, our net loss increased to €87.3 million in 2003 from €18.6 million in 2002.

Liquidity and Capital Resources

Overview

We have a history of operating losses and negative cash flows from operations. To fund the significant investments we have made in our European and North American databases, we have needed to raise additional funds through public and private equity financings and shareholder and bank loans.

In May 2000, we completed an initial public offering on the *Neuer Markt* segment of the FSE, raising approximately €226.4 million after issuance expenses. We used the net proceeds from our initial public offering primarily to repay indebtedness incurred in connection with our acquisition of Etak in 2000 and to fund our working capital needs, primarily the development of our North American database and operations through 2002.

During 2003, we entered into a multi-purpose bank facility with a limit of €10.0 million. We also entered into a loan agreement with our shareholders, Bosch and IAM in the total amount of €10.0 million. During the first half of 2004, we entered into further loan agreements with Bosch and IAM in the total amount of €7.8 million and bridge loan facility agreements with Bosch and IAM in the total amount of €11.2 million. These loans were used to fund our working capital needs during 2003 and 2004.

In July 2004, we acquired GDT for $101.2 million (approximately €83.3 million), including acquisition expenses. At the same time, we raised approximately €168.3 million after issuance expenses through a preferred shares financing from a consortium of private equity investors led by Oak and NEA. The financing was used to fund the purchase of GDT, the cost of integration, our working capital needs and the repayment of €31.0 million in shareholders loans and bank debt.

We regularly monitor our liquidity position, including cash levels and capital expenditures. We held total cash and cash equivalents of €61.0 million as of 30 September 2005, as compared to €44.9 million as of 31 December 2004, €9.5 million as of 31 December 2003 and €40.1 million as of 31 December 2002. Since June 2004, we have had available a €12.0 million multi purpose credit facility with Fortis Bank, on which we have not drawn. This credit facility bears and interest rate of 25 basis points under the one-month EURIBOR rate.

Approximately €3.6 million of our cash and cash equivalents as of 30 September 2005 is committed to letters of credit and security deposits for leases and other arrangements.

We believe our cash flow generated from operating activities, our cash and cash equivalents and the net proceeds we will receive from the Global Offer will be adequate to fund our working capital needs at our current level of operations for at least the next twelve months. We may, however, consider additional debt or equity financings in the future.

The following table summarises the principal components of our consolidated cash flows for the periods indicated:

Cash Flow Data	**As of 31 December**			**Nine months ended 30 September**	
	2002	**2003**	**2004**	**2004**	**2005**
	(€ in millions)				
Net cash provided by (used in) operating activities after investment in databases and tools	(57.3)	(41.0)	(28.5)	(28.0)	15.1
Net cash used in investing activities	(13.6)	(3.5)	(91.2)	(87.0)	(3.7)
Net cash provided by (used in) financing activities	(0.2)	13.8	155.1	154.6	4.7
Net increase/(decrease) in cash and cash equivalents	**(71.0)**	**(30.7)**	**35.5**	**39.6**	**16.1**

Net cash used in investing activities includes cash used for purchases of property and equipment and the acquisition of GDT in 2004.

Net Cash Used in Operating Activities

The net cash used in operating activities after investment in databases and tools decreased to €28.5 million in 2004 from €41.0 million in 2003. This decrease resulted principally from an improvement of €24.5 million in our operating results before depreciation, amortisation, capitalisation and share option expenses, offset in part by an increase in working capital requirements of €11.8 million relating to higher sales and longer payment terms associated with some customers. Interest and tax payments amounted to a cash outflow of €1.8 million in 2004, compared to a cash outflow of €0.9 million in 2003. This increase related mainly to interest and charges incurred on shareholders and bank loans used to fund our operations in the first half of 2004. These loans were fully repaid out of the proceeds of the sale of Preferred A Shares in July 2004.

Net cash used in operating activities after investments in databases and tools decreased to €41.0 million in 2003 from €57.3 million in 2002. This resulted principally from an improvement of €14.2 million in working capital and non-current liabilities and an improvement of €4.1 million in our operating result before depreciation, amortisation, capitalisation and share option expense. Interest and tax payments amounted to a cash outflow of €0.9 million, compared to a cash inflow of €1.2 million in 2002. The cash outflow in 2003 related mainly to interest and charges incurred on shareholder and bank loans.

Net Cash Used in Investing Activities

Net cash used in investing activities was €91.2 million in 2004, compared to €3.5 million in 2003 and €13.6 million in 2002. The increase from 2003 to 2004 was due primarily to the acquisition of GDT for $101.2 million, including acquisition expenses (approximately €83.3 million). In addition, purchases of equipment, software, leasehold improvements and furniture increased to €6.3 million in 2004 from €3.5 million in 2003 mainly as a result the increased scale of our North American operations due to the addition of GDT. Investments in 2002 included the payment of the last €9.5 million instalment of the purchase consideration for Etak, which was acquired in 2000.

Net Cash Provided by or Used in Financing Activities

Net cash provided by financing activities was €155.1 million in 2004, compared to €13.8 million in 2003 and €0.2 million in 2002. This increase in 2004 was due to the issue in July of Preferred A Shares with net proceeds of €168.3 million, offset partly by the repayment of loans to shareholders and bank debt out of those proceeds. In 2003, we entered into a loan agreement with our major shareholders, Bosch and IAM, for an amount of €10.0 million. In 2002 and 2003, net cash used in financing activities was €0.2 million for repurchasing of our ordinary shares.

In 2002 and 2003, we re-purchased 140,000 and 107,505 of our ordinary shares, respectively. All of these shares were delivered to our employees in 2005 upon exercise of their employee share options. As of 30 September 2005, we did not hold any of our ordinary shares.

Contractual Obligations and Commercial Commitments

The table below sets forth information relating to our contractual obligations and commercial commitments as of 30 September 2005.

	Within one year	From 1 to 5 years	More than 5 years	Total
		(€ in millions)		
Operating leases[1]	7.6	13.6	3.8	25.0
Outsourcing commitments[2]	5.3	5.5	—	10.8
Source material obligations[3]	2.5	2.3	—	4.8
Other commitments	1.3	1.2	—	2.5
Total	16.6	22.6	3.8	43.1

(1) Reflect principally leases of facilities, cars and certain computer equipment.
(2) Reflects commitments to InfoTech, to which we outsource a substantial part of the manual input and digitisation of our acquired data.
(3) Reflects commitments for source material for use in our digital maps.

In addition, we have approximately €3.6 million as of 30 September 2005 relating to letters of credit and security deposits for leases and other arrangements.

Capital Expenditures

The following table shows our capital expenditures by geographic segment for the periods indicated:

Europe	Year ended 31 December			Nine months ended 30 September	
	2002	2003	2004	2004	2005
			(€ in millions)		
Internally generated intangible assets	29.3	28.3	31.4	21.4	6.9
Purchase of equipment and furniture	2.8	2.9	5.0	2.7	1.8
Total	**32.1**	**31.2**	**36.4**	**24.1**	**8.7**

North America	Year ended 31 December			Nine months ended 30 September	
	2002	2003	2004	2004	2005
			(€ in millions)		
Internally generated intangible assets	37.3	33.6	28.3	20.1	16.6
Purchase of equipment, software, leasehold improvements and furniture	1.2	0.7	1.2	0.6	1.7
Total	**38.5**	**34.3**	**29.5**	**20.7**	**18.3**

Our capital expenditures relate largely to the creation and upgrading of our database and tools. Purchases of equipment, software, leasehold improvements and furniture mainly consist of purchases of information technology equipment.

In Europe, our total capital expenditures remained relatively stable in 2002 and 2003 and increased in 2004 due primarily to increased investments in improving our leasehold premises and enhancing our database, as well as our investments in information technology equipment related to our mobile mapping processes. Capitalisation of databases and tools decreased to €23.5 million in the nine months ended 30 September 2005 from €41.5 million in the nine months ended 30 September 2004. This decrease was due largely to the result of the implementation of IAS 38 (revised 2004) and the determination by us that for a number of countries in Western Europe, the database has reached a level of completion at which activities are focused on maintaining and upgrading the database. For those countries, capitalisation was discontinued as of 1 January 2005. In North America, our total capital expenditures decreased from 2002 through 2004 due largely to currency fluctuations. In US dollar terms, our total capital expenditure in North America has been relatively stable, with significant investments in our North American database and operations in all years.

As a result of the implementation of IAS 38 (revised 2004) and the determination by us that for a number of countries in Western Europe, the database has reached a level of completion at which activities are focused on maintaining and upgrading the database, we no longer capitalise database costs for most of Western Europe and expect to discontinue capitalising database costs for the United States in early 2006. We expect the total amounts capitalised in 2006 to decrease significantly as the result of the discontinuation of capitalisation of database costs in the United States.

Based on our existing conditions and current operations, we expect to incur total capital expenditures in equipment, software, leasehold improvements and furniture of approximately €10.0 million over the next 12 months, relating primarily to information technology equipment. We believe our cash flow generated from operating activities, our cash and cash equivalents and the net proceeds we receive from the Global Offer will be adequate to fund our capital expenditure requirements at our current level of operations for at least the next twelve months.

Off Balance Sheet Arrangements

We do not currently have any off balance sheet arrangements, other than the operating leases identified above under "Contractual Obligations and Commercial Commitments".

Qualitative Disclosure About Market Risk

The principal categories of market risk we are exposed to are exchange rate risk and credit risk. We have used derivatives in connection with our risk management activities in the past but currently do not hold any such derivative financial instruments. We do not hold or issue derivative financial instruments for trading purposes.

Exchange Rate Risk

We conduct our business in multiple currencies, principally the euro and the US dollar. We currently sell our products in Europe, the United States, Canada, Asia and South America. Currently, the majority of our revenues are in euros. This may change over time as we continue to expand our international operations. Our employee base is spread over different geographic areas, mainly in Europe and North America, and consequently a substantial portion of our costs are in US dollars.

Because we generally invoice and collect revenues in the functional currency of the major geographical unit involved (for example, Europe or North America) and because our cash expenditure in the United States is similar in amount to our revenues there, our exposure to currency transaction risk is not material at this time but this could change in the future. Our principal currency translation risk arises from the fact that the financial records of our North American operations are maintained in US dollars. Upon preparing consolidated financial statements, our euro-denominated consolidated reported financial results can be affected by changes in the relative value of the US dollar against the euro. Fluctuations in currency values also distort period-to-period comparisons of financial performance. Furthermore, fluctuations in currency values also may cause prices to increase in some markets which could impair our ability to sell our products. Also given the high volatility of currency exchange rates, there can be no assurance that we will be able to effectively manage our currency risk to minimise its impact on our business.

Our exposure to currency transaction risk and currency translation risk could have a material adverse effect on our business, results of operations or financial condition. We do not currently engage in any hedging activities to limit our exposure to exchange rate fluctuations.

Credit Risk

Since we do not currently utilise any derivative arrangements, our credit risk is generally limited to that related to credit extended to our customers in connection with their purchase of our products. As discussed under Critical Accounting Policies and Estimates—Allowance for Doubtful Accounts, we record allowances for estimated losses from uncollectible accounts based upon specifically identified amounts that we believe to be uncollectible. In addition, we record additional allowances based on historical experience and our assessment of the general financial condition of our customer base. While it is our policy to record these allowances, there is no assurance that we will not incur losses as a result of customers not being able to meet their obligations in excess of these allowances.

Derivative Financial Instruments

Starting in 2001, we adopted IAS 39, Financial Instruments: Recognition and Measurement. The standard requires us to recognise all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of assets, liabilities, or firm commitments through earnings or recognised in a separate component of equity until the hedged item is recognised in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognised in earnings.

Although we currently do not have any derivative financial instruments, in 2002, 2003 and early 2004 we used forward currency exchange contracts to attempt to minimise exchange rate risks. At 31 December 2004, we carried no derivative financial instruments in the balance sheet. The amount that was removed from equity and reported in the statement of operations in 2004 was negative €0.7 million. The fair value of derivative financial instruments included in the balance sheet at 31 December 2003 was a negative €0.7 million, compared to negative €1.3 million in 2002. The amount that was recognised in equity during 2003 was €2.4 million. The amount that was removed from equity and reported in the statement of operations in 2003 was €3.0 million.

The carrying value of the financial assets and liabilities disclosed in the balance sheet is approximately equal to their fair value on account of the short maturity of these assets and liabilities.

New Accounting Pronouncements

IFRS 3 Business Combinations

In March 2004, the International Accounting Standards Board issued IFRS 3 Business Combinations. IFRS 3 is applicable for business combinations where the agreement date is on or after 31 March 2004. IFRS 3 prescribes the financial reporting by an entity when it undertakes a business combination. Under IFRS 3, all business combinations are accounted by applying the purchase method, which views the business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at their fair values at acquisition date except for non-current assets that are classified as held for sale which are to be recognised at fair value less cost to sell. Goodwill, being the excess of the cost over the acquirer's interest in the net fair value of the assets, liabilities and contingent liabilities, is recognised as an asset and subsequently carried at cost less any accumulated impairment losses in accordance with IAS 36 Impairment of Assets. IFRS 3 replaced IAS 22 business combinations.

Under IFRS 3 goodwill on acquisitions after 31 March 2004 is not amortised and goodwill already carried on the balance sheet will not be amortised after 1 January 2005. Goodwill already carried on the balance sheet was amortised over 10 years under IAS 22. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

At the acquisition date, any goodwill acquired is allocated to each of the cash generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of each cash-generating unit, to which the goodwill relates.

We have applied IFRS 3 in our accounting for the acquisition of GDT in 2004. We determined that the fair value of the assets, including identifiable intangible assets such as databases, customer relationships and trademarks and net of liabilities amounted to €67.4 million. The total cost of the acquisition amounted to €83.3 million and we consequently recognised €15.9 million as goodwill.

IFRS 2 Share-Based Payment

In February 2004, the International Accounting Standards Board issued IFRS 2 Share-based Payment. IFRS 2 applies to annual periods beginning on or after 1 January 2005. IFRS 2 prescribes the financial reporting by an entity when it undertakes a share-based payment transaction. It applies to grants of shares, share options or other equity instruments made after 7 November 2002 that had not yet vested at the effective date of the IFRS. IFRS 2 applies retrospectively to liabilities arising from the share-based payment transactions existing at the effective date. IFRS 2 requires an entity to reflect in its profit and loss and financial position the effects of share-based payment transactions, including expenses associated with share options granted to employees.

Retrospective application of IFRS 2 has lead to a reduction of our operating results for 2004 of €4.6 million. Expenses for share-based compensation for the nine months period ending 30 September 2005 amounted to €13.6 million.

IAS 38 Intangible Assets

In March 2004, the International Accounting Standards Board issued a revised IAS 38. IAS 38 (revised 2004) applies to the accounting for intangible assets acquired in business combinations after 31 March 2004, and to all other intangible assets for annual periods beginning on or after 31 March 2004. An intangible asset is initially recognised at cost if all of the following criteria are met:

- the asset meets the definition of an intangible asset, i.e., it is identifiable and controlled by the entity;
- it is probable that future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

If an intangible item does not meet the criteria for recognition as an asset, the expenditure is recognised as an expense when incurred. Whereas under the previous IAS 38 indirect costs and general overheads which could be allocated on a reasonable and consistent basis were recognised as part of the cost of the asset, under the revised IAS 38, these costs cannot be recognised as part of the cost of the asset.

The implementation of the revised IAS 38 and the determination by us that for a number of countries in Western Europe, the database has reached a level of completion at which activities are focused on maintaining and upgrading the database lead to a considerable decrease in amounts capitalised. Capitalisation of internally generated databases and tools during the nine month period ending 30 September 2005 was €23.5 million, compared to €41.5 million in the same period of 2004.

IAS 31 Interests in Joint Ventures

IAS 31 (revised 2003) is applicable to annual periods beginning on or after 1 January 2005. IAS 31 applies to accounting for interests in joint ventures. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. These are of three types: jointly controlled operations, jointly controlled assets and jointly controlled entities. In October 2004, we entered into a joint venture agreement with Shanghai Changxiang Computer Co. Ltd ("SCC") to establish the joint venture company Shanghai NaviAtlas Navigation Information Co Ltd. ("NaviAtlas"). The joint venture is regarded as a jointly controlled entity under IFRS, for which two alternative accounting treatments exist: proportionate consolidation or equity accounting. We decided to account for the joint venture, to which the initial contribution was made during the first quarter of 2005, using the equity method.

We accounted for our initial investment in NaviAtlas at cost and recognised 25% of the net losses of the joint venture (€0.1 million) in losses for the nine months ending 30 September 2005.

Statutory Financial Accounts

In addition to our statements under IFRS, we have prepared statutory consolidated financial statements for the years ended and as of 31 December 2002, 2003 and 2004 in accordance with Dutch generally accepted accounting standards ("Dutch GAAP"), as required by Netherlands law. Our statutory consolidated financial statements differ in certain respects from the consolidated financial statements included in this Prospectus, which have been prepared in accordance with IFRS. For the year ended and as of 31 December 2004, our net loss under Dutch GAAP was €3.8 million lower than our net loss under IFRS (as amended for IFRS 2) and our total equity under Dutch GAAP was €0.7 million lower than our total equity under IFRS (as amended for IFRS 2). As of 1 January 2005, all companies listed on Eurolist by Euronext are required to prepare their consolidated financial statements in accordance with IFRS. We are not required to and do not expect to prepare statutory financial statements in accordance with Dutch GAAP for the 2005 financial year or beyond.

INDUSTRY OVERVIEW

General

We provide digital map information for use in a wide range of mapping, navigation and other geography-related applications. The digital mapping industry is growing as a result of recent technological, regulatory and industry developments which have created a growing consumer market for navigation systems, route planning services and other location-based products and services.

We believe that the digital map industry will continue to grow and evolve due to the rapid adoption of new technologies, applications and products by businesses, government entities and consumers. A variety of businesses in the consumer, automotive and enterprise and public sectors markets are actively developing and marketing a wide range of applications and services for consumer or business use that require accurate and regularly updated digital map data.

Key Technological Developments

Historically, people have relied on printed maps for determining their location and planning their route. Digital maps came into use as computing devices increased in processing speed and capability and decreased in cost. Improved data collection and compilation techniques have enabled the production and updating of more current and accurate digital maps with the additional features required for navigation and other applications. These developments have generated growth in the digital map data market.

The widespread availability of GPS technology is the key enabler for consumer navigation using these digital maps. Originally developed for military applications, GPS technology has been increasingly used for consumer applications, and commercial usage has expanded as cheaper and smaller GPS chipsets have been introduced. The combination of a GPS unit and an accurate digital map database provides users with a means to reliably reference the position of an object in real time.

Initially, the use of digital maps in conjunction with GPS navigation gained consumer acceptance through the development of in-car navigation systems. Over the past 18 months however, technological developments have fuelled the emergence of a new market segment, personal navigation. Recent technology advances in processing power, display size and capability, memory capacity, data compression, GPS receiver technology, satellite positioning accuracy and usability, together with declining component costs, have made personal navigation products more accessible, attractive and affordable to consumers. We believe that the increasingly widespread public availability of geographical applications on the Internet along with the increasing importance of locally-focused search capabilities is causing location-based applications using digital maps to become an important content area on the world-wide web. These location-based applications on the web, coupled with the widespread availability of GPS enabled mobile devices and web browsing on mobile devices, could be an important component of the delivery of navigation and other location-based services to mobile devices.

We believe that the adoption of new technologies, applications and products, together with the growing demand for location-based services on mobile devices, will contribute to the continued growth and evolution of the digital map market.

Market Segments and Opportunities

We supply our digital maps into a wide variety of products in the consumer, automotive and enterprise and public sector markets. Until recently, our European operation focused on the automotive navigation market, and GDT (which we acquired in 2004) focused on the North American enterprise and public sector market. More recently, however, the personal navigation market has experienced significant and rapid growth. Overall market penetration in both the personal navigation and automotive navigation markets remains low and we see significant opportunities for growth in both these markets. Given the rapid emergence of the personal navigation market, we now see this segment in particular as not only a key part of our business but also a primary focus of our future growth in all of our geographic markets.

Consumer Market

The consumer market for digital maps is composed of the personal navigation, Internet and consumer wireless market segments. The most important segment in this market for our business today is the personal navigation segment.

Personal navigation systems provide map display, route guidance and other location-based content on mobile products including integrated navigation devices designed to be placed in a vehicle right out of the box (such as the TomTom GO and Navman iCN series), navigation software designed to be installed in personal digital assistants (PDAs) (such as the ViaMichelin Navigation 3 and Mio 168) or GPS-enabled mobile smartphones (such as Gate5's Smart2Go). Until recently, personal navigation products were generally not as functional as in-car navigation systems because of limitations in the mobile devices that hosted the personal navigation applications. However, significant technical improvements, particularly in data storage capacity, quality of small colour displays, capacity of GPS chipsets and ease of use have allowed personal navigation systems to now perform at levels similar to in-car navigation systems. These improvements in functionality, coupled with continued decreases in the price of personal navigation systems, has made them increasingly attractive to consumers. Historically, navigation solutions have only been made available through car manufacturers, car dealers, specialist garages and other professional installers. Increasingly, navigation is becoming more widely available in the form of personal navigation products being sold in consumer retail outlets and also via the Internet.

The personal navigation segment has grown significantly in the last few years with personal navigation systems in Europe, according to market analysts Canalys, expected to grow from approximately 2.6 million units in 2004 to an estimated 6.1 million units in 2005 and 11.7 million units in 2008. In North America, according to estimates from TRG research, the market for personal navigation devices is expected to grow from approximately 0.9 million units in 2004 to over 6.2 million units in 2008. We believe the segment has become larger, in terms of units sold, than the automotive navigation market segment. Until recently, the most widely sold personal navigation products were software applications for PDAs, which, according to Canalys, represented approximately 77% of the units sold in the European market for personal navigation products in 2004. Integrated navigation devices have recently become very popular with consumers. According to Canalys Research, during the second quarter of 2005, sales of integrated navigation devices increased to approximately 50% of the European personal navigation products market, as compared to approximately 17% of this market for all of 2004.

Another key segment of this market, and one that we believe will be increasingly important to our business, is the Internet segment. Leading providers of Internet services such as Google and Mapquest offer web-based mapping, navigation and travel services, including street and address finder and route planning applications and we believe that these and other location-based services have become a key area of focus for these providers. Although these providers do not currently generate significant revenues for the digital map industry, we believe they will play a growing role in delivering maps and other geographic content to mobile devices as web services become more widely available on these products.

Over the longer term, we believe that the consumer wireless market may have significant growth potential for digital map providers. The consumer wireless segment includes sales of map data to wireless carriers who provide the navigation software applications and map data to their subscribers through location-enabled mobile phone handsets. This segment does not currently generate a large amount of revenue for the digital map industry. However, as the number of GPS-enabled mobile phones increases, the importance of this market for digital map providers should also increase as further penetration of GPS-enabled and other location-enabled mobile devices drives growth in this market. In a January 2005 report, Strategy Analytics, an independent industry research firm, estimated that the number of

GPS-enabled handset shipments will reach 287 million globally by 2008, up from 94 million units in 2005. This increase is expected to be driven by, among other factors, deployment of higher bandwidth wireless networks and the E911 mandate in the United States, which requires that handsets capable of accessing the emergency 911 network be locatable within certain parameters.

Automotive Market

The automotive market for digital maps is composed of in-car navigation systems and telematics services. The most important segment of this market for our business is in-car navigation systems that have map data bundled with them. It also includes aftermarket sales of updated map data products to owners of navigation systems.

In-car navigation systems identify the vehicle's position on the road, determine a route to an intended destination and convey the resulting driving directions to the driver through audio or visual displays. These systems may be installed in the factory by car manufacturers ("factory-installed navigation systems") or fitted in vehicles after the vehicle sale by dealers, garages or other professional installers ("aftermarket systems"). As competition among automobile manufacturers intensifies, they will increasingly look for ways to differentiate their product offerings. As a result, we expect automobile manufacturers to expand beyond offering navigation systems primarily in the luxury and sport utility vehicle classes to other vehicle classes.

In 2004, according to TRG research, there were 2.2 million in-car navigation systems sold in Western Europe, up from 1.4 million units in 2002. In North America, 2004 sales were approximately 1.0 million units versus 0.4 million in 2002. Based on 2004 estimates from Global Insight of 16.5 million new cars sold in Western Europe and 19.5 million in North America, the number of in-car navigation systems sold represent penetration rates of only 13% and 5%, respectively. TRG Research expects penetration of these systems to grow in both Western Europe and North America to an estimated 4.5 million units in Western Europe and 2.7 million units in North America in 2008.

Another trend in the automotive market that bridges the in-car and personal navigation market is automobile manufacturers choosing lower cost personal navigation products as the navigation option in their lower end models. For example, Toyota and TomTom recently announced the availability of the TomTom Go as an approved option in Europe on the Toyota Aygo and Peugeot is offering the NavMan iCN series as an option in Belgium. Additionally, automotive navigation suppliers such as Blaupunkt and Siemens VDO have launched their own personal navigation devices.

An important component of the in-car navigation market is sales of aftermarket data products to consumers who wish to update the data in their system or add additional areas of coverage. This is primarily a European market due to the larger installed base of in-car navigation systems, particularly CD-ROM-based systems which are generally shipped with a map covering a limited geographic area such as a single country.

Telematics service providers supply emergency and roadside assistance services, concierge services and verbal directions assistance to subscribers. Although we have some sales in this market, overall this is not a large market for digital maps in Europe and North America, and is not expected to become so in the near future.

Enterprise and Public Sector Market

The enterprise and public sector market includes federal, state and local governments, utilities and telecommunications companies and other commercial customers who use map data for a wide variety of purposes including infrastructure and asset management, fleet and logistic management, risk management and demographic studies. The government use of these applications includes environmental and land use planning, emergency response, traffic and public transportation planning and the planning, constructing and monitoring physical infrastructure such as roads and highways. Commercial uses include the use by communications companies evaluating antenna and relay locations for mobile phone networks, retailers choosing an appropriate site location for outlets, insurance companies engaging in location-related risk planning with regard to natural disasters and utilities planning, monitoring and maintaining their distribution networks. Other important uses include the management of transport logistics, vehicle fleets and call-and-dispatch operations. Outside the United States and Canada, maps for these applications are often provided by government or quasi-government mapping agencies.

BUSINESS

Overview

We are a leading provider of digital maps for use in a wide range of navigation, mapping and geography-related applications. We supply our digital maps to many of the leading providers of personal navigation products, such as TomTom, Navigon, Navman, Destinator and ViaMichelin. We also provide digital map data for use in in-car navigation systems installed in many of the most prestigious brands in the world, including Mercedes-Benz, Volkswagen/Audi, General Motors, Toyota/Lexus, Ford and Fiat as well as to a wide range of major enterprises and government agencies such as VNU, MapInfo and the US Department of Transportation.

Our digital map database is highly accurate and provides full or partial map coverage of 37 countries on four continents, covering approximately 17.7 million kilometres of roadway in Europe and North America alone. Through partnerships and joint ventures, we provide partial digital map coverage of three countries in the Asia-Pacific region, and we will soon add China. In addition to our maps, we currently offer our customers enriched content from us and third parties. Our enriched content includes access to a pool of over 23 million points of interest ("POIs") worldwide, including fuel stations, restaurants, hotels and tourist attractions as well as dynamic content such as traffic incident, speed and flow data, road construction, fuel price and weather information in selected areas.

We have invested significantly in the development and enhancement of our map database and our proprietary methods and technology to enhance the quality and content of our database and the processes used to build it. We significantly increased the scale of our North American operations with the acquisition in July 2004 of GDT, a company that had been a leader in the North American digital map industry since 1980.

While we have focused primarily on Europe and, more recently, on North America, we believe that the market for digital maps is expanding globally and that there are significant opportunities to sell our digital map products in other countries. We will continue to seek to expand our coverage in Asia, Eastern Europe and into Mexico over the next year. We will also consider strategic acquisitions where appropriate to build our coverage.

History

In 1984, Alain De Taeye, our co-founder and current CEO, founded a Belgian company called Informatics & Management Consultants ("I&M") to pursue digital mapping opportunities in Western Europe. In 1988, I&M was acquired by Tele Atlas International BV, a Dutch company also founded in 1984. I&M subsequently became Tele Atlas Data Gent NV ("TADG") and Tele Atlas International BV became Tele Atlas Data 's-Hertogenbosch ("TADH"). In 1991, having digitally mapped the significant roads of Belgium, The Netherlands and Luxembourg, TADG made the strategic decision to undertake to digitise the remainder of the Western European road network and to expand the number of roadway details, or attributes, contained in its digital map dataset.

During the same period, Bosch formed Robert Bosch Data GmbH ("Bosch Data") to develop a digital map database covering Austria, Germany and Switzerland to support its proprietary automobile navigation system, TravelPilot. In September 1995, Bosch and Bene-Fin B.V., the parent company of TADH, formed a joint venture that resulted in the incorporation of our immediate predecessor, Tele Atlas BV. This company became the sales, marketing and product development arm for Bosch Data and TADG, which remained as separate companies. Tele Atlas BV began coordinating the integration of the two databases, the addition of attributes to enable turn-by-turn routing capability and the expansion of coverage across Europe. In January 2000, Bosch Data and Bene-Fin B.V. were contributed to Tele Atlas BV which was later converted to Tele Atlas NV.

In April 2000, we acquired Etak Inc. and Etak The Digital Map Company Ltd. ("Etak") from Sony. Etak was a provider of digital maps of the United States and the United Kingdom as well as business software, Internet applications and real-time traffic information. Etak's digital map database represented 17 years of compilation efforts going back to Etak's founding in 1983 and provided us with a base of data for North America as well as control of the UK digital map database that we had previously licensed from Etak.

In May 2000, we completed an initial public offering on the *Neuer Markt* segment of the FSE, raising approximately €226.4 million after issuance expenses. We used the net proceeds from our public offering primarily to repay the indebtedness incurred in connection with our acquisition of Etak and to finance the development of our North American database and operations. George Fink, our current President and Chief Operating Officer, joined us in August 2002 as President of our North America operations and in May 2003 he was appointed group-wide President and Chief Operating Officer. In March 2003, the *Neuer Markt* ceased to exist and our listing was transferred to the Prime Standard Segment of the FSE. In 2003, after substantial investment in and improvements to the Etak database, we released MultiNet North America, our first North American navigable turn-by-turn map database.

In July 2004, we acquired GDT, a company that had been active in the North American digital map industry since 1980 and is a leading provider of maps for enterprise and public sector applications.

We raised approximately €168.3 million after issuance expenses from a consortium of private equity investors to fund the $101.2 million (approximately €83.3 million) cost of the GDT acquisition and acquisition expenses, the cost of integrating GDT, working capital and the repayment of shareholder loans and bank debt. At approximately the same time, we made several changes to senior management, appointing Mike Gerling (the former President and CEO of GDT) as our Chief Operating Officer of North America and hiring Hardie Morgan as our Chief Financial Officer and Jack Reinelt as our Chief Operating Officer of Europe. In January 2005, Mike Mitsock joined us as Chief Marketing Officer and Bruce Radloff joined us as Chief Technology Officer.

We are currently in the final stages of integrating the GDT database with our North American database to create what we believe will be a digital map of North America with the highest accuracy and broadest coverage.

Competitive Strengths

We believe that we have a number of competitive strengths that position us as a leading provider of digital maps:

Strong Market Position

We are the leading digital map provider to the personal navigation market in Europe, the largest personal navigation market globally by number of units sold. We supply our maps to many of the leading European providers of personal navigation products, including TomTom, Navigon, Navman, Destinator and ViaMichelin. In the first six months of 2005, we supplied approximately 1.4 million map units into the personal navigation market worldwide. We believe our market leadership in the European personal navigation market positions us well to capture future growth as the number of applications utilising digital maps on mobile devices continues to grow. We are also a leading supplier of digital maps to the enterprise and public sector market in North America. We have customer relationships with a wide range of enterprises and government agencies in this market such as MapInfo, ESRI, Group1, VNU and a number of state governments, and we are continuing to grow this base of customers.

Highly Accurate Database with Extensive Coverage

We provide a database of highly accurate digital maps with extensive coverage in Europe and North America and, through partnerships, growing coverage in Asia. Our database currently includes maps of 37 countries worldwide and 17.7 million kilometres of roadway in Europe and North America. For certain countries in the Asia-Pacific region we provide coverage through partnerships and joint ventures, and expect to soon feature maps of China. We expect the process of integrating our North American databases with GDT's will have a significant positive impact on the accuracy and coverage of our North American products. As part of this integration process, we have been comparing every feature in our database to the corresponding feature in the GDT database. Where a feature in the two databases agree, we have a high degree of confidence in the correctness of that feature. Where they differ, we have resolved the difference through the use of one of the 30,000 North American compilation resources we have at our disposal or, if necessary, through the use of our field survey team. As a result of this rigorous integration process, which is currently in its final stages and the results of which will be available to customers by the end of March 2006, we believe that we will have the most accurate North American database with the broadest coverage.

Innovative Unique Data Collection Processes

We believe that we have innovative, unique data collection processes for the creation and maintenance of our database. These processes combine compilation of geographic data from third party sources, who often are the originators of the data, with information collected by our own field survey team. Our use of the compilation method involves over 50,000 geographical resources drawn from a network of relationships in Europe and North America with a broad range of governmental and commercial entities that originate and utilise geographic data. Especially in North America, these resource allow us to increase the coverage and accuracy of our database in a cost-efficient, often automated manner. We also employ field survey techniques, including use of our fleet of mobile mapping vehicles which collect data with a lower error rate and at a reduced cost when compared with traditional field data collection. In Europe, field survey has historically been the primary means for building and maintaining the database, whereas in North America it is increasingly used as a tool for validating and testing the results of the compilation method. We believe this combination of compilation of third party data and field survey results in a more accurate and higher quality database that detects change as it happens, producing more current maps at a lower cost than comparable databases that are developed predominantly from field survey.

Significant Experience and Investment

We have been focused on the digital map market for over two decades and have built up significant experience and made significant investments in this market. During that time, we have built a database of North American and Western European maps that cover most of the road network in these areas. We have invested hundreds of millions of euros to build and maintain our digital map database and to develop proprietary methods and technology to enhance the coverage and quality of our database and the processes used to build it. Once the coverage of an entire road network in an area is complete, we must still invest significant time and capital to maintain data freshness given that significant parts of the road network change every year. We have also built longstanding relationships with our customers over the last 20 years, working closely with them to develop, market and sell their products utilising our maps. Our customers have long histories of developing products using our database platform.

Partnership Focus

We are focused on building the highest quality digital map database and devote significant resources to help our customers develop, market and sell their products utilising our maps. We do not compete with any of our customers in their applications and product businesses, nor do we intend to do so in the future.

We believe our collaborative approach fosters loyalty from our customers, improves the quality of our customers' products and facilitates their use of our maps.

Strategy

Extend Market Leadership in the Personal Navigation Sector

We currently have a leading position in the European personal navigation market, and we believe that extending this position to new markets is critical to the future growth of our business. We view the personal navigation market as a high-growth, high-volume market, and our goal is to be the leading map supplier globally into this market. We plan to work with our personal navigation customers, such as TomTom, Navigon, Navman, Destinator and ViaMichelin, to help them penetrate new markets for their products. We are currently helping our customers establish their presence in retail channels in North America and will continue to invest in these efforts as well as provide marketing funds to increase awareness of the personal navigation market generally and our customers' products more specifically. We believe our position in the personal navigation market will position us well to capitalise on the expected growth of location-based services in the mobile product market.

Enhance Accuracy and Richness of Our Database

We continually strive to enhance the accuracy and richness of our database. We plan to continue investing in our unique data collection technologies, such as our mobile mapping vans. We are pursuing strategic initiatives to increase our change detection capabilities with the goal of having the quickest response for reflecting changes in the database. We are improving our tools and processes to enable feedback from our customers and their end users to be processed and implemented more quickly into the database. We have also put in place strategic initiatives to facilitate integration of third-party data with our database and are building partnerships with many content providers to increase the content available in our maps. We are also working on a program to facilitate the use of our maps by application developers and device manufacturers. We believe a wider variety of content and applications available with our maps will increase the overall usability of our products.

Continue Partnership Focus

We have developed strong relationships with our customers and plan to continue investing significant resources in these relationships. We are focused on becoming the leading digital map provider and have no intention to move into the application space or other areas that would lead us to compete with our customers. We have also increased our investment in initiatives in the retail channel and co-marketing efforts to help our customers succeed. We believe our clear, unconflicted strategic focus and our investments in customer-centric initiatives have fostered customer loyalty.

Grow Market Share in the Automotive Market

We believe that the automotive market will continue to be a key end-market for our maps, and we plan to grow our share in this important segment through several initiatives. First, we have developed strong relationships with several leading navigation systems vendors such as Blaupunkt, Clarion Co., Ltd. ("Clarion"), DENSO, Becker, Siemens VDO and Pioneer. We will continue to invest significant resources in these and other important customer relationships with the objective of growing our share of their business. We also believe that our North American database, currently in the final stages of integrating the GDT database, will be the highest-quality North American database available, and we plan to capitalise on this product to win additional North American business in the automotive market. Finally, we believe that the personal navigation market is starting to encroach on the automotive market as certain car manufacturers look to leverage the attractiveness, affordability and flexibility of personal navigation solutions to sell their cars. As a leading supplier in the personal navigation market in Europe, we will seek to benefit from this trend to grow additional market share.

Expand Presence in Internet and Wireless

We believe that the Internet and mobile device will play an increasingly important role in the use of our maps. Many leading Internet portals currently use our maps to provide navigation, among other applications, to the users. Over time, we expect these Internet portals to increasingly provide more localised information and target the local search market with the objective of being able to provide any information, anywhere on any product. To take advantage of this trend, we are focused on growing our relationships with the Internet portals, mobile device manufacturers and wireless carriers.

Expand Geographically

To date, our business has been focused on Europe and North America. We have established several key partnerships in Asia in countries such as China, Australia and Thailand to gain access to digital maps, and we plan to target more of these partnerships. We plan to continue building our Eastern European coverage and expand our coverage into Mexico in the next several years. We will also consider strategic acquisitions where appropriate to build our coverage.

Our Map Database

Overview

Our core business is the creation, maintenance and updating of our digital map database for licence to our customers. Our map data is available in a variety of formats for the wide range of applications provided by our customers. Our map database currently provides full or partial coverage of 37 countries worldwide, including approximately 10.4 million street kilometres in North America and 7.3 million street kilometres in Europe. The development and production of our database products involves approximately 70% of our total employees.

There are two primary methods of developing a digital map. The field survey method utilises professional staff in vehicles equipped with technology to accurately observe and record the required data about the road network. The compilation method is based on the assumption that the vast majority of changes to the road network are the result of a government agency planning process or that there is a private entity (such as a utility) whose core mission requires the maintenance of accurate geographical data on a specific area or region. Through sophisticated processes that rate the quality of sources, compare the data from those sources and decide which changes to accept, the compilation method allows the development and maintenance of basic map data without physically visiting a location as required in field survey.

Until recently, our navigable databases in Europe and North America were derived predominantly from the initial use of aerial photography to improve base map quality of an area, followed by the use of the field survey method to validate the base map and add road attributes such as turn restrictions and one way streets. GDT, by contrast, predominantly used the compilation method to build and maintain its map of North America. Our acquisition of GDT gave us access to both a sophisticated compilation tool set and to an extensive network of North American compilation partners that now provide us with the highly detailed geographical data that we use in our compilation process. We believe the combination of our field survey team with the GDT tools, data sources and processes allow us to detect, validate and implement changes in our database faster, more accurately and at a lower cost than competitors who primarily use the field survey method. Since the acquisition of GDT, we have implemented a combination of the compilation and field survey methods in North America and have begun to do the same in Europe. In addition, we believe the integration of the GDT database with our own North American database will produce significant quality and coverage advantages. The integration is currently in its final stages, and we have continued to release updated products during the integration process. We expect the product of the full integration of the two databases to be available to customers by the end of March 2006.

We also continue to improve our field survey methods. In 2004, in Europe we introduced mobile mapping vans that use digital video cameras together with sophisticated electronics to increase the speed and efficiency of the data gathering process. We now have 23 of these mobile mapping data collection vans in Europe and are currently introducing them into North America. By the end of 2005, we expect to have 32 mobile mapping vans in Europe and nine in North America. We have recently acquired GeoInvent SP200 ("GeoInvent"), a Polish company that provides the technology for our mobile mapping vans, in order to expand our proprietary technology in field data collection.

Database Development

As discussed above, we derive our map data using the compilation method, which involves the compilation of map data from a wide range of third-party sources such as government and commercial entities, and the field survey method which uses our employees' direct field survey of location information. In Europe, we rely to a large extent on the use of aerial photography and field survey. In North America we rely on the compilation method to a large extent, with the field survey method used as a tool for testing and validating the results of the compilation method. Through the use of both the compilation and field survey methods in both geographic markets, we devote substantial time and resources to updating and expanding our database and are constantly seeking to improve coverage, accuracy, timeliness of delivery and quality. Our map database is created and updated according to the following process:

Building the Database

While the development of a new country or region map differs somewhat based on the nature of the area, we follow the same general process for all geographies. We typically begin in a given area by acquiring a base map from a government agency or other source. This base map generally has the basic layout of the road network (referred to in the industry as its "geometry"), street names and addresses. Although we are often able to acquire this base map at a low initial cost, in some countries we pay an ongoing license fee based on the revenue we obtain from the map. Once we establish the base map, we then improve the accuracy of the street geometry of this map using information from aerial photography. Once this step is complete, we use a combination of the compilation and field survey methods to improve the accuracy of the map and add the attributes required for navigation. Although this is the basic process we undertake in all our geographic markets, there are several key differences between Europe and North America in this respect.

In Europe, government agencies generally do not make their data publicly available for free as is often required by law in the United States and Canada. Therefore, there are generally fewer sources of map information available for us to rely upon, and we rely more heavily on field survey as opposed to the compilation method. To support our field survey efforts in Europe, we have a fleet of approximately 80 cars and 23 mobile mapping vans. Our mobile mapping vans use six digital video cameras, along with sophisticated electronics, to allow our data collectors to drive through an area at normal speed while taking video footage for later analysis. This unique approach, which we are also introducing in North America, reduces costs and increases collection speed and quality when compared to traditional field survey methods. By the end of 2005 we expect to have 32 mobile mapping vans in Europe and nine in North America. In addition to the use of the field survey method in Europe, we are building a more extensive network of data providers, and to date we have access to approximately 20,000 different European data resources.

In North America, we use the compilation method in combination with the field survey method. This method allows us to take advantage of an extensive network of sources developed over GDT's 25 year history, providing us access to the approximately 30,000 North American data resources. We compile our map data at the national, regional and local levels by acquiring, licensing or otherwise obtaining the right to use existing analog or digital information that meets our accuracy and reliability standards. Specifically, we seek geometry data, street name and address information, turn restrictions and other navigation attributes, points of interest ("POIs") and land use assessments. Our primary resources include municipality maps, topographic maps, aerial photographs, tax maps, and publicly available information on infrastructure changes and POIs, including the location of airports, hotels, restaurants, retailers, civic offices and cultural sites. Each source is rated for quality by our staff of geographical analysts. This rating is stored along with other information about the data (referred to in our system as "meta data") in our electronic data library, and compared to the quality ratings and other meta data of existing information to determine whether changes are required. When the library system is unable to determine which data element should be used, the decision is referred to one of our trained digital map technicians located at our Lebanon, New Hampshire facility. Our system is able to electronically resolve about 85% of all data updates without human intervention. In addition to our New Hampshire editing team, we also utilise resources from our Indian outsource partners on a project basis.

We also have a North American field survey team which includes approximately 60 vehicles staffed with our trained field data collectors who verify information through direct observation. This field team is used to collect data in areas where high quality external data is not available, to validate changes that cannot be resolved through the compilation method and to measure the quality of our existing data by comparing the information in our database to the real-world situation. They also target "hot spots" of growth and change. For example, we drive the approximately 260,000 kilometres of US interstate and other limited access highways on an annual basis.

We currently rely on a manual data editing process to a much greater degree in Europe than in North America and the bulk of our European manual data input is outsourced to our primary Indian outsourcing partner, Infotech. In order to take advantage of the significant quality and productivity improvements available using the more highly automated processes used in North America we are in the process of migrating to a common global tool set and processes.

Outside Europe and North America, we generally work with partners who bring their local expertise to bear in producing map data in our format. These partners develop and own the data for their regions and generally provide Tele Atlas with the right to act as a reseller.

Validation, Change Detection and Updates

Validating our maps, detecting changes in our database and providing current data in the form of updates is critically important to our business, as typically approximately 10-15% of the road network in any given country is affected by natural or man-made changes every year. We use a combination of the compilation and field survey methods to detect and validate change. We believe that our automated processes and our experience and expertise in analysing information from our compilation partners and field data collectors enable us to validate our data and detect change quickly and in a cost-effective manner. In the United States, we have "OneMap" relationships with 13 states, including California, New York and Texas. Under these OneMap relationships, we work with state governments to update, maintain and test each state's official digital database of geographical information. In these states, we have notice of changes in the state and Federal highway network before they are put into effect on the ground. We also have enterprise licensing relationships in 30 other states, under which state agencies pay for use of our data and provide us with feedback on its accuracy. Through these relationships, state governments and state agencies, which rely on our database for certain of their own operations and decision-making, provide us with highly accurate and detailed information.

Certain of our customers currently contribute to our validation and change detection efforts by providing us with field reports, feedback and corrections about our map data on a regular basis. These reports note discrepancies or errors in our map data and are a low-cost and efficient means of detecting changes or errors. We are in the process of expanding our feedback network to include additional sources, such as web-based systems for Internet and personal navigation end-users. In addition to customer feedback, we also attempt to anticipate changes by analysing proxies for geographic change, such as new housing permits and other public notices. This data is then used to target our use of the compilation and field survey resources. We enter this updated data using the same combination of manual and automated input techniques we use to create new database coverage.

We provide updates of our products to reflect revised geographic data at intervals agreed with our customers on an individual basis. In general, our update cycles range from quarterly to annually. In most cases, we provide updates in the form of a full copy of the updated database for the geography licensed by the customer. For a limited number of North American customers, however, we use advanced data extraction tools to provide only the incremental changes from our previous data release. These updates can be made as frequently as needed. We are presently modifying our data distribution processes to expand the availability of incremental updates of map data rather than periodic wholesale replacement of the entire dataset. Incremental updates delivered in electronic form will give our customers new and revised data more frequently and will enable them to absorb those updates in a more streamlined way. Our customers, in turn, will be able to provide updated maps to their end users with far greater frequency and without the logistical issues surrounding the distribution of thousands of update CDs, DVDs, SD cards or other media. As incremental updating becomes more widely available, we believe that sales of data updates and subscriptions will become a larger part of our revenues.

Quality Assurance and Product Testing

Our quality management program covers both product and process quality management. In our 2005 external quality assurance audit, the ISO rated the data production processes undertaken in our European facilities as meeting ISO/TS 16949 standards. This, in combination with our North America facilities having been ISO 9000:2001 certified since 2001, makes us the first digital mapping company to obtain ISO certification in all its operating facilities. ISO certification is important, particularly in the automotive industry, as an independent indicator of quality process management.

Because the quality of the work performed by our local data collectors is critical to the quality of our map database, we have developed our own standards for the selection and training of surveyors and data collectors. Although generally recruited from the region that they are expected to cover, all our data collectors must undergo an intensive four-week training process during which they become familiar with our quality standards and specifications as well as the use of our data collection tools. Each data collector receives additional training on an annual basis.

Geographic Coverage

Our database currently contains maps for 37 countries, and covers approximately 10.4 million street kilometres in North America and 7.3 million street kilometres in Europe. Our current full or partial map coverage, by country, is set out in the table below:

Europe

Andorra	Ireland	San Marino
Austria	Italy	Slovakia
Belgium	Liechtenstein	Spain
Czech Republic	Luxembourg	Sweden
Denmark	Monaco	Switzerland
Finland	The Netherlands	Turkey
France	Norway	United Kingdom
Germany	Poland	Vatican City
Greece	Portugal	
Hungary	Russia	

Americas

Argentina	Canada
Brazil	United States

Asia-Pacific and Rest of World

Australia*	Singapore
Hong Kong*	United Arab Emirates
New Zealand*	

* Indicates countries for which map data is provided exclusively by partners.

We are continuously increasing our coverage outside of Europe and the Americas. In the Asia-Pacific region, we have established partner relationships with local map companies in Hong Kong, Australia and New Zealand who develop compatible maps using our data production tools and technologies. In Hong Kong we then license the right to resell this data to our customers in exchange for payment to our partner of a royalty, determined as a percent of revenue. We have recently teamed with MappointAsia in Thailand and Malaysia to expand our South East Asia coverage on a similar basis. In Australia and New Zealand, our partner sells the data to customers and pays us a royalty for use of our tools and formats. In 2004, we entered into a joint venture, NaviAtlas, with Shanghai Changxiang Computer Company Ltd, one of a limited number of map companies in China to have been granted a licence from the Chinese government to collect and store digital map data. NaviAtlas has full and exclusive rights to market and sell all the map data provided by SIS in the navigation market.

Map Data Products and Services

Digital Maps

We generally provide our customers with a master copy of the products they license. Most of our customer agreements calculate licence fees payable on the basis of a fixed fee per navigation unit sold, although other customers pay us based on data usage, such as number of web hits or users. The licensing agreements we have with our customers generally allow them to adapt our map data to a wide variety of their products, applications and formats using discrete portions of the information stored in our map database, ranging from a single county or province to an entire region. In addition to industry standard formats, we provide many of our customers with data in their own custom formats.

We seek to make our map data application-neutral in order to allow us to fulfil a wide variety of customer needs from a single map database. Both our MultiNet and Dynamap labels represent families of products, which reflect certain formatting and architecture differences in response to individual customer needs. Our data provides the information required by an application to:

- display an accurate visual representation of real-world geographic features, including the user's origin and destination;
- provide addresses for individual homes and businesses;
- determine an efficient route to a location or between multiple locations, and provide drive-time estimates; and
- navigate the user to a destination using real-time route updates and turn-by-turn directions.

Enriched Content

Points of Interest (POIs). We currently offer our customers access to a pool of nearly 23 million POIs worldwide. A limited number of POIs for locations such as parks and hospitals are included in our base map. For an additional licensing fee, POIs can be added to our digital map products to denote the location of a wide range of geographic points of interest including fuel stations, restaurants, hotels, tourist attractions and landmarks. We develop some of these POIs during our data compilation and field survey processes, and license the majority of our POIs from third-party content providers.

Dynamic Data. Sold under our True Time Maps label, we aggregate information from various third-party sources to provide dynamic data including traffic incident, speed and flow data, road construction, fuel price and weather information in major metropolitan markets in North America. We license traffic speed and flow data from state and local transportation authorities and traffic incident data through a nationwide agreement with Clear Channel Traffic ("Clear Channel"). We then distribute dynamic data content to end-users through internet portals, over major cellular network carriers such as Cingular, telematics service providers such as the Clear Channel FM sub-carrier network.

Distribution

We generally provide our customers with a master copy of the products they license. They place the map data in the format required by their system and then create the media (typically CD, DVD or an SD Card) that they deliver to their end customers. In Europe, our call centre and website also sell CDs and DVDs containing our map data, formatted for specific navigation systems, directly to end users (or to dealers who in turn supply end-users) who need updated data or maps of a new geographical region. These aftermarket data product sales to consumers are currently only significant in the automotive navigation segment in Europe. However, we expect that these aftermarket data sales will become more important in North America and in the personal navigation segment as the installed base of these products that use our data increases.

Support Services

In support of the map data products we supply to our customers, we also provide engineering and software assistance in adapting our data to their products and incorporating additional map features and attributes on to their systems. We provide advice to our customers on handling end-user technical problems, and to many of our customers we provide online mechanisms for them to report issues with our maps. We are currently in the process of establishing end-user feedback channels with certain major mass market personal navigation and Internet customers. For certain of our automotive navigation customers we also provide additional services involving the testing, product management, documentation and logistics surrounding use of our map data in their products.

Market Applications and Customers

We supply our products into the consumer, automotive and enterprise and public sector markets. Our most significant consumer customers include personal navigation product and software providers such as TomTom, Navigon, Navman, Destinator and ViaMichelin. In the automotive market we sell our map data to navigation system developers like Blaupunkt, Pioneer, Siemens VDO and Becker. In both the consumer and automotive sectors, we rely on indirect sales to consumers via our customers, who provide their products, supplemented by our data, to the public either directly or through their own distribution channels. In the enterprise and public sector we sell to the end-user businesses and government entities either directly or through value added resellers.

We offer all our customers packages of our map data, POI and dynamic content products on an as-agreed basis. Our products' data-rich and application-neutral architecture make them compatible with a wide variety of applications in these varied markets.

The following table presents a representative sample of our customers in different market segments.

Market Segments	Representative Customers
Automotive Navigation	Daimler-Chrysler, Volkswagen/Audi, General Motors, Toyota/Lexus, Ford, Fiat (Automotive manufacturers) Becker, Blaupunkt, Pioneer, Siemens VDO, Clarion, DENSO (Navigation systems developers)
Consumer Navigation	TomTom, Navigon, Destinator/HSTC, ViaMichelin, Navman, Wayfinder (Personal navigation and wireless developers) Google, AOL/MapQuest, Map24 (Internet portals)
Enterprise and Public Sector	UPS (Parcel delivery companies) MapInfo, ESRI, Group1 (Location software developers), VNU (Telecoms and media companies) Federal, State, local and quasi-government agencies

Consumer Navigation

The consumer market is composed of the personal navigation, Internet and consumer wireless market segments. The personal navigation segment has recently experienced rapid growth from companies like TomTom and Navman which produce integrated navigation devices (such as the TomTom GO and the Navman iCN 650) and navigation software applications (such as the Navigon Mobile Navigator for PDAs and Gate5's Smart2Go, for smartphones). We also sell our products to various providers of Internet-based and wireless carrier-based mapping, navigation and travel services, including street and address finders and route planning applications. Although we do not currently derive significant portions of our revenue from these providers, we consider them to be an important driver of consumer awareness and familiarity, and believe they will have in the future an increasingly important role in delivering maps and other geographic content to hand held products.

Our most significant consumer market customer is TomTom, a leader in the European personal navigation market, with whom we have a longstanding relationship. We are the primary supplier of map data for TomTom and recently negotiated a three-year contract extension to be a non-exclusive provider of digital maps for TomTom GO, TomTom Navigator and TomTom MOBILE products until the end of 2007. Revenues from TomTom represented approximately 17% of our total revenues for the nine months ended 30 September 2005, and approximately 16% of our total revenues for the year ended 31 December 2004.

Automotive

The automotive market for digital maps is composed of automotive navigation systems and telematics service providers. Automotive navigation systems providing map display, route guidance and other location-based content into vehicles have become increasingly popular in both the European and North American markets. Our map database products are key components of many of these navigation systems, which enable drivers to accurately identify their position on the road, determine a route to an intended destination and convey the resulting driving directions to the driver through audio and/or visual displays. Regardless of who our direct licensing relationship is with, we work closely with both the system developer and the car manufacturer on any given car model to provide a package of map data that fits the navigation system specifications. We offer developers of automotive navigation systems and automotive manufacturers a single source for their integrated maps, dynamic content features and updates.

In addition to sales of our data that we bundle with an automotive navigation system, we also supply data to automotive navigation consumers who wish to update the data in their system or add additional areas of coverage. These sales may be directly to consumers through our call centre or web shop or to car dealers who supply the data to end users. We make sales to system suppliers who in turn supply dealers. These aftermarket data product sales are limited almost exclusively to Europe, but we expect these sales to increase in North America as our installed base of products utilising our maps grows.

Our most significant customer relationship in the automotive navigation systems segment is with Blaupunkt in Europe, with whom we have a longstanding relationship and whose corporate parent, Bosch, is one of our major shareholders. As of January 2005, we entered into a separate agreement with Blaupunkt for a three year term, as exclusive provider of map data for Blaupunkt's products in the aftermarket in certain countries in Europe, subject to our ability to offer competitive coverage. In August 2005, we entered into a further agreement with Bosch and Blaupunkt, under which we granted Bosch and Blaupunkt the non-exclusive and non-transferable rights to apply their compilation software and our digital maps into their products. Revenues from Blaupunkt represented approximately 12% of our total revenues for the nine months ended 30 September 2005, and approximately 20% of our total revenues for the year ended 31 December 2004.

Enterprise and Public Sector

The enterprise and public sector market includes federal, state and local governments, utilities and telecommunications companies and other commercial customers. We believe that both private businesses and government entities are increasingly becoming aware of the advantages in service, efficiency, cost and safety that they can achieve via access to accurate and updated digital map data, routing information and the precise locations of fixed assets and installations. This sector is a particular source of strength for us in North America, where we believe we are the market leader, as evidenced by the fact that emergency services rely overwhelmingly on our map data, with over 90% of emergency 911 systems in the United States using our maps. We also provide maps to the US Departments of Energy and Transportation for all their critical shipments of hazardous waste and nuclear material, and to telecommunications companies who use our map data to plan and manage their infrastructure.

Our map data enables the applications used by our customers to effectively collect, manage and analyse large amounts of geographical and demographic data. Some of the applications our map data is used in include the following:

- commercial: sales or service companies assigning areas of responsibility to employees;
- retail: choosing an appropriate site location for outlets;
- insurance: risk assessments by companies engaging in location-related risk planning with regard to natural disasters;

- regulatory: government agencies engaged in environmental planning and land use or overseeing and evaluating physical infrastructure;
- administrative: local governments drawing boundaries, monitoring traffic patterns and planning public transportation networks;
- transport logistics: efficient management of vehicle fleets or call-and-dispatch operations;
- homeland security: infrastructure monitoring and protection;
- communications: evaluating antenna and relay locations for wireless networks; and
- utilities: planning, monitoring and maintenance by utility companies seeking to efficiently operate their distribution networks.

We sell our map data to enterprise and public sector customers through our local sales office in the relevant country. Our sales to enterprise and public sector customers are significantly higher in North America than in Europe, in large part because of our GDT acquisition, which brought us significant customer relationships in this sector. Our top five enterprise and public sector customers collectively accounted for approximately 4% of our total revenues in the nine months ended 30 September 2005.

Sales and Marketing

We generally utilise a direct sales team to call on our direct customers as well as other participants in our target markets. For example, we actively communicate with automobile manufactures even though the majority of our business is direct with their navigation system suppliers. In some instances, particularly in the enterprise and public sector market, we work with value added resellers who in turn sell our products to end-user organisations. Our sales team is organised by market segment and by major geographical market and is under the ultimate direction of our Chief Operations Officer in each major geographical area. Coordination in global accounts is provided by a global account manager appointed from one of the geographic areas.

Our marketing efforts are organised around our main geographic markets and market segments and coordinated at the group level by our Chief Marketing Officer. Our marketing activities are generally conducted in conjunction with and in the service of our customers. In the consumer segment, we have marketing development funds intended to fund mutually beneficial joint marketing efforts with most of our key customers in both Europe and North America. We also participate with our customers in conducting training and demonstrations intended to promote a given market category, explain the role of the map and show the capabilities of our database. In North America, where market penetration in the consumer segment remains relatively low, we also work directly with key retailers of personal navigation products, including BestBuy and Circuit City, to establish displays, demonstrations and training that will educate their employees and consumers and emphasise the navigation capabilities of the products. Similar efforts are currently in development in Europe. We share the costs of such efforts with our customers.

An integral part of our marketing strategy is to de-emphasise our own brand relative to the brands of our customers. Therefore, cultivation of a strong Tele Atlas consumer brand is not currently a key priority for our sales and marketing efforts. Although we do seek at times to make our brand more visible to consumers, the focus of our marketing strategy is to build our brand as one of quality, consistency and accuracy in the eyes of our customers, who will in turn offer products that use our digital maps to the public.

Competition

The market for digital map information is highly competitive. At present, we have one major competitor, Navteq in our two core geographical markets, Europe and North America, across all the major market segments in which we operate. Navteq has significantly higher revenues than we do and may be able to invest significantly more than us in database development and marketing efforts.

In certain countries, we face additional competition in the enterprise and public sector market from governmental and quasi-governmental agencies; for example, the Census Bureau in the United States, the Ordnance Survey in the United Kingdom and IGN in France, who make map data available free of charge or at lower prices. We may face competition from such agencies in the consumer and automotive markets in the future, should they choose to add navigation attributes to their maps. In addition, the strong growth in demand for map database products and technological advances in the production of new lower-cost database compilation techniques may encourage new market entrants.

Many providers of consumer navigation products and automotive navigation systems often prefer to license data from several vendors in order to diversify their sources of supply and to maintain competitive pricing terms. This diversification and other competitive pressures may cause us to experience price reductions, reduced profit margins or loss of market share.

In areas outside Western Europe and North America, depending on the specific geographic market, we may face both local competitors and regional competitors, such as Zenrin Co., Ltd.

Intellectual Property

Our ability to establish and adequately protect our intellectual property rights will substantially affect our overall success and ability to compete in the global market for digital map data. Because the information that comprises our database is not directly protectable under intellectual property law, we rely on laws protecting compilations of data, which are not always favourable to us in certain jurisdictions, including the United States. For a more detailed explanation of certain of the laws applicable to databases, see "Risk Factors—Intellectual Property rights are not as strong in databases as in other copyrighted materials." We also rely on licensing agreements with our customers and which require them to enter into licensing agreements with end users. In addition, we use trade secret and patent law to protect a variety of technologies we use to collect and process our data, technologies relating to product distribution and certain aspects of the software applications available to our customers to enrich our map data.

We actively pursue infringements of our intellectual property rights and defend ourselves and our customers from threats of infringement under the laws of the different jurisdictions where we operate. Going forward, we intend to expand the scope of our intellectual property strategy increasingly to the creation, capture and ongoing protection of patentable and other proprietary innovations and have established a policy of actively seeking, when appropriate, protection for our tools, technologies and proprietary processes through Dutch, European, US and other relevant foreign patents.

Map Data

Outside North America, we often obtain the base map that serves as a starting point for our map database in a particular area under licensing agreements with a government or commercial map provider. These providers sometimes claim proprietary rights in the data or its compilation and may require the ongoing payment of royalties as we license our map for that area. In the United States, by contrast, we generally make outright purchases of data which enable us to incorporate the data into our database while retaining all rights in our final product. Under data use agreements with our customers in the United States, we retain any proprietary rights in map data derived from our customers' feedback or input. Generally, however, there is no legally recognised ownership in data, but only in the compilation of data, which is limited.

Trade Secrets

Generally, we protect as trade secrets our proprietary data collection, compilation and processing innovations. Accordingly, such technology is disclosed to selected parties only (including our employees, consultants and licensees), in each case following the execution of appropriate confidentiality agreements. Confidentiality agreements and provisions may not effectively prevent disclosure of our confidential information, provide meaningful protection for our confidential information or succeed in assigning to us all due intellectual property rights.

Patents

We currently hold twenty seven unique patents (many in multiple countries), which cover a variety of tools, software and applications in the areas of mapping, pathfinding, retrieval, navigation and hardware.

We also currently have several patent applications pending, as well as Patent Cooperation Treaty applications corresponding to certain of our previously granted or applied for patents. We cannot provide any assurances that any of our patent applications will result in an enforceable patent or a patent that sufficiently protects our interests. Moreover, patent rights are only recognised in the jurisdiction in which they were issued and do not provide any assurance that we can prevent any activities elsewhere by third parties which we perceive to be infringements.

Trademarks

We claim rights in our trademarks and service marks. Certain of our marks are registered in Europe, the United States and elsewhere, and we have filed applications to register certain other marks in these jurisdictions. We have licensed others to use certain of our marks in connection with our database and software and expect to continue licensing certain of our marks in the future.

Facilities

Our corporate headquarters are located in 's-Hertogenbosch, The Netherlands and we have another corporate office in Boston, Massachusetts. We maintain our primary European operations base in Gent, Belgium and our primary North American operations base in Lebanon, New Hampshire. We do not own any of the principal properties from which we operate. We believe that the above facilities are generally suitable to meet our needs for the foreseeable future.

In addition to these facilities, we also have field and administrative offices in 21 countries worldwide.

We sold our operations in India to Infotech in March 2005, and have since outsourced most of our European data input to Infotech at that same facility.

Legal Proceedings

On 22 April 2005, we filed an antitrust complaint against Navteq in the United States District Court for the Northern District of California, alleging that Navteq has used illegal exclusionary and predatory practices to exclude us from the market for digital map data for use in navigation system applications in the United States. We have sought preliminary and permanent injunctive relief, monetary, exemplary and treble damages, and costs and attorneys' fees of suit. We recently submitted a second (amended) complaint in response to Navteq's initial motion to dismiss. Navteq has submitted a second (amended) motion to dismiss and we have filed our opposition. Discovery is currently underway, and a trial date has been tentatively set for May 2007. Although we can provide no assurance of the outcome, we currently intend to continue vigorously pursuing this action.

We are currently and may in the future be party to various other claims and legal proceedings arising in the ordinary course of our business. We do not believe that any of these other current claims or legal proceedings will have a material adverse affect on our business, financial position or results of operations.

MANAGEMENT AND EMPLOYEES

General

Set out below is a summary of some relevant information concerning our Management Board, Supervisory Board and employees and a brief summary of certain significant provisions of Dutch corporate law and our articles of association in respect of our Management Board and Supervisory Board as they will read after the expected execution of the Deed of Amendment (as defined in "Description of Share Capital and Corporate Governance—General") on 12 November 2005 (the "Articles of Association"). See "Description of Share Capital and Corporate Governance—General". Where there is a significant difference between the Articles of Association and the articles of association that are in force as of the date of this Prospectus (the "Current Articles"), this will be briefly described. See also "Description of Share Capital and Corporate Governance—General".

Management Structure

We have a two-tier board structure consisting of a Management Board (*Raad van Bestuur*) and a Supervisory Board (*Raad van Commissarissen*).

Management Board

Powers, Composition and Function

The Management Board is responsible for the day-to-day management of our operations under the supervision of the Supervisory Board. The Management Board is required to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board for its approval, as more fully described below.

The Management Board may perform all acts necessary or useful for achieving our corporate purpose, save for those acts that are prohibited by law or by our Articles of Association. The Management Board as a whole is authorised to represent us, as are any two members of the Management Board acting jointly.

Members of the Management Board may be appointed by the General Meeting of Shareholders, subject to the right of the Supervisory Board to make a binding nomination to appoint a Management Board member in accordance with the relevant provisions of the Dutch Civil Code. The General Meeting of Shareholders may resolve that the nomination submitted by the Supervisory Board is not binding by a resolution passed with a majority of at least two-thirds of the votes cast representing more than 50% of our issued share capital, or such lower majority or quorum as Dutch law will permit for overriding a binding nomination. In such event, the Articles of Association provide that a new binding nomination will be drawn up by the Supervisory Board and submitted to a subsequent General Meeting of Shareholders (the Current Articles are silent on this). If the Supervisory Board does not exercise its right to submit a binding nomination or does not do so within two months of a vacancy arising, the General Meeting of Shareholders shall be free to appoint a Management Board member.

Our Articles of Association provide that the number of members of the Management Board will be determined by the Supervisory Board, and that the Management Board will consist of at least one member. The current members of the Management Board have been appointed for an indefinite period of time. In view of the release of the Code, the Articles of Association will provide (i) that new members of the Management Board will be appointed for a maximum term of four years, provided, however, that unless such member of the Management Board has resigned at an earlier date, his term of office shall lapse on the day of the annual General Meeting of Shareholders to be held in the fourth year after the year of his appointment and (ii) that a retiring member of the Management Board can be re-appointed immediately for a term of not more than four years at a time. See "Description of Share Capital and Corporate Governance—Corporate Governance". The Supervisory Board is entitled to designate one of the members of the Management Board as Chief Executive Officer who will also be the Chairman of the Management

Board. The General Meeting of Shareholders may suspend or dismiss Management Board members at any time with a majority of at least two-thirds of the votes cast at a meeting at which more than 50% of our issued share capital is represented. If, however, a proposal to suspend or dismiss a member of our Management Board is made by our Supervisory Board, no qualified majority or quorum is required at the General Meeting of Shareholders. The Supervisory Board may also suspend Management Board members at any time. In accordance with our Articles of Association, decisions of the Management Board are taken by majority vote. The Management Board must adhere to the general guidance provided by the General Meeting of Shareholders with regard to financial, social, economic and employment policies.

Under the Current Articles, the following decisions of the Management Board must be approved by the meeting of holders of Preferred A Shares: (See also "Description of Share Capital and Corporate Governance—Share Capital")

- any offer, sale, approval, designation or issuance of any security of us with rights, preferences or privileges that are senior to or *pari passu* with the rights, preferences or privileges of our Preferred A Shares;
- any increase in the number of our authorized Preferred A Shares;
- a sale by us of all or substantially all of our assets;
- any issuance by us of a new debt (or similar obligation for borrowed money) instrument or amendment to an existing debt instrument if, immediately following such issuance or amendment, the aggregate amount that we owe (pursuant to all such instruments) exceeds $25.0 million, excluding capital lease lines and ordinary course of business debt;
- a statutory merger (*fusie*) or demerger (*splitsing*), both in case we are the acquiring company and in case we are the disappearing company or the company that splits or splits off assets/liabilities;
- any distribution or payment, as well as the payment of an interim-dividend insofar such distribution or payment is made in respect of ordinary shares; and
- entering into any of the legal acts set forth in article 2:94, paragraph 1 of the Dutch Civil Code.

Under the Articles of Association, the Management Board's decisions must be approved by the Supervisory Board when they relate to, amongst others, the following matters:

- the adoption of internal rules regulating the decision making process and working methods of the Management Board;
- the internal allocation of duties within the Management Board;
- acquisition of our shares and debt instruments issued by us or of debt instruments issued by a limited partnership or general partnership of which we are a fully liable partner;
- application or the withdrawal for quotation of the securities referred to under the above bullet in the listing of any stock exchange;
- entering into or terminating a permanent cooperation of us or a dependent company with another legal entity or company or as fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of major significance to us;
- participation for a value of at least one quarter of the amount of our issued capital with the reserves according to our most recently adopted balance sheet with explanatory notes by us or by a dependent company in the capital of another company, as well as to a significant increase or reduction of such a participation;
- investments or divestments involving an amount equal to at least the sum of one-quarter of our issued share capital plus our reserves as shown in our balance sheet and explanatory notes;

- any issuance by us of a new debt (or similar obligation for borrowed money) instrument or amendment to an existing debt instrument if, immediately following such issuance or amendment, the aggregate amount that we owe (pursuant to all such instruments) exceeds $25.0 million excluding capital lease lines and ordinary course of business debt;
- any distribution or payment, as well as the payment of an interim-dividend insofar such distribution or payment is made in respect of our ordinary shares;
- a proposal to amend the Articles of Association;
- a proposal to dissolve (*ontbinden*) us;
- a proposal to conclude a legal merger (*juridische fusie*) or a demerger (*splitsing*);
- application for bankruptcy and for suspension of payments (*surséance van betaling*);
- termination of the employment of a considerable number of our employees or of a dependent company at the same time or within a short period of time;
- far-reaching changes in the employment conditions of a significant number of our employees or of a dependent company;
- a proposal to reduce our issued share capital; and
- such further resolutions as submitted to the Management Board by the Supervisory Board in writing clearly identifying the matters which have to be approved by the Supervisory Board.

Due to recent changes in the Dutch Civil Code, the Articles of Association will provide that decisions of the Management Board involving a significant change in our identity or character are subject to the approval of the General Meeting of Shareholders. Such changes include:

- the transfer of all or substantially all of our business to a third party;
- the entry into or termination of a significant joint venture of ours or of any of our subsidiaries with another legal entity or company, or of our position as a fully liable partner in a limited partnership or a general partnership; or
- the acquisition or disposal, by us or any of our subsidiaries, of a participating interest in the capital of a company valued at one-third or more of our assets according to our most recently adopted consolidated annual balance sheet.

In addition, the Management Board requires the prior approval of the General Meeting of Shareholders to resolve to enter into (i) a statutory merger whereby we act as the acquiring legal entity, or (ii) a legal demerger (*juridische splitsing*) whereby we act as the acquiring or demerging legal entity, unless the statutory merger is a merger referred to in article 2:333 Dutch Civil Code, or in the case of a legal demerger, a demerger referred to in article 2:334hh Dutch Civil Code.

Members of the Management Board

The Management Board is currently composed of the following two members:

Name	Age	Position	Member Since	Term
Alain De Taeye	48	Chairman of the Management Board, Chief Executive Officer	6 September 1995	Indefinite
George Fink	58	Member of the Management Board, President and Chief Operating Officer	14 May 2003	Indefinite

The business address of all members of the Management Board is Reitscheweg 7F, 5232 BX 's-Hertogenbosch, The Netherlands.

Alain De Taeye

Chairman of the Management Board and Chief Executive Officer

Mr. De Taeye graduated from the State University of Gent with a degree in Civil Engineering & Architecture and his work in the digital mapping industry began after having worked as a research assistant at the Business School of Gent University. He then founded Informatics & Management Consultants in 1984, a venture involved in the early phases of digital mapping and routing applications, where he was Managing Director. In 1988, Mr. De Taeye combined his company with Tele Atlas, a Dutch company also founded in 1984. Currently, Mr. De Taeye also is a Supervisory Board member of Nemerix SA and Telematics Cluster/ITS Belgium vzw and of the Belgium/Indian Chamber of Commerce & Industry.

George Fink

President and Chief Operating Officer.

Mr. Fink graduated from Northland College with a degree in Accounting. Mr. Fink has over 20 years of operating and management experience in a wide range of companies. He was co-founder and became President and Chief Executive Officer of Mirus Information Technology Services, Inc., an application service provider supplying operational reporting tools to larger restaurant chains, and was President of COMSYS Information Technology Services, Inc. He has also been President and Chief Executive Officer of Rent-a-Center, Inc., President and Chief Executive Officer of Remco America, Inc. and a partner at Arthur Young and Company prior to the merger that created Ernst & Young. Mr. Fink currently serves on the board of Infotech and is the chairman of the Supervisory Board of Mirus Information Technology Services, Inc.

Mr. Fink joined Tele Atlas in 2002.

Supervisory Board

Powers, Composition and Function

The Supervisory Board is responsible for supervising the conduct of and providing advice to the Management Board and supervising our business generally. In performing its duties, the Supervisory Board is required to act in the interests of our business as a whole. The members of the Supervisory Board are not however authorised to represent us in dealings with third parties.

The Current Articles provide that the General Meeting of Shareholders appoints the members of the Supervisory Board. Under the Articles of Association, the appointment of members of the Supervisory Board shall be subject to the right of the Supervisory Board to make a binding nomination to appoint a Supervisory Board member in accordance with the relevant provisions of the Dutch Civil Code. The General Meeting of Shareholders may resolve that the nomination submitted by the Supervisory Board is not binding by a resolution passed with a majority of at least two-thirds of the votes cast representing more than 50% of our issued share capital or such lower majority or quorum as Dutch Law will permit for overriding a binding nomination. In such event, a new binding nomination will be drawn up by the Supervisory Board and submitted to a subsequent General Meeting of Shareholders. If the Supervisory Board does not exercise its right to submit a binding nomination or does not do so within two months of a vacancy arising, the General Meeting of Shareholders shall be free to appoint a Supervisory Board member.

The Current Articles provide that the Supervisory Board will consist of seven members. The Articles of Association will provide that the Supervisory Board will consist of three or more members. In addition, the Articles of Association will provide that if there are less than three Supervisory Board members, the Supervisory Board shall remain an authorised corporate body and shall proceed without delay to supplement the number of its members. Further the Articles of Association will contain a provision which allows the General Meeting of Shareholders to determine the number of members of the Supervisory Board.

The current members of the Supervisory Board have been appointed for the term set out in the table below. In view of the release of the Dutch Corporate Governance Code, the Articles of Association will provide that any newly appointed member of our Supervisory Board will serve for a maximum of four years ending on the day of the annual General Meeting of Shareholders to be held in the fourth year after the year of his appointment, and may be reappointed two times (under the Current Articles no maximum applies as to reappointment of Supervisory Board Members). The Supervisory Board itself appoints a chairman and a deputy chairman from amongst its members. Under the Current Articles, the General Meeting of Shareholders may suspend or dismiss Supervisory Board members at any time without a qualified majority or quorum being required. After the expected execution of the Deed of Amendment, the General Meeting of Shareholders may at any time suspend or dismiss Supervisory Board members with a majority of at least two-thirds of the votes cast at a meeting at which more than 50% of our issued share capital is represented. The Articles of Association will provide that the Supervisory Board members shall retire periodically in accordance with a rotation plan to be drawn up by the Supervisory Board.

Under the Articles of Association, the Supervisory Board can only adopt resolutions by an absolute majority of the total number of votes to be cast. Each member of the Supervisory Board shall be entitled to one vote. Under the Current Articles, the Supervisory Board can only adopt resolutions at meetings at which at least five members of our Supervisory Board are present or represented by an absolute majority of the total number of votes of the members present or represented. However, resolutions related to—amongst others—(i) the establishment or termination of any Supervisory Board committee, (ii) the appointment or dismissal of members of such committee, as well as the establishment, amendment or termination of the mandate of such committee, (iii) the issuance of shares, options, warrants and other rights to other persons than our employees, officers or managing directors or those of our subsidiaries, (iv) ordinary shares issued or issuable in connection with any settlement of any action, suit, proceeding or litigation, (v) ordinary shares issued or issuable pursuant to the acquisition of another company by us by merger, or (vi) ordinary shares issued or issuable to banks, equipment lessors or other financial institutions pursuant to a debt financing or commercial leasing transaction, can only be adopted with a majority of at least five votes in favour.

Members of the Supervisory Board

The Supervisory Board is currently composed of the following seven members:

Name	Age	Position	Member Since	Term
Wim Dik	66	Chairman	18 May 2001	2009
Joost Tjaden	55	Member	14 September 1998	2006
Bandel Carano	44	Member	6 July 2004	2008
Charles Cotton	58	Member	6 July 2004	2008
Peter Morris	49	Member	6 July 2004	2008
Holger von Hebel	40	Member	6 July 2004	2008
George Schmitt	62	Member	6 July 2004	2008

The business address of all members of our Supervisory Board is Reitscheweg 7F, 5232 BX 's-Hertogenbosch, The Netherlands.

Mr. Carano, Mr. Morris, Mr. Tjaden and Mr. von Hebel are dependent members of the Supervisory Board within the meaning of the Dutch Corporate Governance Code (the "Code"). The other members are independent.

All our Supervisory Board members have been appointed by our General Meeting of Shareholders and have been nominated by the Selling Shareholders pursuant to a Shareholders' Agreement entered into between the Selling Shareholders and us on 6 July 2004. See also "Selling Shareholders and Related Party Transactions—Shareholders' Agreement".

Wim Dik

Chairman of the Supervisory Board

Mr. Dik graduated in Computer Science and Telecommunications from Delft University of Technology in 1962 and also studied at the Rotterdam University of Economics. Mr. Dik is a former chairman and chief executive officer of KPN NV (Royal Dutch Telecom), a former member of the supervisory board of ABN AMRO Bank NV, former chairman of the supervisory boards of Holland Casino and Van Gansewinkel Groep BV, former chairman of Nederlandse Unilever Bedrijven BV and former member of the supervisory board of TNT NV. He has also held the office of Minister for Foreign Trade in the Dutch Government. Currently, Mr. Dik is also chairman of the Board of Casema Holding BV, chairman of the advisory board of Spencer Stuart, a supervisory board member of Unilever NV and a non-executive director of Unilever Plc, AVIVA Plc and Logica CMG Plc.

Mr. Dik became a member of our Supervisory Board in 2000 and Chairman in 2004.

Joost Tjaden

Mr. Tjaden graduated from Rotterdam Erasmus University with a MBA Interfaculty for Management Studies in 1974. He began his career at Oranje-Nassau Groep BV where he became a member of the Management Board. He joined Janivo Holding BV, the parent of our shareholder IAM, in 1993 and is a Managing Director of that firm. IAM is one of the Selling Shareholders. Mr. Tjaden was a member of the Supervisory Boards of Atex Media Command Inc. and is currently a member of the Supervisory Boards of Quote Media Holding BV, Desch Holding BV, M&R de Monchy NV and Wave International BV and is a non-executive director of Mirus Corporation.

Mr. Tjaden became a member of our Supervisory Board in 1998.

Bandel Carano

Mr. Carano studied Electrical Engineering at Stanford University and joined Morgan Stanley's Venture Capital Group where he was responsible for advising Morgan Stanley on high-tech new business development, as well as sponsoring venture investments. Currently, Mr. Carano is a general partner and managing member of Oak Investment Partners, a multi-stage venture capital firm, which he joined in 1985. OAK is one of the Selling Shareholders. He serves on the Investment Advisory Board of the Stanford Engineering Venture Fund and he is also a non-executive board member of Wireless Facilities, Inc.

Mr. Carano became a member of our Supervisory Board in 2004.

Charles Cotton

Mr. Cotton graduated from Oxford University with a degree in Physics in 1968. He has more than 30 years of industry experience and was previously Executive Chairman of GlobespanVirata, Inc. and Chief Executive Officer of Virata Corporation. He has held senior operations, finance, marketing and product planning positions at Sinclair Research Ltd, British Leyland Plc and Ford Motor Company. Currently, Mr. Cotton is a Director of Library House Ltd and Chairman of Level 5 Networks Ltd.

Mr. Cotton became a member of our Supervisory Board in 2004.

Peter Morris

Mr. Morris graduated from Stanford University in 1980 with a degree in Electrical Engineering and from Stanford Graduate School of Business with a Master of Business Administration degree in 1984, then joined Montgomery Securities. He then joined Telebit Corporation in 1987 and in 1989 became Manager, Mergers & Acquisitions, before becoming General Manager in 1991. Currently, Mr. Morris is a general partner of New Enterprise Associates, a venture capital fund, which he joined in 1992, where he specialises in information technologies with a focus on communications, electronics and software infrastructure. NEA is one of the Selling Shareholders. He also serves on the boards of Agitar Software, Inc., Force10 Networks, Inc., Tasman Networks, Inc. and of the Stanford Engineering Venture Fund.

Mr. Morris became a member of our Supervisory Board in 2004.

Holger von Hebel

Mr. von Hebel studied Business Engineering at University of Karlsruhe. The majority of Mr. von Hebel's career has been with Bosch, where he has served in several positions in Germany and foreign countries. His latest positions were Managing Director of Logistics in a Bosch plant in Blaichach, Germany and Director in Corporate Planning and Controlling at Bosch headquarters in Stuttgart, Germany. Currently, Mr. von Hebel is the Chief Financial Officer of the Sigpack Group in Switzerland, a division of Bosch. Bosch is one of the Selling Shareholders.

Mr. von Hebel became a member of our Supervisory Board in 2004.

George Schmitt

Mr. Schmitt received an MS in Management from Stanford University, where he was a Sloan Fellow, and a BA in Political Science from Saint Mary's College. During his career he has been President and Chief Executive Officer of PCS PrimeCo, Executive Vice President of International Operations at AirTouch, Inc. and a member of the Management Board at Mannesmann Mobilfunk GmbH (now Vodafone Germany) and head of its technical department. Mr. Schmitt was appointed President and a Director of Omnipoint Communication Services in 1996, where he served until its acquisition by VoiceStream, which was subsequently acquired by Deutsche Telekom to form T-Mobile USA in 2001. Most recently, Mr. Schmitt served at e.spire Communications, Inc. where he was Chairman and Chief Executive Officer. He previously served as a director of Knowledge Holdings, Inc., as director and audit committee chair of Objective Systems Integrations and LHS group. Currently Mr. Schmitt is a Managing Director at TeleSoft Partners, serves as a director of several privately held companies and is a director at Jungo Ltd. TeleSoft is one of the Selling Shareholders.

Mr. Schmitt became a member of our Supervisory Board in 2004.

Senior Management

Our Management Board is supported by the following other members of the management team ("Senior Management"):

Mike Gerling

Chief Operating Officer, North America

Mr. Gerling graduated from Cornell University in 1977 with a degree in Business and Finance. He began his career with Andersen Consulting, where he was an analyst and a manager. Mr. Gerling then served as Vice President and Chief Financial Officer of Brean Murray, Foster Securities, Inc., a private financial services firm and a member of the NYSE. He joined GDT in 1992 as Chief Financial Officer and was appointed as President and Chief Executive Officer in February 2000. He became our Chief Operating Officer, North America on completion of our acquisition of GDT in 2004.

Mike Mitsock

Chief Marketing Officer

Mr. Mitsock holds a degree in Nuclear Engineering from Massachusetts Institute of Technology (“MIT”), a Masters degree in Mechanical Engineering from Northeastern University and a Masters of Business Administration from Boston University. After graduating from MIT, Mr. Mitsock joined Xenergy, Inc., where he was Vice President of Engineering. His career has spanned over 25 years in technology, during which time Mr. Mitsock has held a variety of engineering, marketing and product management positions from venture-backed startups to global leaders, such as Lotus Development Corporation (later acquired by IBM) and Progress Software Corporation. In 2000, he became Vice President of Marketing of SupplyWorks, Inc. Mr. Mitsock joined us in January 2005 from Lightbridge, Inc., where he was Vice President of Worldwide Marketing and Product Management.

Hardie Morgan

Chief Financial Officer

Mr. Morgan studied Business and Sociology at Rice University, Houston and is a certified public accountant in Texas. He began his career at Arthur Young and Company prior to the merger that formed Ernst & Young and then, in 1985, joined Landmark Graphics Corporation, where he was Chief Financial Officer and Vice President. On leaving Landmark in December 1991, Mr. Morgan ran a consulting practice specialising in the integration of acquisitions. In December 1998, Mr. Morgan became the co-founder and Chief Operating Officer of Mirus Information Technology Services, Inc., an application service provider supplying operational reporting tools to large restaurant chains. Mr. Morgan left Mirus in March 2002 to return to his consulting business. Mr. Morgan joined us as CFO in June 2004 having already worked for us since August 2002 through his consultancy business.

Bruce Radloff

Chief Technology Officer

Mr. Radloff graduated from Ohio State University in 1979, having studied Political Science and Computer Science, and began his career as an officer in the US Air Force between 1979 and 1984. He joined IBM and Bell Atlantic, Inc. (now part of Verizon Inc.), where he worked between 1984 and 1997. Mr. Radloff studied Technology Management at the University of Maryland and graduated with his Masters degree in 1996. Mr. Radloff has most recently served as Vice President, and Chief Technology Officer (CTO) at the OnStar division of General Motors Corporation, which he joined in 1997. He joined us in January 2005.

Jack Reinelt

Chief Operating Officer, Europe

Mr. Reinelt studied Finance at Western Michigan University. His career has seen 27 years of operating experience in building technology companies in the software development, database and mobile applications markets, including more than 15 years in the automotive segment. Mr. Reinelt has also held management positions at IBM Corporation, SunGard, Inc. and Commerce One LLC, and was President of Adept International, Inc., Division President of Appnet., Inc. and President of Software Services Corporation. Currently Mr. Reinelt is also a board member of GDI Infotech, Inc. He joined us in May 2004.

Supervisory Board Committees

Audit Committee

The Audit Committee assists the Supervisory Board in monitoring the systems of internal controls, the integrity of the financial reporting process and the content of our financial statements and reports and in assessing and mitigating our business and financial risks. The responsibilities of the Audit Committee include:

- reviewing and assuring the independence of our accountants;
- requiring our accountants to report all critical accounting policies and practices;
- reviewing all interim and financial reports;
- reviewing with our accountants, in advance of the annual audit, the audit scope and plan; and
- discussing with the independent accountants at the completion of the annual audit the financial statements and related footnotes the accountants' report thereon, their judgement about the quality of our accounting principles, changes in the audit plan or difficulties encountered during the audit and discussing other matters related to the conduct of the audit.

The role and responsibility of the Audit Committee as well as the composition and the manner in which it discharges its duties are set out in an Audit Committee charter.

At present the members of the Audit Committee are: Mr. Schmitt (Chairman), Mr. von Hebel and Mr. Tjaden. Meetings of the Audit Committee are generally attended by our Chief Financial Officer and our financial group controller. The Chairman of the Supervisory Board may attend the Audit Committee meetings, but is not a member.

The Audit Committee shall meet at least four times a year and shall also meet each time we propose to issue a press release with our quarterly or annual earnings information.

Remuneration Committee

The Remuneration Committee advises the Supervisory Board on the remuneration of the members of the Management Board and monitors our remuneration policy, which covers bonus plans for our senior management, including the members of the Management Board. The Chairman of the Supervisory Board may attend the Remuneration Committee meetings, but is not a member.

The Remuneration Committee consists of at least three members of the Supervisory Board, one of whom is to be designated as Chairman. At present the members are: Mr. Cotton (Chairman), Mr. Carano, Mr. Morris and Mr. Tjaden.

Nominating Committee

The Nominating Committee advises on the selection criteria and appointment procedures for members of the Management Board and members of the Supervisory Board, the proposals for appointments and reappointments, the policy of the Management Board on selection criteria and appointment procedures for senior management. It also assesses the functioning of individual members of the Supervisory Board and the Management Board. At present the members are: Mr. Carano (Chairman), Mr. Morris and Mr. Tjaden. The Chairman of the Supervisory Board may attend the Nominating Committee meetings, but is not a member.

Remuneration and Equity Holdings

The Supervisory Board establishes the remuneration of the individual members of the Management Board, in accordance with the current Management Board remuneration policy, which was adopted by the

General Meeting of Shareholders in a General Meeting on 9 May 2005. The Management Board remuneration policy also generally applies to members of management who are not members of the Management Board.

The objective of our remuneration policy is to provide a compensation program that allows us to attract, retain and motivate members of the Management Board who have the character traits, skills and background to successfully lead and manage a global enterprise and to reward them based on both the individual's and company performance. The remuneration policy is designed to balance short-term operating performance and the long-term growth in shareholder value.

The current remuneration policy for members of the Management Board is comprised of the following elements:

- base salary and other periodic compensation and benefits such as health insurance and car allowances;
- short term incentive compensation; and
- long-term equity-based compensation in the form of options.

As a result of a recent change in the Dutch Civil Code, the Articles of Association will provide that the Supervisory Board presents to the General Meeting of Shareholders for approval any scheme providing for the remuneration of the members of the Management Board in the form of shares or options. Such a proposal must include the number of shares or options that may be granted to the members of the Management Board and which criteria apply to a grant or modification.

Management Board and Senior Management

The total remuneration we paid to or for the benefit of members of Senior Management in 2004, excluding remuneration paid to members of our Management Board, amounted to approximately €0.5 million. This amount includes only six months of Mr. Gerling's compensation, as he joined us in July 2004 and does not include any compensation paid to Mr. Radloff or Mr. Mitsock, who joined us in 2005.

The total remuneration we paid to or for the benefit of members of our Management Board in 2004 amounted to approximately €0.9 million. The following table denotes the breakdown in remuneration of members of the Management Board in 2004.

2004 Management Remuneration Information

Name	Remuneration	Pension contributions	Bonus	Medical and other Benefits	Other Payments(1)	Total remuneration
			(€)			
Alain De Taeye	253,760	28,000	134,722	15,515	—	431,997
George Fink	201,613	6,563	224,435	5,645	37,491	475,747
Total	**455,373**	**34,563**	**359,157**	**21,160**	**37,491**	**907,744**

(1) This amount includes temporary living expenses for Mr. Fink.

Remuneration totals for members of our Management Board and Senior Management in 2004 do not include the value of our share options granted to members of the Management Board and Senior Management. See "—Option Plans—2004 Share Option Plan."

The number of ordinary shares (excluding options to purchase our ordinary shares—see "—Option Plans") owned by the Management Board and members of Senior Management as of 30 September 2005 were as follows:

	Number of Ordinary Shares Owned
Alain De Taeye	28,369
George Fink	—
Mike Gerling	—
Mike Mitsock	—
Hardie Morgan	—
Bruce Radloff	—
Jack Reinelt	—
Total	**28,369**

Supervisory Board

The remuneration of the members of the Supervisory Board is determined by the General Meeting of Shareholders. The remuneration of the Supervisory Board members during 2004 was €35,000 for the Chairman and €30,000 for each of the other members, unless the Supervisory Board members chose to take their remuneration in share options. Mr. Schmitt and Mr. Cotton took their remuneration in share options in 2004, with each being granted options on 20,000 shares exerciseable at €5.70 a share. Committee members were paid an additional €1,000 per committee meeting.

The number of ordinary shares owned by the Supervisory Board as of 30 September 2005 were as follows:

	Number of Ordinary Shares Owned
Wim Dik	300
Joost Tjaden(1)	8,563
Bandel Carano(2)	—
Charles Cotton	—
Peter Morris(3)	—
Holger von Hebel	—
George Schmitt(4)	—
Total	**8,863**

(1) In addition to the shares Mr. Tjaden holds directly, he is also a Managing Director of IAM, which holds our ordinary shares. See "Selling Shareholders and Related Party Transactions".

(2) Although Mr. Carano does not hold any shares directly, he is a general partner and managing member of Oak, which holds our ordinary shares. See "Selling Shareholders and Related Party Transactions".

(3) Although Mr. Morris does not hold any shares directly, he is a general partner and managing member of NEA, which holds our ordinary shares. See "Selling Shareholders and Related Party Transactions".

(4) Although Mr. Schmitt does not hold any shares directly, he is a general partner and managing member of Telesoft, which holds our ordinary shares. See "Selling Shareholders and Related Party Transactions".

Other Information Relating to Members of the Supervisory Board, the Management Board and Senior Management

Except for Supervisory Board members Mr. Morris, Mr. Carano and Mr. Schmitt, as described below, in relation to each of the members of the Supervisory Board, the Management Board and Senior

Management we are not aware of (i) any convictions in relation to fraudulent offences in the last five years, (ii) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships or senior management positions in the last five years, or (iii) any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

On or about 31 March 2002, Yipes Communications Group, Inc. ("Yipes") voluntarily filed for bankruptcy protection in the US Bankruptcy Court for the Northern District of California. Yipes was a provider of broadband ethernet services to business customers. Mr. Morris was a director of Yipes at the time of Yipes' bankruptcy filing. The Yipes bankruptcy proceeding was substantially concluded by 31 March 2004 following the sale of Yipes' assets and the confirmation of Yipes' plan of reorganisation. By 31 March 2004, Mr. Morris was no longer a director of Yipes. There are, to the best of Mr. Morris' knowledge, no further proceedings pending at this time in the Bankruptcy Court.

In addition, in March 2004, four former shareholders of Yipes commenced a civil lawsuit in the San Francisco, California Superior Court, seeking unspecified damages and other relief. These former shareholders alleged that the former directors and alleged controlling shareholders of Yipes had breached their fiduciary duties and engaged in interference with prospective economic advantage, fraud and negligent misrepresentation in connection with the corporate financing of Yipes, Yipes' bankruptcy, and the purchase of Yipes' assets at bankruptcy auction. As a former director of Yipes, Mr. Morris has been named as a defendant in this action. The plaintiffs' claim of interference with prospective economic advantage has been dismissed from the case, and the other claims are presently subject to further motions seeking their dismissal, in whole or in part. The lawsuit is insured by Yipes' directors' and officers' liability insurance policy. Because this matter is in its early stages, no representation is made as to its likely outcome.

Mr. Carano was a member of the board of directors for Metawave Communications Corporation ("Metawave"), a Redmond, Washington-based company that provided smart antenna solutions to wireless network operators. Metawave suffered significant losses due to a fire which destroyed its manufacturing facility in Taiwan. Metawave ultimately filed for Chapter 11 bankruptcy in January 2003 reporting debts of $8.95 million and zero assets. The bankruptcy procedure is now closed.

On 22 March 2001, while Mr. Schmitt was Chairman of the Board of Directors and acting CEO of e.spire Communications ("e.spire"), a telecommunications service provider, e.spire filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the District of Delaware. E.spire had total liabilities of approximately $1.0 billion. E.spire sold its asset to Xspedius Management for $68.0 million pursuant to approval of the Bankruptcy Court on 5 June 2002.

Administrative, Management and Supervisory Bodies Conflicts of Interest

Other than the fact that four members of the Supervisory Board are "not independent" as described in "Members of the Supervisory Board" above, and except as disclosed in "Selling Shareholders and Related Party Transactions", we are not aware of any potential conflicts of interest between the private interests or other duties of the members of our Management Board, Supervisory Board or Senior Management and their duties and responsibilities to us.

Option Plans

Share Option Plan 2000 and Share Option Plan 2001

In 2000, we adopted our Share Option Plan 2000 ("Share Option Plan 2000") and in 2001 we adopted our Share Option Plan 2001 ("Share Option Plan 2001"). These share option plans each provided for the granting of options to purchase our ordinary shares to our employees and to other individuals designated by the Management Board and approved by the Supervisory Board for their contributions to our growth and success.

Options granted under the Share Option Plan 2000 and under the Share Option Plan 2001 were exercisable immediately on the date of the grant at an exercise price equal to the fair market value of our underlying shares on the date of the grant. Options granted under the plans cannot be transferred, pledged or charged, and may be exercised only by the option holder within a five year period from the date of the grant, or, upon the option holder's death and with the approval of the Management Board, by his successors within three months from the date of death. Employees in Belgium may exercise options under both plans for an additional period of three years.

Under the Share Option Plan 2000, shares purchased upon exercise of an option may not, without prior approval of the General Meeting of Shareholders, be sold, assigned, transferred, pledged, mortgaged or otherwise disposed of other than to us or any other person or corporate body designated by the Management Board.

No additional options will be granted under the Share Option Plan 2000 and the Share Option Plan 2001.

Share Option Plans 2003

In 2003, we adopted an Executive Employees Share Option Plan (the "Executive Employees Share Option Plan 2003") and in the beginning of 2004 we formalised a Share Option Plan for employees ("Employees Share Option Plan 2003").

Under the Executive Employees Share Option Plan 2003, options to purchase our ordinary shares were granted to our members of the Management Board and to two members of Senior Management. The options granted under the Executive Employees Share Option Plan 2003 vested over a period which started on 1 September 2003 and ended on 30 September 2005. In connection with the acceptance of the options under this new plan, Mr. De Taeye and Mr. Fink agreed not to exercise options which had been granted to them under the Share Option Plans 2000 and 2001.

The options granted under the Employees Share Option Plan 2003 vested over a period which started on 2 February 2004 and ended on 30 September 2005.

No additional options will be granted under the Executive Employees Share Option Plan 2003 or the Employees Share Option Plan 2003.

Options under these two plans cannot be transferred, pledged or charged, and may be exercised only by the option holder over a period of five years from the date of grant or, upon the option holder's death and with approval of the Management Board, by his successors within three months from the date of death, at an exercise price equal to the fair market value of our underlying shares on the date of the grant.

United States 2003 Share Option Plan

In 2003, we also adopted a share option plan in respect of persons residing in the United States ("United States 2003 Share Option Plan").

Options under this plan may only be granted to our officers, employees, Supervisory Board members, consultants and advisors if they are also resident of the United States.

The exercise price of an option shall be determined by the Supervisory Board on the date of grant. Each option shall expire on the fifth anniversary of the date the option is granted. The options shall be exercisable either in full or in instalments at such time or times and during such period as determined in an 'award agreement'.

An option shall only be exercisable by or on behalf of the option holder to whom the option has been granted and no option shall be assignable or transferable, except by will or the laws of descent and distribution.

If a person acquires more than 50% of our share capital or if all or substantially all of our assets are to be sold, leased or otherwise be disposed of, the outstanding options under the United States 2003 Share Option Plan shall be subject to the agreement implementing such transaction. Such agreement may, without the option holder's consent, provide for terms and conditions as determined by our Supervisory Board.

The Supervisory Board may at any time and from time to time modify, amend or terminate the United States 2003 Share Option Plan in any respect, except to the extent shareholder approval is required by law. However, the termination or any modification of this plan shall not, without the consent of an option holder, affect such option holders' rights under an 'award agreement' unless such agreement so specifies.

No additional options will be granted under the United States 2003 Share Option Plan.

2004 Share Option Plan

Overview

At our Annual General Meeting of Shareholders held on 27 May 2004, our shareholders voted for a resolution approving an increase in our ordinary shares available for employee share option plans to an amount equal to 10% of our fully diluted shares (assuming exercise of all outstanding Preferred A Shares, Warrants and options, as defined below in "Description of Share Capital and Corporate Governance—Share Capital—Outstanding Warrants and Recent Conversion of Preferred A Shares into Ordinary Shares" and "Management—Remuneration and Equity Holdings—Option Plans", respectively) and on 9 May 2005 the General Meeting of Shareholders approved a new Share Option Plan for key employees (the "2004 Share Option Plan") which among other things fixed the number of ordinary shares subject to options at 8,890,978 less the number of our ordinary shares to which options have been granted under our previous existing option plans. The 2004 Share Option Plan was approved by the Supervisory Board on 8 July 2004 and by the General Meeting of Shareholders on 9 May 2005.

Like our earlier other option plans, the purpose of the 2004 Share Option Plan is to provide an incentive to our key employees and our consultants and advisors to remain in the employ or service of us, and to attract new employees, consultants and advisors.

Grant and Exercise of Options

Share options under the 2004 Share Option Plan may be granted by our Supervisory Board to our officers, employees, consultants and advisors.

The options shall be exercisable either in full or in instalments at such time or times and during such period as determined in an 'award agreement' provided that no option shall have a term in excess of ten years from the date of grant and provided that the option holder still is an officer, employee, consultant or advisor of us. The exercise price of an option shall be determined by the Supervisory Board on the date of grant.

An option shall only be exercisable by or on behalf of the option holder to whom the option has been granted and no option shall be assignable or transferable, except by will or the laws of descent and distribution.

If a person acquires more than 50% of our share capital or if all or substantially all of our assets are to be sold, leased or otherwise be disposed of, the outstanding options under the 2004 Share Option Plan shall be subject to the agreement implementing such transaction. Such agreement may, without the option holder's consent, provide for terms and conditions as determined by our Supervisory Board.

The Supervisory Board may at any time and from time to time modify, amend or terminate the 2004 Share Option Plan in any respect, except to the extent shareholder approval is required by law. However, the termination or any modification of this plan shall not, without the consent of an option holder, affect such option holders' rights under an 'award agreement' unless such agreement so specifies.

In general, exercise of options is subject to regulation under Dutch law, and customary rules on the prevention of insider trading are applicable. Under Dutch insider trading rules, share options may not be exercised in certain periods. The exercise of options and the sale of the shares acquired upon such exercise may also be subject to restrictions under German insider trading laws.

In March 2004, we entered into a negotiated settlement with the Dutch tax authorities in respect of options granted in 2000. This settlement also extended to the sale of 2,000 of our ordinary shares by management.

Options Granted to Supervisory Board, Management Board, Senior Management and Other Employees and Consultants

The options indicated in the table below were granted to members of the Management Board, senior management and other employees and consultants for the periods indicated.

Name	Outstanding Options (as of 1 January 2005)	Options Granted in 2005	Exercise Price of 2005 Options	Begin Exercise Period of 2005 Options	End Exercise Period of 2005 Options	Range of Exercise Prices for All Outstanding Options	Weighted Average Exercise Price of All Outstanding Options	Outstanding Options (as of 4 November 2005)
Alain De Taeye . . .	1,000,000	75,000	17.85	2005	2015	0.99–17.85	6.55	800,000
George Fink	1,000,000	75,000	17.85	2005	2015	0.99–17.85	6.55	800,000
Mike Gerling	400,000	60,000	17.85	2005	2015	5.54–17.85	7.46	385,000
Mike Mitsock	—	275,000	8.69–17.85	2005	2015	8.69–17.85	9.63	244,000
Hardie Morgan . . .	350,000	85,000	17.85	2005	2015	5.54–17.85	8.12	405,000
Bruce Radloff	—	350,000	8.69	2005	2015	8.69	8.69	330,000
Jack Reinelt	400,000	60,000	17.85	2005	2015	5.54–17.85	7.39	400,000
Other employees and consultants	2,255,434	1,521,801	8.69–17.85	2005	2015	4.02–17.85	9.74	2,979,162
Total	**5,405,434**	**2,501,801**	**8.69–17.85**	**2005**	**2015**	**0.99–17.85**	**8.49**	**6,343,162**

Immediately prior to the Global Offer, our Management Board, senior management and other employees and consultants held options to acquire a total of 6,343,162 of our ordinary shares with a nominal value of €0.10 each, which would if exercised represent approximately 7.1% of our total issued share capital immediately after the Global Offer, assuming no exercise of the Underwriters' Option and the conversion of the Warrants.

The options indicated in the table below were granted to members of the Supervisory Board for the periods indicated.

Name	Outstanding Options (as of 1 January 2005)	Options Granted in 2005	Exercise Price of 2005 Options	Begin Exercise Period of 2005 Options	End Exercise Period of 2005 Options	Range of Exercise Prices for All Outstanding Options	Weighted Average Exercise Price of All Outstanding Options	Outstanding Options (as of 4 November 2005)
Wim Dik	—	—	—	—	—	—	—	—
Joost Tjaden	—	20,000	12.85	2005	2015	12.85	12.85	20,000
Bandel Carano	—	20,000	12.85	2005	2015	12.85	12.85	20,000
Charles Cotton	20,000	20,000	12.85	2005	2015	5.70–12.85	9.28	40,000
Peter Morris	—	20,000	12.85	2005	2015	12.85	12.85	20,000
Holger von Hebel	—	—	—	—	—	—	—	—
George Schmitt	20,000	20,000	12.85	2005	2015	5.70–12.85	9.28	40,000
Total	**40,000**	**100,000**	**12.85**	**2005**	**2015**	**5.70–12.85**	**10.81**	**140,000**

From 2 February 2004 to 29 July 2005, we issued options to certain of our US employees under our United States 2003 Share Option Plan and our 2004 Share Option Plan. The issue of options to certain of our US employees may not have been exempt from registration or qualification under US federal securities laws and the securities laws of certain states. As a result, the US holders of these options may have rescission rights that could require us to reacquire the options. We expect that a US holder of these options will most likely exercise any rescission right if the trading price of our ordinary shares falls below the exercise price of that holder's options. The weighted average exercise price of our outstanding options issued to US employees which may be subject to rescission rights is €10.10. The closing price of our ordinary shares on the FSE was €19.47 on 4 November 2005. We have valued the aggregate purchase price of the US options which may be subject to rescission rights at approximately €14.1 million. However, it is possible that an option holder could argue that this does not represent an adequate remedy for the issuance of the option in violation of applicable US securities laws, and if a court were to impose a greater remedy, our exposure could be higher. The US Securities and Exchange Commission or certain state regulators could also initiate an inquiry into this matter. If it is determined that we offered securities without properly registering them under US federal or state law, or securing an exemption from registration, regulators could impose monetary fines or other sanctions as provided under these laws.

Employment and Severance Agreements

The term of the employment contract for our Chairman and Chief Executive Officer, Mr. De Taeye, is for an indefinite period of time and can be terminated by us on four months notice or by Mr. De Taeye on two months notice.

If Mr. De Taeye's employment contract is terminated by us, other than in case of urgent cause *(dringende reden)* or termination due to acts, defaults or negligence of Mr De Taeye, a severance arrangement has been agreed providing for a severance payment equal to ⅙ of the annual compensation (consisting of annual gross salary, bonus entitlement, insurance/pension premium and company car) for every full year of employment, provided that the severance payment is limited to three times the annual compensation. Any severance payment is inclusive of payments for the four month notice period.

Mr. De Taeye is restricted from engaging in any way with activities similar to our business' during the course of his employment with us and two years thereafter.

The employment agreement with our President and Chief Operating Officer, Mr. Fink commenced on 14 May 2003 and runs until 14 May 2006. If no notice of termination is given, the agreement is automatically extended for a period of one year. Mr. Fink may terminate the employment agreement by giving notice at any time. If we or he terminates the employment agreement before 14 May 2006 for certain reasons (not including our termination of the contract for cause) Mr. Fink will receive his base salary for the longer of (i) the period beginning on the date the employment is terminated and ending on 14 May 2006, and (ii) a period of 52 weeks following the date the employment is terminated.

Mr. Reinelt, our Chief Operating Officer of Europe, has an employment agreement with our subsidiary Tele Atlas Data Gent NV for an indefinite period of time. He will be entitled to a severance payment equal to one month's remuneration for each full year of service with us, with a guaranteed minimum of three months during the first twelve months of his employment and six months remuneration thereafter, unless terminated due to specific reasons such as gross misconduct or any serious breach of any of the provisions of the employment agreement. Mr. Reinelt also has an employment agreement with our subsidiary Tele Atlas UK Limited for 7.25 hours a week. This agreement may be terminated by not less than three months' notice by either party. He will also be entitled to a severance payment equal to one month's remuneration for each full year of service with us, with a guaranteed minimum of three months during the first twelve months of his employment and six months remuneration thereafter. The agreement with Tele Atlas UK Limited may however be terminated by us at any time without notice or payment in lieu of notice in the event of serious or persistent misconduct by Mr. Reinelt or material breach of any of the provisions of the employment agreement.

The other members of the senior management team have received offer letters for an indefinite period of time. Their employment is at will, which means that we or they may terminate the employment relationship at any time, with or without cause, subject to the applicable law. For these other members of Senior Management, no severance arrangements have been agreed, except for Mr. Radloff and Mr. Mitsock who will receive six months salary if we terminate their employment for any reason except for cause during the first twelve months following the beginning of their employment.

Directors Indemnification and Insurance

In order to attract and retain qualified and talented persons to serve as members of the Management Board, Supervisory Board, Senior Management or in other senior management functions in respect of a sector, region, product group or other internal company structure or segment, we provide such persons with protection through a directors' and officers' insurance policy. Under this policy, any of our past, present or future directors or officers or the directors or officers of any of our subsidiaries will be insured against any claim made against any one of them for any wrongful act in their respective capacities as directors or officers, except for and to the extent that they are separately indemnified by us. The policy also covers our losses arising from any such indemnified claim, but only when and to the extent that we are legally required or permitted to indemnify the directors or officers for such loss.

Further, we agreed to indemnify the members of our Management Board and Supervisory Board to the fullest extent permitted by law against risks of claims and actions against them arising out of their service to and activities on our behalf pursuant to a director indemnification agreement. In certain cases indemnification shall not apply, for example if the relevant person did not in good faith believe he was acting in our best interests. Under the director indemnification agreement certain affiliated persons of the indemnified person are also indemnified. The indemnification provided by the director indemnification agreement shall be in addition to any rights to which an indemnified person may be entitled under our Articles of Association.

Our Articles of Association also provide for an indemnity for any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) in his current or former capacity as member of the Supervisory Board or the Management Board, provided that such person acted in good faith and in a manner which he reasonably believed to be in our best interests, and—with respect to any criminal action or proceeding—had no reasonable cause to believe his conduct was unlawful or outside of his mandate.

However, this indemnification shall not apply in the case of the Supervisory or Management Boards' members' gross negligence or wilful misconduct as determined by a non-appealable judgment, unless a court determines that, in view of all circumstances, an indemnification against such liabilities and expenses is fair and reasonable.

Pursuant to our Articles of Association, no member of the Supervisory Board or the Management Board shall be personally liable to us or our shareholders for monetary damages for breach of fiduciary duty to the fullest extent permitted by law.

Pension Scheme

We have pension plans in certain of the countries where we operate. In most countries, we operate a defined contribution plan limiting our legal or constructive obligation to the amount we agree to contribute during the period of employment. These contributions are charged to our statement of operations in the year to which they relate.

In Germany, we operate a defined benefit plan. We carry accumulated obligations as pension liabilities on our balance sheet based on actuarial calculations, using for the year ended 31 December 2004 a discount rate of 4.7%, an assumed rate of salary increase of 3.0% and German mortality rates. Benefits paid are deducted from the amount of this liability, while additions are charged to the statement of operations.

In Italy, we pay all employees a staff leaving indemnity on termination of their employment. Each year, we accrue an amount for each employee, based in part on the employee's remuneration and in part on the revaluation of amounts previously accrued. The indemnity has the characteristics of a defined contribution obligation and is an unfunded, but fully provided, liability.

The cost of providing benefits under our various pension plans is determined separately for each plan. We recognise actuarial gains and losses as income or expense immediately.

Employees

As of 30 September 2005 we had approximately 1,288 full-time employees worldwide, including 658 in Europe, 623 in North America and 7 in the rest of the world. Our full-time employees are split among: support (176), marketing (109), sales (123) and customer delivery (880).

We had an average of 1,850 full-time employees in 2002, 1,807 in 2003 and 1,952 in 2004.

The decrease in the number of our full-time employees from the end of 2004 to the date of this Prospectus is due to the sale of our InfoTech operations in India in March 2005.

Under Dutch law, all employers in The Netherlands with more than 50 employees must establish a Works Council. We expect to establish a Works Council at the end of 2005. Works Councils in The Netherlands have the authority to advise on certain company decisions proposed by the General Meeting of Shareholders or the Management Board, including but not limited to a change of control. Employers are also required to submit certain statutory defined matters that are viewed as "social policy" (affecting employment terms and conditions) to the Works Council for prior approval. We further have a Works Council in Belgium with our Belgian subsidiary and a Works Council in Germany with our German subsidiary.

SELLING SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Selling Shareholders

Holdings Prior to the Global Offer and Participation in the Global Offer

The following table presents information about the ownership of our issued and outstanding ordinary shares as of the date of this Prospectus for (i) each Selling Shareholder and (ii) each person or group of affiliated persons we know to beneficially own 5% or more of our issued and outstanding ordinary shares, assuming that the Capital Restructuring has taken place, and Cashless Exercise by all Selling Shareholders other than IAM, who has agreed to Cash Exercise of the Warrants. See "Description of Share Capital and Corporate Governance—Share Capital—Outstanding Warrants and Recent Conversion of Preferred A Shares into Ordinary Shares."

	Existing Shares owned prior to the closing of the Global Offer		Total Existing Shares to be sold in the Global Offer		Shares owned immediately after the Global Offer and upon conversion of the Warrants			
			Without exercise of the Underwriters' Option	With full exercise of the Underwriters' Option	Without exercise of the Underwriters' Option		With full exercise of the Underwriters' Option	
	Total	%			Total	%	Total	%
Bosch	10,479,904	13.8	3,389,772	4,264,026	7,090,132	7.9	6,215,878	7.0
IAM	18,140,235	23.8	3,040,575	3,040,575	15,939,572	17.9	15,939,572	17.9
Oak	12,581,894	16.5	4,674,582	5,880,200	9,777,473	11.0	8,571,855	9.6
NEA	11,741,978	15.4	4,362,526	5,487,661	9,124,767	10.2	7,999,631	9.0
Meritech	3,359,649	4.4	1,248,218	1,570,145	2,610,805	2.9	2,288,878	2.6
Telesoft	3,359,649	4.4	1,248,218	1,570,145	2,610,804	2.9	2,288,877	2.6
Stanford University	33,596	0.0	12,482	15,701	26,108	0.0	22,888	0.0
Totals	**59,696,905**	**78.4**	**17,976,374**	**21,828,454**	**47,179,659**	**52.9**	**43,327,579**	**48.5**

In addition, members of the Supervisory Board, the Management Board and Senior Management also held, immediately prior to the Global Offer, options to purchase approximately 3,504,000 ordinary shares at a weighted average exercise price of €7.51 per share. We describe these options in more detail in "Management and Employees—Remuneration and Equity Holding—Option Plans".

Except as disclosed above, we are not aware of any person who, as of the date of this Prospectus, directly or indirectly, has an interest as beneficial owner in shares which represent 5% or more of our issued and outstanding shares.

The Selling Shareholders have the same voting rights as other holders of ordinary shares.

Shareholders' Agreement

We entered into a shareholders' agreement with all Selling Shareholders on 6 July 2004 (the "Selling Shareholders Agreement"). This agreement was within the framework of our acquisition of GDT in July 2004 and the financing provided in support of this acquisition by the Selling Shareholders, except for Bosch ("Investors") by means of our issuance of Preferred A Shares and Warrants to such Investors pursuant to a securities purchase agreement dated 28 April 2004 (the "Securities Purchase Agreement"), which transaction closed on 6 July 2004. In addition to this Securities Purchase Agreement we entered into a Registration Rights Agreement and a number of Investors were granted certain management rights under Management Right Letters.

Under the Shareholders' Agreement, the Selling Shareholders (other than Leland Stanford Junior University) have, among other things, been granted the right to nominate members of our Supervisory Board. Subject to the closing of the Global Offer and the conversion of the Preferred A Shares by the relevant Investors, we and the Investors have agreed that the Shareholders' Agreement and other related agreements will terminate and cease to exist, save for certain specific provisions.

See also: "Description of Share Capital and Corporate Governance—Share Capital—Outstanding Warrants and Recent Conversion of Preferred A Shares into Ordinary Shares".

Related Party Transactions

Except as disclosed below, the members of the Management Board, Supervisory Board and Senior Management team have no interest in any transactions which are or were unusual in their nature or conditions or significant to our business, and which were effected by us during the financial year immediately preceding the publication of this Prospectus or during an earlier financial year which remain in any respect outstanding or unperformed.

Bosch/Blaupunkt

We have a long-standing commercial relationship with Blaupunkt (formerly Blaupunkt Werke GmbH), a wholly-owned subsidiary of our shareholder Bosch. On 4 September 1998, we and Bosch, also acting on behalf of Blaupunkt, entered into a supply and license agreement, pursuant to which Bosch/Blaupunkt is granted a non-exclusive, non-transferable license to commercialise our map data for use in its navigation systems. These transactions were on an arm's length basis and approved by our Supervisory Board. During the nine months ended 30 September 2005, our sales on Blaupunkt systems represented approximately 12% of our total revenues. As at January 2005, we entered into a separate agreement with Blaupunkt for a three-year term, as exclusive provider of map data for Blaupunkt's products in the aftermarket in certain countries in Europe, where we are able to maintain a competitive coverage. In August 2005, we entered into a further agreement with Bosch and Blaupunkt, under which we granted Bosch and Blaupunkt the non-exclusive and non-transferable rights to apply their compilation software and our digital maps into their products.

We have also entered into several financing transactions involving Bosch. On 8 August 2003, we entered into a loan agreement with Bosch and our shareholder IAM. The total amount which could be borrowed under this agreement was €10.0 million, with Bosch and IAM participating on an equal basis. The loan had an interest rate of 11.5% and was repayable after three years. In 2004, we entered into further loan agreements with Bosch and IAM. These included a €4.0 million Loan Facility Agreement on 27 January 2004, a €3.8 million Loan Facility Agreement on 20 April 2004 and Bridge Loan Facility Agreements in the amounts of €4.2 million, €3.0 million and €4.0 million on 22 April, 17 May and 12 July 2004 respectively. These loans were used to fund our working capital needs during 2003 and 2004. In 2004, all loans were repaid in full and the agreements were terminated. Finally, in connection with certain financing transactions during 2003 and 2004, Bosch and Janivo Holding BV, the parent of our shareholder IAM, provided corporate guarantees and a letter of intent for us.

An authorised representative of Bosch, Holger von Hebel, is a member of our Supervisory Board.

IAM

In addition to the loan agreements with IAM described above, on 10 May 2005, we entered into an agreement with IAM to convert a contingent loan into ordinary shares. The loan, which was created in connection with our legal restructuring in January 2000, was payable upon our realisation of potential tax benefits resulting from the depreciation of certain assets contributed by IAM in the restructuring. The total amount of the contingent loan, assuming full realisation of the tax benefits, was €33.0 million. As of the date of conversion, we had partly realised these tax benefits, leading to an amount of €2.1 million that was payable under the loan agreement.

Pursuant to the conversion agreement, the loan was valued at €17.5 million, which is the fair value of the loan as determined by our Management Board. We issued 1,460,768 ordinary shares in connection with the conversion which was determined based on the 18 April 2005 closing price of our ordinary shares on the Xetra electronic trading platform operated by the FSE. Upon conversion, all payment obligations under the loan (including payment of then currently payable amount of €2.1 million) ceased to exist.

Mr. Tjaden, a member of our Supervisory Board, is a Managing Director of Janivo Holding BV, the parent company of IAM.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE GOVERNANCE

General

We are a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law. We are registered with the Trade Register of the Chamber of Commerce of Oost-Brabant, The Netherlands under number 16079560. Our corporate seat is in Amsterdam, The Netherlands. Our business address is Reitscheweg 7F, 5232 BX 's-Hertogenbosch, The Netherlands (tel: +31 73 6402121).

We were initially incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), by deed executed on 6 September 1995, before Mr. M. van Olffen, Civil Law Notary at Amsterdam, The Netherlands and converted to a public company with limited liability by deed of conversion on 4 May 2000, before Mr. J.H.M. Carlier, Civil Law Notary at Amsterdam, The Netherlands.

Our articles of association, which are incorporated by reference herein and which are in force as at the date of this Prospectus (the "Current Articles"), were last amended by deed of 6 July 2004, executed before Mr. P.H.N. Quist, Civil Law Notary at Amsterdam, The Netherlands. The certificate of no objection of the Minister of Justice to that amendment was issued on 3 June 2004, number NV 537.493. We expect to amend our Current Articles further on 12 November 2005.

On 28 October 2005, our Management Board issued a notice calling an Extraordinary Meeting of Shareholders, to be held on 12 November 2005. The purpose of the Extraordinary Meeting of Shareholders is to consider and to resolve on an amendment to the Current Articles subject to closing of the Global Offer. As of 28 October 2005, the proposed deed of amendment to the Current Articles ("Deed of Amendment") has been available for inspection for our shareholders at our registered offices in 's-Hertogenbosch. The main object of the Deed of Amendment is the abolition of our Preferred A Shares and any rights related thereto (see below under "Share Capital—Outstanding Warrants and Recent Conversion of Preferred A Shares into Ordinary Shares"), the introduction of the rights of our Supervisory Board to nominate candidates for Supervisory Board vacancies and to update our Current Articles as a result of changes in the Dutch Civil Code and the introduction of the Code. See "Corporate Governance—Dutch Corporate Governance Code". In addition, the Management Board will be given the right, subject to approval by the Supervisory Board, to determine which part of our retained profits will be reserved. See "—Share Capital—Dividends and Other Distributions."

Set out below is a summary of certain relevant information concerning our share capital, certain significant provisions of Dutch corporate law and a brief summary of certain provisions of our articles of association as they will read after the expected execution of the Deed of Amendment (the "Articles of Association"). When we refer to our Articles of Association in this Prospectus, we refer to the Articles of Association as amended. Where there is a significant difference between the Articles of Association and the Current Articles, this will be briefly described.

This summary does not purport to give a complete overview and should be read in conjunction with our Current Articles and the Articles of Association as they will read after the expected execution of the Deed of Amendment, or with relevant provisions of Dutch law, and does not constitute legal advice regarding these matters and should not be considered as such. The full text of our Current Articles and our Articles of Association are available, in Dutch and English, at our registered offices in 's-Hertogenbosch during regular business hours. The Current Articles are also available in English, at our website www.teleatlas.com. See "General Information".

Corporate Purposes

Pursuant to Article 3 of our Articles of Association, our corporate purposes are:

- to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises and provide advice and other services to legal persons and other enterprises active in the field of (i) digital maps and (ii) products connected with or derived from the products referred to under (i);
- to conduct business in the above referred to field;
- to acquire, manage, encumber and dispose of any property and to invest and manage capital, as well as to advise other persons, bodies corporate, companies and enterprises in respect thereof;
- to acquire, use and/or assign industrial and intellectual property rights and real estate property;
- to provide security for debts of legal persons or of other entities with whom we are affiliated in a group; and
- to undertake all that is connected to the foregoing or in furtherance thereof,

all in the widest sense of the words.

Share Capital

Authorised and Issued Share Capital

At the date of this Prospectus, our authorised capital amounts to €30,000,000 and is divided into 200,000,000 ordinary shares and 100,000,000 preferred A shares convertible into ordinary shares (the "Preferred A Shares") each with a par value of €0.10. After the expected execution of the Deed of Amendment our authorised share capital will amount to €30,000,000 divided into 300,000,000 ordinary shares, each with a par value of €0.10. The Preferred A Shares as a separate class of shares will be abolished by executing the Deed of Amendment.

Immediately prior to the Global Offer, assuming that the Capital Restructuring has taken place, as defined below under "Outstanding Warrants and Recent Conversion of Preferred A Shares into Ordinary Shares", we will have 76,095,648 ordinary shares issued and outstanding.

	As of 31 December			Immediately prior to the Global Offer	Immediately prior to the Global Offer assuming Capital Restructuring has taken place	Immediately after the Global Offer, upon conversion of the Warrants
	2002	2003	2004			
Ordinary Shares	38,013,897	38,013,897	38,013,897	40,824,319	76,100,648	89,263,937
Preferred A Shares	—	—	35,276,329	35,276,329	—	—

Currently, none of the issued ordinary shares in our own capital are held by us or any of our subsidiaries.

All ordinary shares that are outstanding at the date of this Prospectus are fully paid up.

Immediately after the Global Offer and the conversion of the Warrants, assuming 7,704,161 New Shares will be offered, we expect to have 89,263,937 ordinary shares issued and outstanding. The percentage of immediate dilution resulting from the Global Offer is 14.7% and amounts to €102.1 million.

Outstanding Warrants and Recent Conversion of Preferred A Shares into Ordinary Shares

The Investors provided financing to us for, among other things, the acquisition of GDT. See also "General Information—Material Contracts".

We entered into a Securities Purchase Agreement with the Investors on 28 April 2004, pursuant to which the Investors subscribed for a total number of 35,276,329 Preferred A Shares with a par value of €0.10 each, for a price of €5.00 per share, each convertible into an ordinary share in our capital at a conversion price of €5.00, subject to certain adjustments. In addition, the Investors purchased warrants to purchase a total number of 7,055,264 Preferred A Shares with an exercise price of €5.00 per Preferred A Share, subject to certain adjustments (the "Warrants"). The Warrants are exerciseable, in whole or in part, at any time or from time to time until July 2009. The Securities Purchase Agreement provides that the holder of a Warrant may elect (i) to exercise the Warrant, in whole or in part, in cash by payment of the exercise price of €5.00 per Preferred A Share (the "Cash Exercise") or (ii) to require us to purchase the portion of the Warrant to be exercised against an amount equal to (x) the number of ordinary shares into which the Preferred A Shares issued upon exercise of the Warrant may be converted at the time of exercise ("Exercise Shares") multiplied by (y) the difference between the Implied Share Market Price, as defined in the Warrant, and the exercise price of €5.00 (the "Purchase Amount"); provided, however, that the Purchase Amount will not be paid by us to the Warrant holder but will remain outstanding. Immediately following such purchase by us, the Warrant holder shall purchase such number of Preferred A Shares from us as is determined by dividing the Purchase Amount by the Implied Share Market Price for a per share purchase price of the Implied Share Market Price, such amount to be paid to the Company by set-off against the Purchase Amount ("Cashless Exercise"). The number of Preferred A Shares to be issued may be determined by the following formula:

$$X = \frac{Y\,(A - B)}{A}$$

Where:

X—The number of Preferred A Shares to be issued to the holder of this Warrant.

Y—The number of Preferred A Shares purchasable under this Warrant.

A—The Implied Share Market Price.

B—The Exercise Price.

On 6 July 2004, the Investors purchased the Preferred A Shares and were granted the Warrants.

The Preferred A Shares acquired following the exercise of these Warrants will be convertible into our ordinary shares at the same conversion price as described above.

The following table presents information about the Investors holding Warrants:

	Total Preferred A Shares outstanding on the date of this Prospectus	Total ordinary shares into which the Preferred A Shares will be converted	Total Warrants outstanding immediately prior to the Global Offer	Number of ordinary shares to be issued upon exercise of the Warrants assuming a Cash Exercise
IAM	4,199,563	4,199,563	839,912	839,912
Oak	12,581,894	12,581,894	2,516,381	2,516,381
NEA	11,741,978	11,741,978	2,348,395	2,348,395
Meritech	3,359,649	3,359,649	671,929	671,929
Telesoft	3,359,649	3,359,649	671,928	671,928
Stanford University	33,596	33,596	6,719	6,719
Totals	**35,276,329**	**35,276,329**	**7,055,264**	**7,055,264**

We and the Selling Shareholders also entered into the Shareholders' Agreement dated 6 July 2004 and a Registration Rights Agreement dated the same date. In addition, a number of Investors were provided certain management rights under Management Right Letters. The Selling Shareholders (other than

Leland Stanford Junior University), amongst others, were granted the right to nominate certain members of our Supervisory Board. All of these agreements are available on our website www.teleatlas.com and are available for inspection at our offices.

On 7 November 2005 the Investors resolved, conditional on the closing of the Global Offer, that they will convert the total number of 35,276,329 Preferred A Shares to a total number of 35,276,329 of our ordinary shares immediately prior to closing of the Global Offer, all in accordance with the provisions of the Securities Purchase Agreement and our Current Articles (the "Capital Restructuring"). As a result of the Capital Restructuring, the number of our ordinary shares outstanding will increase from 40,824,319 to 76,100,648.

In an agreement dated 7 November 2005, we and the Selling Shareholders agreed to amend the terms and conditions of the Warrants, subject to the closing of the Global Offer, to the effect that upon exercise of a Warrant the Warrant holders will purchase fully paid ordinary shares as opposed to Preferred A Shares ("Amendment Agreement"). The Amendment Agreement further provides that the Warrant holder cannot exercise its Warrants prior to 31 December 2005, provided that if the closing of the Global Offer occurs before 31 December 2005, all the Warrants of all Warrant holders are automatically exercised effective on the first day following the closing of the Global Offer. We will seek admission of the ordinary shares issued to the Warrant holders upon the exercise of the Warrants to Euronext Amsterdam and the FSE. The Selling Shareholders and we further agreed that Oak, NEA, Meritech, Telesoft, and Leland Standford Junior University opt for a Cashless Exercise, on the basis of the Implied Share Market Price, as defined in the Warrant, equal to the price at which the Shares are sold in the Global Offer. IAM opted for a Cash Exercise. The Amendment Agreement also provides that subject to the closing of the Global Offer before 31 December 2005, the Shareholders' Agreement, the Securities Purchase Agreement (other than the confidentiality clause and other non-material provisions), the Registration Rights Agreement will terminate and cease to exist as from the date of the closing of the Global Offer, while the Management Right Letters of Oak, NEA, Telesoft and Meritech will continue to apply until such investor holds less than 10% of the number of ordinary shares held by such investor prior to the closing of the Global Offer (assuming the conversion of all Preferred A Shares and exercise of all Warrants). Under these Management Right Letters each of Oak, NEA, Telesoft and Meritech shall have the right to advise us and to obtain information concerning our business, provided that we shall not be required to provide information which we believe would violate any applicable law. Under the Amendment Agreement, we represent to the Selling Shareholders (amongst other things) that, to our best knowledge, we are not a "controlled foreign corporation" ("CFC") within the meaning of Section 957 of the US Internal Revenue Code of 1986 (the "IRC") and that we shall not issue or sell our shares to any US person if such issue or sale would cause us to become a CFC. We also agreed that we will make available to our US Selling Shareholders information relevant to determining whether we might become a "passive foreign investment company" as defined in Section 1297 of the IRC. These obligations will terminate at such time as no US Selling Shareholders qualifies as a US shareholder within the meaning of the IRC. The Selling Shareholders also agreed to exercise their voting rights in favour of the Deed of Amendment in the Extraordinary General Meeting of Shareholders of 12 November 2005. The Supervisory Board approved the entering into of this Amendment Agreement and resolved to amend the terms and conditions of the Warrants by granting the Investors the right to acquire our ordinary shares and to exclude the pre-emptive rights of our current shareholders in respect of such granting, all with the approval of the meeting of holders of Preferred A Shares.

Issue of Shares

The Current Articles provide that we may issue ordinary shares and Preferred A Shares, or grant rights to subscribe for such shares, pursuant to a resolution of the General Meeting of Shareholders, subject to the prior approval of the meeting of holders of Preferred A Shares. After the expected execution of the Deed of Amendment, the Preferred A Shares as a separate class of shares will be abolished and we will only have one class of shares, namely ordinary shares. Under the Articles of Association we may only issue shares, or grant rights to subscribe for shares, pursuant to a resolution of the General Meeting of Shareholders.

Our Articles of Association provide that the General Meeting of Shareholders may delegate the authority to issue shares, or grant rights to subscribe for shares, to the Supervisory Board. Pursuant to the Dutch Civil Code, the period of delegation may not exceed five years. Such authority may be renewed by a resolution of the General Meeting of Shareholders for a subsequent period of up to five years each time. If not otherwise determined in the resolution, such authority is irrevocable. In the resolution authorising the Supervisory Board, the amount of shares which may be issued must be determined.

As from 6 July 2004, the Supervisory Board has been designated by the General Meeting of Shareholders as the corporate body competent to issue shares and to grant rights to subscribe for shares to the maximum of our authorised capital at the time of such resolution. The Supervisory Board's authority to issue shares and grant rights is for a period of five years and expires on 6 July 2009.

No resolution of the General Meeting of Shareholders or the Supervisory Board is required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares.

Pre-emption Rights

Dutch law and our Articles of Association in most cases give shareholders pre-emption rights to subscribe on a *pro rata* basis for any issue of new shares or upon a grant of rights to subscribe for shares. Exceptions to these pre-emption rights include the issue of shares and the grant of rights to subscribe for shares (i) to our employees, (ii) in return for non-cash consideration, or (iii) the issue of shares to persons exercising a previously-granted right to subscribe for shares.

A shareholder may exercise pre-emption rights during a period beginning at least two weeks after the date of the announcement of the issue or grant. The General Meeting of Shareholders, or the Supervisory Board, if so designated by the General Meeting of Shareholders, may restrict or exclude shareholder pre-emption rights. A resolution by the General Meeting of Shareholders to delegate to the Supervisory Board the authority to exclude or restrict pre-emption rights will require a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is present or represented at the General Meeting of Shareholders. If the General Meeting of Shareholders has not delegated this authority to the Supervisory Board, the General Meeting of Shareholders may itself vote to restrict or exclude pre-emption rights and will also require a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is present or represented at the General Meeting of Shareholders. Under the Current Articles, a resolution to limit or exclude pre-emption rights requires the prior approval of the meeting of holders of Preferred A Shares.

Since 6 July 2004, the Supervisory Board has been designated by the General Meeting of Shareholders as the corporate body competent to limit or exclude the pre-emptive rights for a period of five years ending on 6 July 2009.

Reduction of Share Capital

The General Meeting of Shareholders may resolve to reduce our issued and outstanding share capital by cancelling our shares, or by amending our Articles of Association to reduce the nominal value of our shares. The decision to reduce our share capital requires a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is present or represented at the General Meeting of Shareholders. Under the Current Articles, a resolution to reduce our share capital requires the prior approval of the meeting of holders of Preferred A Shares.

Dividends and Other Distributions

We may only make distributions to our shareholders in so far as our shareholders' equity exceeds the sum of the paid-in and called-up share capital plus the reserves as required to be maintained by Dutch law or by our Articles of Association. Under our Articles of Association, the Management Board determines, subject to the prior approval of the Supervisory Board, which part of any profit will be reserved. See "Dividend Policy". After reservation by the Management of any profit, the remaining profit shall be at the disposal of the General Meeting of Shareholders. The Current Articles provide that the profit shall be at the disposal of the General Meeting of Shareholders.

We may only make a distribution of dividends to our shareholders after the adoption of our statutory annual accounts demonstrating that such distribution is legally permitted. The Management Board is permitted however, subject to certain requirements and subject to approval of our Supervisory Board, to declare interim dividends without the approval of the General Meeting of Shareholders. Under the Current Articles, any distribution or payment of interim dividend to the holders of ordinary shares requires the prior approval of the meeting of holders of Preferred A Shares.

Claims to dividends and other distributions not made within five years from the date that such dividends or distributions became payable will lapse and any such amounts will be considered to have been forfeited to us (*verjaring*).

Under the Current Articles, we are required to have—in addition to the statutory reserves—a share premium reserve A, to the balance of which the holders of Preferred A Shares are exclusively entitled. By the execution of the Deed of Amendment the premium reserve A will be added to our general reserves.

Acquisition of Shares in Our Capital

We may acquire our own fully paid shares at any time for no consideration (*om niet*), or, subject to certain provisions of Dutch law and our Articles of Association, if (i) our shareholders' equity less the payment required to make the acquisition, does not fall below the sum of called-up and paid-in share capital and any statutory reserves, and (ii) we and our subsidiaries would thereafter not hold shares or hold a pledge over our shares with an aggregate nominal value exceeding 10% of our issued share capital.

Other than those shares acquired for no consideration, shares may only be acquired subject to a resolution of the Management Board, authorised by the General Meeting of Shareholders. Authorisation from the General Meeting of Shareholders to acquire our shares must specify the number and class of shares that may be acquired, the manner in which shares may be acquired and the price range within which shares may be acquired. Such authorisation will be valid for no more than 18 months. Under the Current Articles, any resolution of the General Meeting of Shareholders in respect of the acquisition of shares in our capital, can only be adopted after the prior approval of the meeting of holders of Preferred A Shares, unless the shares to be acquired by us are (i) shares purchased from our employees, our officers, our members of the Management Board, our consultants upon termination of their employment for services pursuant to agreements providing for the right of said acquisition, or (ii) shares purchased in connection with the settlement of disputes with any shareholder.

On 9 May 2005, the General Meeting of Shareholders authorised the Management Board to acquire a maximum of 10% of our issued ordinary shares for a period of 18 months at either (i) a maximum purchase price of 120% of the weighted average closing price of our ordinary shares in the last 10 trading days or (ii) the nominal value of the shares. No authorisation from the General Meeting of Shareholders is required for us to acquire fully paid shares for the purpose of transferring these shares to employees pursuant to our share option scheme.

Any shares we hold in our own capital may not be voted or counted for voting quorum purposes.

Issue of Options

The Supervisory Board may issue options to purchase our ordinary shares, as described in "Management and Employees—Remuneration and Equity Holdings—Option Plans", against new shares or against shares we hold or acquire for such purpose. An issue of new shares for the purpose of issuing options must be done in accordance with the manner set out in our Articles of Association and prior to the execution of the Deed of Amendment in accordance with the manner as set out in our Current Articles, as described above.

Corporate Governance

General Meetings of Shareholders and Voting Rights

The annual General Meeting of Shareholders must be held within six months after the end of each financial year. An Extraordinary General Meeting of Shareholders may be convened, whenever our interests so require, by the Management Board or the Supervisory Board. Shareholders representing alone or in aggregate at least one-tenth of our issued and outstanding share capital may, pursuant to the Dutch Civil Code and our Articles of Association, request that a General Meeting of Shareholders be convened. If such General Meeting of Shareholders has not been called within 14 days or is not held within one month following such request, the shareholders requesting such General Meeting of Shareholders are authorised to call such General Meeting of Shareholders themselves.

The notice convening any General Meeting of Shareholders must include an agenda indicating the items for discussion, as well as any proposals for the agenda. Shareholders holding at least 1% of our issued and outstanding share capital or shares representing a value of at least €50.0 million according to the Daily Official List may submit proposals for the agenda. Provided we receive such proposals no later than the 60th day before the General Meeting of Shareholders, and provided that such proposal does not conflict with our general interest, we will have the proposals included in the notice we publish in a national newspaper distributed daily in The Netherlands as well as in such foreign newspaper as to be determined by the Management Board at least 15 days before the meeting.

The Management Board may determine a record date to establish which shareholders are entitled to attend and vote in the General Meeting of Shareholders.

Each of our ordinary shares is entitled to one vote. Shareholders may vote by proxy. The voting rights attached to any of our shares held by us are suspended as long as they are held in treasury.

Decisions of the General Meeting of Shareholders are taken by a simple majority, except where Dutch law or our Current Articles or Articles of Association provide for a special majority. Under the Articles of Association, matters requiring a majority of at least two-thirds of the votes cast, representing more than 50% of our issued share capital include, among others:

- a resolution of the General Meeting of Shareholders that the list of nominees submitted by the Supervisory Board for the appointment of members of the Management Board and/or Supervisory Board is not binding. See "Management and Employees—Management Board—Supervisory Board".

Under the Articles of Association, matters requiring a majority of at least two-thirds of the votes cast at a meeting at which more than 50% of our issued share capital is represented include, among others:

- the dismissal and suspension of members of the Management Board or Supervisory Board. See "Management and Employees—Management Board—Supervisory Board".

Under the Articles of Association and Dutch law, matters requiring a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is represented include, among others:

- a resolution of the General Meeting of Shareholders regarding restricting and excluding pre-emption rights;
- decisions to designate the Supervisory Board as the body authorised to exclude or restrict pre-emption rights; and
- a resolution of the General Meeting of Shareholders to reduce our outstanding share capital.

Under our Current Articles, matters requiring a majority of at least two-thirds of the votes cast, representing more than 50% of our issued share capital include, among others:

- a resolution of the General Meeting of Shareholders that the list of nominees submitted by the Supervisory Board for the appointment of members of the Management Board is not binding. See "Management and Employees—Management Board".

Under our Current Articles, matters requiring a majority of at least two-thirds of the votes cast at a meeting at which more than 50% of our issued share capital is represented include, among others:

- the dismissal and suspension of members of the Management Board. See "Management and Employees—Management Board".

Under our Current Articles and Dutch law, matters requiring a majority of at least two-thirds of the votes cast, if less than 50% of our issued share capital is represented include, among others:

- a resolution of the General Meeting of Shareholders regarding restricting and excluding pre-emption rights, which resolution is subject to the prior approval of the meeting of holders of the Preferred A Shares;
- decisions to designate the Supervisory Board as the body authorised to exclude or restrict pre-emption rights; and
- a resolution of the General Meeting of Shareholders to reduce our outstanding share capital, which resolution is subject to the prior approval of the meeting of holders of the Preferred A Shares.

Meeting of Holders of Preferred A Shares

The Current Articles provide that meetings of the holders of Preferred A Shares shall be convened by the Supervisory Board, the Management Board or by a holder or holders who alone or together with their group companies hold(s) ten percent or more of the Preferred A Shares.

The notice calling a meeting of the holders of Preferred A Shares may be issued by the Management Board, a member of the Management Board, the Supervisory Board, or a member of the Supervisory Board, by means of a call notice dispatched no later than the fifteenth day before the date of the meeting.

Rights of the Meeting of Holders of Preferred A Shares

Under the Current Articles, with due observance of the provisions of the Current Articles and as long as at least 7,055,266 Preferred A Shares are outstanding, the resolutions of the General Meeting of Shareholders relating to any of the following matters shall be subject to the prior approval of the meeting of holders of Preferred A Shares:

- the issuance of shares and the granting of a right to subscribe for shares;
- the limitation or exclusion of pre-emption rights;
- the acquisition by us of our own shares;

- the reduction of our issued capital by cancellation of shares;
- any distribution to the holders of ordinary shares;
- amendment to our Current Articles, to merge (*fuseren*) and to demerge (*splitsen*); and
- to dissolve the company as referred to in article 24 paragraph 1 of the articles.

After execution of the Deed of Amendment our Preferred A Shares will be abolished and any rights related thereto.

Amendment of our Articles of Association

The General Meeting of Shareholders may resolve to amend our Articles of Association, subject to a proposal by the Management Board which requires the approval of the Supervisory Board. Under the Current Articles, the General Meeting of Shareholders may resolve to amend our Articles of Association, subject to the prior approval of the meeting of holders of Preferred A Shares.

Dutch Corporate Governance Code

On 9 December 2003, the Dutch Corporate Governance Committee, also known as the *Tabaksblat* Committee, released the the Code. The Code contains 21 principles and 113 best practice provisions for management boards, supervisory boards, shareholders and general meetings of shareholders, financial reporting, auditors, disclosure, compliance and enforcement standards.

Dutch companies listed on a government-recognised stock exchange, whether in The Netherlands or elsewhere, are required under Dutch law to disclose in their annual reports whether or not they apply the provisions of the Code that are addressed to the management board or supervisory board and, if they do not apply, to explain the reasons why. This disclosure requirement commenced with those annual reports for financial years beginning on or after 1 January 2004. The Code provides that if a company's general meeting of shareholders explicitly approves the corporate governance structure and policy and endorses the explanation for any deviation from the best practice provisions, such company will be deemed to have applied the Code.

We acknowledge the importance of good corporate governance. The Management Board and Supervisory Board have reviewed the Code, generally agree with its basic provisions, and have taken and will take any further steps they consider appropriate to implement the Code.

However, we will not apply best practice provisions in the following areas:

- we will not apply best practice provision II.1.1, which provides that members of the Management Board may be appointed for a maximum term of four years at a time. Our current members of the Management Board were appointed for an indefinite period prior to the establishment of the Code. We will apply this best practice provision in respect of any new member of our Management Board who is appointed in the future;
- we partly deviate from best practice provisions II.2.1 and 2.2, which provide that options to acquire shares are conditional and become unconditional only when the management board have fulfilled predetermined performance criteria after a period of at least three years and that options that do not have such performance objectives shall not be exercisable for three years from the date of grant. We have to recruit the members of our Management Board in a competitive international environment. Members of our Management Board have been granted options that vest quarterly over a period of four years and can be exercised immediately upon vesting. See "Management and Employees". This type of option arrangement is typical of American companies who operate similar businesses to ours. As the United States is an important jurisdiction from which we recruit members

of our Management Board, we believe that granting of such options enables us to attract and retain high caliber members of our Management Board;

- we deviate from best practice provision II.2.7, which provides that the maximum remuneration in the event of a dismissal is one year's base salary. The employment agreement with Alain De Taeye, the Chairman of our Management Board and CEO, provides that in the event of a termination of his employment agreement by us, other than in case of urgent cause (*dringende reden*) or termination due to acts, defaults or negligence of Alain De Taeye, he will be entitled to an amount equal to ⅙ of his annual compensation (consisting of the annual gross base salary, bonus entitlement and insurance/pension premium plus company car will not be due) for each full year of service, with a maximum of three times the annual compensation. See "Management and Employees";

- we will not apply best practice provisions III.2.1, which provides that the supervisory board members should be independent, except for one member. We have a Supervisory Board consisting of seven members, of which only three are independent within the meaning of the Code. The current members of the supervisory board were appointed by our General Meeting of Shareholders on the nomination of the Selling Shareholders pursuant to the Shareholders' Agreement. We also do not apply best practice provision III.3.1, which provides that the supervisory board should prepare a profile of its size and composition. We intend to prepare a profile for the Supervisory Board in the future, which will be published on our website in due course. The Shareholders' Agreement and related agreements will terminate as of the Settlement Date. See "Description of Share Capital and Corporate Governance—Share Capital";

- we do not apply best practice provision III.3.3, which requires that appointed supervisory board members be subject to an introduction program designed to educate them about our activities and their resulting duties and responsibilities, and that an annual review be conducted to identify any aspects with regard to which they require further training or education during their services as supervisory board members. We provide persons nominated for appointment to our Supervisory Board with full information on us and our business. We therefore do not intend to establish a training program for supervisory board members in the near future and will not establish an annual review process to identify any aspects which the supervisory board members require further training or education during their period of appointment;

- we will not apply best practice provision III.7.1, which provides that members of the supervisory board will not receive shares or rights to acquire shares by way of remuneration. We also have to recruit the members of our Supervisory Board in a competitive international environment. Members of the Supervisory Board that so elect may receive their compensation in options for our ordinary shares in lieu of certain cash compensation. For the same reason we also deviate from best practice provision III.7.3, which provides amongst others that the supervisory board shall adopt a set of regulations containing rules governing ownership and transactions in securities by members of the supervisory board, other than securities issued by their "own company". Our members of the Supervisory Board are not restricted from investing in securities issued by other companies other than those of direct competitors;

- we will deviate from best practice provision IV.1.1, which provides that a company's general meeting of shareholders may pass a resolution to (i) set aside the binding nature of a nomination for the appointment of a member of the management board or the supervisory board and (ii) dismiss a member of the management board or supervisory board, by an absolute majority of the votes cast representing at least one-third of the issued share capital. Our Articles of Association provide that a binding nomination for the appointment of members of our Management Board or of our Supervisory Board may only be set aside by a resolution of our General Meeting of Shareholders passed with a two-thirds majority representing more than 50% of our issued share capital, or such lower majority or quorum as Dutch law will permit to require for overriding a binding nomination. Further, our Articles of Association provide that a member of our Management Board or our Supervisory Board may only be dismissed by a General Meeting of Shareholders with a majority of at least two-thirds of the votes cast at a meeting at which more than 50% of our issued share capital is represented. We believe that maintaining continuity in our Management Board and Supervisory Board is critical for delivering long term shareholder value. We would like to protect our stakeholders against a sudden change in management by maintaining the qualified majority and voting quorum requirement, which is allowed under Dutch law; and

- we partially comply with best practice provision IV.3.1. We attempt to provide all shareholders and other parties in the financial markets with equal and simultaneous information about matters that may influence the share price. We meet with many investors, potential investors and analysts during the course of the year. We feel it is not practical to announce these meetings in advance or to make provisions for all Shareholders to follow these meetings and presentations in real time. We restrict the information presented in these meetings to publicly-available material. Investors may listen in on the press and analyst's conference call given at the publication of our annual figures and our first, second and third quarter results. Recordings of these calls are available on our website as are copies of presentations made to investors and analysts.

Dissolution and Liquidation

We may only be dissolved by a resolution of the General Meeting of Shareholders, subject to a proposal by the Management Board which requires the approval of the Supervisory Board. Under the Current Articles, we may only be dissolved by a resolution of the General Meeting of Shareholders, subject to the prior approval of the meeting of holders of Preferred A Shares.

In the event of dissolution, our business will be liquidated in accordance with Dutch law and our Articles of Association and the liquidation shall be arranged by the Management Board under supervision of the Supervisory Board, unless the General Meeting of Shareholders appoints other liquidators. During liquidation, the provisions of our Articles of Association will remain in force as far as possible.

The balance of our remaining equity after payment of debts and liquidation costs will be distributed to the shareholders in proportion to the number of ordinary shares that such shareholder holds. However, under the Current Articles, from the surplus of our equity after dissolution, after the creditors have been paid, shall in the first place be distributed to the holders of Preferred A Shares an amount equal to the Original Issue Price, as defined in the Current Articles, applicable at the time we are dissolved. Only the excess amount of our equity which subsequently remains, shall be distributed to the holders of our ordinary shares. Further, the Current Articles provide that if a holder of Preferred A Shares will receive a greater return by converting from Preferred A Shares to ordinary shares, such holder shall participate in the greater return by being deemed to have converted its Preferred A Shares to ordinary shares and will receive any payments as a holder of ordinary shares. If the liquidation surplus is not enough to distribute the applicable Original Issue Price to all holders of the Preferred A Shares wholly, the surplus will be distributed in proportion to the total number of Preferred A Shares held by them.

Liability of Directors

Under Dutch law, members of management may be liable to us for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to us and to third parties for infringement of our Articles of Association or of certain provisions of the Dutch Civil Code. In certain circumstances, members of management may also incur additional specific civil and criminal liabilities. Members of the Management Board and certain executive officers are insured under an insurance policy against damages resulting from their conduct when acting in the capacities as such members or officers. Also, we provide the members of the Management Board and members of our

Supervisory Board with protection through indemnification by us to the fullest extent permitted by law against risks of claims and actions against them arising out of their service to and activities on behalf of us. See also “Management and Employees—Directors Indemnification and Insurance”.

Disclosure of Information

As a Dutch listed company, we will be required to publish certain financial information in the form of a press release within three months after the end of each fiscal year and for each six-month interim period. Also, as our shares are listed on the Prime Standard segment of the FSE, we are required to prepare and publish audited consolidated annual financial statements within four months from the balance sheet date, and to prepare on the same basis, and publish quarterly consolidated financial statements for each of the first three quarters of our financial year within two months from the end of each relevant quarter.

We must also disclose forthwith all new facts relating to our business that are not publicly known and that could materially affect the market price of our shares. Our shares are also listed in Germany and we are therefore subject to essentially the same obligation to disclose new facts under German law. Dutch and German laws contain specific rules intended to prevent insider trading and price manipulation. Pursuant to these rules, we have adopted a code of conduct in respect of the reporting and regulation of transactions in our securities.

Obligations of Shareholders to Make a Public Offer

Currently there is no obligation under Dutch law for a shareholder whose interest in a company’s share capital or voting rights passes a certain threshold to launch a public offer for all or part of the outstanding shares in the share capital of the company. However, when the EU Takeover Directive is implemented in The Netherlands, in addition to providing for certain restrictions on takeover defences, a shareholder who has acquired a certain threshold of our shares or of our voting rights will be obliged to launch a public offer for all outstanding shares in our share capital. The draft bill for the implementation of the EU Takeover Directive issued by the Dutch Ministry of Finance proposes to set such threshold at 30%.

Although our shares are also currently listed in Germany, we do not qualify as a “target company” (*Zielgesellschaft*) under the German Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) because we are not incorporated in Germany. There is also no obligation, therefore, under German law to launch a public offer upon reaching certain share capital or voting right thresholds.

Obligations of Shareholders to Disclose Holdings

Disclosure of Holdings Act

Under the Disclosure of Holdings in Listed Companies Act of 1996 (*Wet Melding Zeggenschap In Ter Beurze Genoteerde Vennootschappen 1996*) (the “Disclosure of Holdings Act”), any person who, directly or indirectly, acquires or disposes of an interest in the capital and/or the voting rights of a public limited liability company incorporated under Dutch law with an official listing on a stock exchange within the European Economic Area must give written notice of such acquisition or disposal if, as a result of such acquisition or disposal, the percentage of capital interest and/or voting rights held by such person falls within a different percentage range to that held by such person prior to such acquisition or disposal.

The percentage ranges referred to in the Disclosure of Holdings Act are 0-5, 5-10, 10-25, 25-50, 50-66⅔ and over 66⅔. Notification must be given to us and to the Dutch securities regulator (*Autoriteit Financiële Markten*) (the “AFM”) upon the occurrence of specified events, including upon passing each percentage threshold.

Each person whose holding of capital interest or voting rights amounts to 5% or more at the time of admission of our ordinary shares to listing on Eurolist by Euronext, must notify us and the AFM within a four-week period after such admission.

The AFM keeps a public register of all notifications made pursuant to the Disclosure of Holdings Act and publishes any notification received by it. As our shares are also listed in Germany, we will need to ensure that any information published by the AFM in this regard is also published in German pursuant to the German Securities Trading Act (*Wertpapierhandelsgesetz*) in Germany.

Non-compliance with the obligations of the Disclosure of Holdings Act is an economic offence and may lead to criminal prosecution. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. In addition, a civil court can impose measures against any person who fails to notify or incorrectly notifies us and the AFM of matters required to be correctly notified under the Disclosure of Holdings Act. A claim requiring that such measures be imposed may be instituted by us and/or one or more shareholders who alone or together with others represent(s) at least 5% of our issued share capital.

The measures that the civil court may impose include:

- an order requiring the person violating the Disclosure of Holdings Act to make appropriate disclosure;
- suspension of voting rights in respect of such person's shares for a period of up to three years as determined by the court;
- voiding a resolution adopted by the General Meeting of Shareholders, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person who is obliged to notify, or suspension of a resolution until the court makes a decision about such voiding; and
- an order to the person violating the Disclosure of Holdings Act to refrain, during a period of up to five years as determined by the court, from acquiring our shares and/or voting rights in our shares.

Securities Act of 1995

Pursuant to the Dutch Securities Act of 1995 (*Wet Toezicht Effectenverkeer 1995*) (the "Securities Act of 1995"), which has been amended by the Act of 23 June 2005 which came into force on 1 October 2005 (*Wet Marktmisbruik*) implementing the Market Abuse Directive 2003/6/EC and related Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, members of our Management and Supervisory Boards and any other person discharging day-to-day (co)managerial responsibilities or having the authority to make decisions affecting our future developments and business prospects and who has regularly access to inside information relating, directly or indirectly, to us ("Person "), are required to notify the AFM of the existence of transactions conducted on his own account relating to our shares or in securities which value is determined by the value of our shares.

Also persons designated by the governmental decree pursuant to the Securities Act of 1995 dated 14 September 2005 (*Besluit Marktmisbruik*) (the "Securities Act Decree") who are closely associated with our members of the Management Board, Supervisory Board or any of the Persons (as described above), are required to notify the AFM of the existence of any transactions conducted on their own account relating to our shares or securities which value is determined by the value of our shares. The Securities Act Decree determines the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse, (ii) dependent children, (iii) other relatives who have shared the same household for at least one year at the relevant transaction date, (iv) any legal person, trust or partnership, amongst other things, whose managerial responsibilities are discharged by a person referred to under (i), (ii) or (iii) above.

The AFM needs to be notified of transactions relating to our shares or securities which have a value that is determined by the value of our shares within five days following the transaction date. Notification may be postponed until the date the value of the transactions amounts to €5,000 or more per calendar year.

We are also required to have a code of conduct in respect of the reporting and regulation of transactions in our securities and to draw up a list of persons working for us, under a contract of employment or otherwise, who could have access to inside information, to regularly update this list of persons and to inform persons on this list about the relevant prohibitions and sanctions in respect of insider knowledge (*voorwetenschap*) and market abuse.

The AFM keeps a public register of all notifications made pursuant to the Securities Act of 1995.

New Developments

On 1 July 2003, a legislative proposal was submitted to replace the Disclosure of Holdings Act. This legislative proposal, entitled the Act on Disclosure of Voting and Capital Interest in Listed Companies (*Wet Melding Zeggenschap en Kapitaalbelang in Effectenuitgevende Instellingen*) (the "Act on Disclosure") is pending in Parliament and is expected to come into force in the second half of 2005. The proposal, subsequent ministerial memoranda of amendments and the draft decree (*Besluit ter uitvoering van de Wet melding zeggenschap en kapitaalbelang in effectenuitgevende instellingen*) currently include the following material changes with regard to the notification obligations of shareholders in Dutch listed companies:

- once in every calendar year, every holder of a capital interest (in terms of capital or voting rights) of 5% or more must renew its notification to reflect changes in the percentage held in the listed company, including changes as a consequence of changes in the total issued share capital; and
- a shareholder will be required to notify the AFM whenever the percentage of its capital interest (in terms of capital or voting rights) exceeds or falls below the revised threshold of 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of our outstanding share capital.

The Act on Disclosure will implement part of the Transparency Directive (2004/109/EC). The Act on Disclosure introduces more extensive notification obligations for listed companies with respect to changes in its issued capital and the voting power that can be exercised.

MARKET INFORMATION

Euronext Amsterdam

We intend to apply for the admission of all our ordinary shares to trading on Euronext Amsterdam and to list our ordinary shares on Eurolist by Euronext. Upon listing and trading our ordinary shares on Eurolist by Euronext, we will be subject to Dutch securities regulations and supervision by the relevant Dutch authorities.

Frankfurt Stock Exchange

We intend to apply for admission of the New Shares and of the 35,276,329 existing ordinary shares, which have not yet been listed on the FSE and which result from the recent conversion of Preferred A Shares into ordinary shares (see "Description of Share Capital and Corporate Governance—Share Capital—Recent Conversation of Preferred A Shares Into Ordinary Shares"), to listing and trading on the Prime Standard Segment of the regulated market of the FSE. Due to our listing in Germany, we are, and will continue to be, subject to German securities regulations, in particular with regard to insider trading and disclosure of information, and are also subject to supervision by the relevant German authorities in these areas.

Market Regulation

The market regulator in The Netherlands is the AFM, insofar as the supervision of market conduct is concerned. The AFM has supervisory powers with respect to the application of takeover regulations. It also supervises the financial intermediaries (such as credit institutions and investment firms) and investment advisers. Pursuant to the implementation of the Prospectus Directive 2003/71/EC in The Netherlands on 1 July 2005, the AFM is the competent authority for approving all prospectuses published for admission of securities to trading on Euronext Amsterdam (except for prospectuses approved in other EEA states that are used in The Netherlands in accordance with applicable passporting rules) and due to the implementation of the Market Abuse Directive and related Commission Directives on 1 October 2005, the AFM has taken over from Euronext Amsterdam its supervisory powers with respect to publication of inside information by listed companies.

The surveillance unit of Euronext Amsterdam will continue to monitor and supervise all trading operations.

The market regulator in Germany is the *Bundesanstalt für Finanzdienstleistungsaufsicht* (the "BaFin"). The BaFin is the competent authority in Germany for approving all prospectuses published for admission of securities to trading on the FSE (except for prospectuses approved in other EEA states that are used in Germany in accordance with applicable passporting rules), and has supervisory powers with respect to the publication of inside information by listed companies and market manipulation matters. German takeover regulations do not apply to us as our corporate domicile is not in Germany.

The surveillance unit of the FSE will continue to monitor and supervise all trading operations at FSE.

TAXATION

Taxation in The Netherlands

General

The information set out below is a general summary of certain Dutch tax consequences in connection with the acquisition, ownership and transfer of our ordinary shares. The summary does not purport to be a comprehensive description of all the Dutch tax considerations that may be relevant for a particular holder of the ordinary shares, who may be subject to special tax treatment under any applicable law and this summary is not intended to be applicable in respect of all categories of holders of the ordinary shares. The summary is based upon the tax laws of The Netherlands as in effect on the date of this prospectus, as well as regulations, rulings and decisions of The Netherlands and its taxing and other authorities available on or before such date and now in effect. All of the foregoing is subject to change, which could apply retroactively and could affect the continuing validity of this summary. As this is a general summary, we recommend investors or shareholders to consult their own tax advisers as to the Dutch or other tax consequences of the acquisition, ownership and transfer of the ordinary shares, including, in particular, the application to their particular situations of the tax considerations discussed below.

The following summary does not address the tax consequences arising in any jurisdiction other than The Netherlands in connection with the acquisition, ownership and transfer the ordinary shares.

Withholding Tax

Ordinary Shares

We do not describe the tax consequences for a holder of the ordinary shares who benefits from the participation exemption, as set out in the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*), regarding the dividends received on the ordinary shares.

Dividends paid on the ordinary shares to a holder of such shares are generally subject to a withholding tax of 25% imposed by The Netherlands. The term "dividends" for this purpose includes, but is not limited to:

- distributions in cash or in kind, deemed and constructive distributions, and repayments of paid-in capital not recognised for Dutch dividend withholding tax purposes;
- liquidation proceeds, proceeds of redemption of shares or, generally, consideration for the repurchase of shares in excess of the average paid-in capital recognised for Dutch dividend withholding tax purposes;
- the par value of shares issued to a shareholder or an increase of the par value of shares, as the case may be, to the extent that it does not appear that a contribution to the capital recognised for Dutch dividend withholding tax purposes was made or will be made; and
- partial repayment of paid-in capital, recognised for Dutch dividend withholding tax purposes, if and to the extent that there are net profits (*zuivere winst*), within the meaning of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), unless the general meeting of our shareholders has resolved in advance to make such a repayment and provided that the par value of the shares concerned has been reduced by a corresponding amount by way of an amendment of our articles of association.

A holder of the ordinary shares who is, or who is deemed to be, a resident of The Netherlands or, if he is an individual, who opts to be taxed as a resident of The Netherlands for purposes of Dutch taxation (a "Resident of The Netherlands"), can generally credit the withholding tax against his Dutch income tax or Dutch corporate income tax liability and is generally entitled to a refund of dividend withholding taxes exceeding his aggregate Dutch income tax or Dutch corporate income tax liability, provided certain conditions are met, unless such Resident of The Netherlands is not considered to be the beneficial owner of the dividends. A holder of the ordinary shares, who is the recipient of dividends (the "Recipient") will not be considered the beneficial owner of the dividends if, as a consequence of a combination of transactions, a person other than the Recipient wholly or partly benefits from the dividends, whereby such person retains, directly or indirectly, an interest in the shares on which the dividends were paid and the person who retains, directly or indirectly, an interest in the shares on which the dividends were paid, is entitled to a credit, reduction or refund of dividend withholding tax that is less than that of the Recipient ("Dividend Stripping").

With respect to a holder of the ordinary shares, who is not treated as a resident of The Netherlands for purposes of Dutch taxation (a "Non-Resident of The Netherlands") and who is considered to be a resident of The Netherlands Antilles or Aruba under the provisions of the Tax Convention for the Kingdom of The Netherlands (*Belastingregeling voor het Koninkrijk*), or who is considered to be a resident of a country other than The Netherlands under the provisions of a double taxation convention The Netherlands has concluded with such country, the following may apply. Such shareholder may, depending on the terms of and subject to compliance with the procedures for claiming benefits under the Tax Convention for the Kingdom of The Netherlands or such double taxation convention, be eligible for a full or partial exemption from or a reduction or refund of Dutch dividend withholding tax. In addition, subject to certain conditions and based on Dutch legislation implementing the Parent Subsidiary Directive (Directive 90/435/EEG, as amended) an exemption from Dutch dividend withholding tax will generally apply to dividends distributed to certain qualifying entities that are resident of another EU member state.

The concept of Dividend Stripping, described above, may also be applied to determine whether a Non-Resident of The Netherlands may be eligible for a full or partial exemption from, reduction or refund of Dutch dividend withholding tax.

Generally the dividend withholding tax will not be for the account of the Company.

Taxes on Income and Capital Gains

General

The description of taxation set out in this section of this prospectus is not intended for any holder of the ordinary shares, who is:

- an individual and for whom the income or capital gains derived from the ordinary shares are attributable to employment activities the income from which is taxable in The Netherlands;
- an individual and who holds, or is deemed to hold a substantial interest in us (as defined below);
- an entity that is a Resident of The Netherlands and that is not subject to or is exempt, in whole or in part, from Dutch corporate income tax;
- an entity for which the income or capital gains derived in respect of the ordinary shares are exempt under the participation exemption (as set out in the Dutch Corporate Income Tax Act 1969); or
- an investment institution (*beleggingsinstelling*) as defined in the Dutch Corporate Income Tax Act 1969.

Generally a holder of ordinary shares will have a substantial interest in us ("Substantial Interest") if he holds, alone or together with his partner, whether directly or indirectly, the ownership of, or certain other rights over, shares representing 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or rights to acquire shares, whether or not already issued, that represent at any time 5% or more of our total issued and outstanding capital (or the issued and outstanding capital of any class of shares) or the ownership of certain profit participating certificates that relate to 5% or more of the annual profit and/or to 5% or more of our liquidation proceeds. A holder of the ordinary shares will have a Substantial Interest in us if certain relatives of that holder or of his partner also have a Substantial Interest in us. If a holder of ordinary shares does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, on a non-recognition basis.

Residents of The Netherlands

Individuals

A Resident of The Netherlands who is an individual and who holds the ordinary shares is subject to Dutch income tax on income and/or capital gains derived from the ordinary shares at the progressive rate (up to 52%) if:

(i) the holder has an enterprise or an interest in an enterprise, to which enterprise the ordinary shares are attributable; or

(ii) the holder derives income or capital gains from the ordinary shares that are taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*).

If conditions (i) and (ii) mentioned above do not apply, any holder of the ordinary shares who is an individual will be subject to Dutch income tax on a deemed return regardless of the actual income and/or capital gains benefits derived from the ordinary shares. The deemed return amounts to 4% of the average value of the holder's net assets in the relevant fiscal year (including the ordinary shares) insofar as that average exceeds the exempt net asset amount (*heffingvrij vermogen*). The deemed return is taxed at a flat rate of 30%.

Entities

A Resident of The Netherlands who is an entity will generally be subject to Dutch corporate income tax with respect to income and capital gains derived from the ordinary shares. The Dutch corporate income tax rate is 27% over the first €22,689 of taxable income and 31.5% over the taxable income exceeding €22,689.

Non-Residents of The Netherlands

A Non-Resident of The Netherlands who holds the ordinary shares is generally not subject to Dutch income or corporate income tax (other than dividend withholding tax described above) on the income and capital gains derived from the ordinary shares, provided that:

- such Non-Resident of The Netherlands does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise (other than as an entrepreneur or a shareholder) which enterprise is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the ordinary shares are attributable or deemed attributable;

- in the case of a Non-Resident of The Netherlands which is an entity, such entity does not have a Substantial Interest or deemed Substantial Interest in us, or if such holder does have such Substantial Interest, it forms part of the assets of an enterprise;

- in the case of a Non-Resident of The Netherlands who is an individual, such individual does not derive income or capital gains from the ordinary shares that are taxable as benefits from "miscellaneous activities" in The Netherlands (*resultaat uit overige werkzaamheden in Nederland*); and

- such Non-Resident of The Netherlands is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of such enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through an employment contract, to which enterprise the ordinary shares or payments in respect of the ordinary shares are attributable.

Gift, Estate or Inheritance Taxes

Dutch gift, estate or inheritance taxes will not be levied on the transfer of the ordinary shares by way of gift by or on the death of a holder, unless:

- the holder is or is deemed to be a resident of The Netherlands for the purpose of the relevant provisions; or
- the transfer is construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of The Netherlands for the purpose of the relevant provisions; or
- Ordinary shares are attributable to an enterprise or part of an enterprise which is carried on through a permanent establishment or a permanent representative in The Netherlands; or
- the holder of such ordinary shares is entitled to a share in the profits of an enterprise effectively managed in The Netherlands, other than by way of the holding of securities or through a employment contract, to which enterprise such ordinary shares are attributable.

For purposes of Dutch gift, estate and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of The Netherlands if he has been a resident in The Netherlands at any time during the ten years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual who is not of Dutch nationality will be deemed to be resident of The Netherlands if he has been a resident in The Netherlands at any time during the 12 months preceding the date of the gift.

Value-Added Tax

There is no Dutch value-added tax payable in respect of payments in consideration for the Offer and sale of the ordinary shares.

Other Taxes and Duties

We are subject to Dutch capital tax at a rate of 0.55% on any contribution or deemed contribution to our share capital.

There is no Dutch registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty other than court fees payable in The Netherlands by a holder of the ordinary shares in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the ordinary shares.

Residence

A holder of the ordinary shares will not become or be deemed to become a resident of The Netherlands solely by reason of holding the ordinary shares.

Taxation in the United States

United States Internal Revenue Service Circular 230 Notice: To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of US federal tax issues contained or referred to in this Prospectus or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

The following summary describes the material United States federal income tax consequences of the purchase, ownership and disposition of our ordinary shares as of the date of this prospectus.

Except where otherwise stated, this summary deals only with ordinary shares held as a capital asset by a holder who (i) is a United States holder (as defined below) (ii) purchased the ordinary shares for cash from an unrelated party, and (iii) does not own (directly or by attribution) 10% or more of the voting power of all our outstanding ordinary shares.

A "United States holder" is a beneficial owner of our ordinary shares who is one of the following:

- a citizen or resident of the United States;
- a corporation or other entity treated as a corporation for US federal income tax purposes created or organised in or under the laws of the United States or any political subdivision of the United States;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

United States taxation is often dependent on the taxpayer's particular situation, and each United States holder is encouraged to consult his or her own tax advisor. This summary does not address all the tax consequences that may be relevant to holders that are subject to special tax treatment, such as:

- dealers in securities or currencies;
- financial institutions;
- tax-exempt investors;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons liable for alternative minimum tax;
- insurance companies;
- real estate investment companies;
- regulated investment companies;
- persons holding ordinary shares as part of a hedging, conversion, integrated or constructive sale transaction;
- persons holding ordinary shares as part of a straddle; or
- United States holders whose functional currency is not the United States dollar.

In addition, if a partnership (or other entity treated as a partnership for US federal income tax purposes) holds ordinary shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the above instruments, you should consult your tax advisor.

This summary is based on the Internal Revenue Code of 1986, as amended (which we refer to as the "Code"), the Treasury regulations promulgated under the Code and administrative and judicial interpretations. These income tax laws, regulations and interpretations, however, may change at any time, possibly with retroactive effect. This summary is also based upon our determination that we are not a passive foreign investment company ("PFIC"). The determination that we are not a PFIC is based upon the best judgment of management as to the fair market value of our assets, including our intangibles. We took into consideration the traded value of our ordinary shares in determining the fair market value of our assets. We have not sought or obtained an independent appraisal of our assets and business. No assurance can be offered that our conclusions as to the values of our assets will not be challenged by the United States Internal Revenue Service ("IRS") or that a court might not ultimately sustain such a challenge. We have neither sought nor obtained any advance ruling from the IRS regarding the United States federal income tax consequences of any of the transactions described in this prospectus.

This summary is not intended to be, nor should it be construed to be, legal, business or tax advice to any particular shareholder. Accordingly, United States holders should consult their own tax advisors with respect to the United States federal, state, and local tax consequences and the foreign tax consequences to them of the ownership of shares of our ordinary shares.

Disposition of Ordinary Shares

In general, unless an exception set forth in the Code applies, a sale or exchange of our ordinary shares will give rise to taxable capital gain or loss equal to the amount by which the tax basis of the ordinary shares sold or exchanged is less or more than the amount realised by the United States holder on the disposition. Capital gains of non-corporate taxpayers on dispositions of assets held for more than one year are taxed at a preferential rate, not to exceed 15% if such gain is recognised prior to 1 January 2009. See, however, the discussion of passive foreign investment companies, below. The tax basis of the ordinary shares will be the amount of cash paid to acquire them. The gain or loss will generally be income or loss from sources with the United States for foreign tax credit limitation purposes.

Dividends on Ordinary Shares

Dividends from a "qualifying foreign corporation" are currently taxable in the United States at the maximum rate of 15% for non-corporate taxpayers, if certain conditions are satisfied (including certain holding period requirements and that the corporation not be a PFIC). That rate is scheduled to expire at the end of 2008, after which dividends will be taxed at the same rate as ordinary income. We believe that we are a qualifying foreign corporation; however, we have not sought or received an opinion of counsel or a ruling from the IRS to that effect. No assurance can be given that a court would not ultimately determine that we are not a qualifying foreign corporation. If we were not a qualifying foreign corporation, our dividends would be taxable as ordinary income at rates up to 35%.

For United States federal income tax purposes, corporate distributions may be taxable as dividends only to the extent of the current and accumulated earnings and profits of the corporation. Any further distributions are first treated as tax-free return of basis and then as capital gain. If the dividend has been subject to withholding taxes in the country of origin, the United States holder may be able to claim a credit for such taxes or may be able to claim a deduction in lieu of such credit. Special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the maximum 15% tax rate. The United States holder will be required to include in income its amount of foreign taxes withheld. The dividend will not be eligible for the dividends received deduction generally allowed to US corporations in respect of dividends received from other US corporations.

Passive Foreign Investment Company Considerations

For United States federal income tax purposes, a corporation organised outside the United States generally will be classified as a passive foreign investment company, or PFIC, for any taxable year during which either (i) 75% or more of its gross income is passive income (which includes dividends, interest, certain capital gains, rents and royalties) (ii) on average for such taxable year, 50% or more of the average value of its assets produce, or are held for the production of, passive income. For purposes of applying the foregoing tests, the assets and gross income of a company's significant direct, and indirect, subsidiaries are attributed to the company. We do not believe that we are now, nor do we expect to become, a PFIC, but this conclusion is a factual determination that is made annually (based in part upon the value of our assets and ordinary shares) and thus may be subject to change.

If we were at any time a PFIC while a United States holder held our ordinary shares and the United States holder did not then make, or have in effect, an one of the elections described below, a disposition of our ordinary shares would have the following United States federal income tax consequences: (i) the United States holder would be required to allocate gain recognised upon the disposition of, such United States holder's ordinary shares, and (ii) the amount allocated to each year other than (x) the year of such disposition or (y) any year prior to the beginning of the first taxable year for which we were a PFIC, would be subject to tax at the highest rate applicable to individuals or corporations, as the case may be, for the taxable year to which such income is allocated. In addition, a United States holder would pay an interest charge imposed upon the resulting tax attributable to each such year (which charge would accrue from the due date of the return for the taxable year to which such tax was allocated). Finally, the amounts allocated to the years referred to in (x) and (y) of the second previous sentence would be treated as ordinary income. A PFIC's dividends may also be subject to special taxes and interest charges.

A United States holder makes a Qualified Electing Fund (''QEF'') election for a taxable year by properly filing and completing a Form 8621 with its tax return for such year. The effect of such election is that the United States holder generally will be currently taxable on its pro rata share of a company's ordinary earnings and net capital gains (at ordinary income and capital gains rates, respectively) for each taxable year of such company in which it is classified as a PFIC, even if no dividend distributions are received by such United States holder, unless such United States holder makes an election to defer such taxes.

If we determine that we are a PFIC for a taxable year, we will provide United States holders with information sufficient to allow such United States holders to make a QEF election and report and pay any current or deferred taxes due with respect to their pro rata shares of our net ordinary earnings and net capital gains for such taxable year. United States holders should consult their tax advisors concerning the merits and mechanics of making a QEF election and other relevant tax consideration if we are a PFIC for any taxable year.

If a United States holder does not make a QEF election for the first year that a company is a PFIC, the United States holder may later elect QEF status, as described above, and if it does so, may also elect to ''purge'' such company's PFIC taint. A United States taxpayer's ''purge election'' must be made as to its PFIC shares held as of the qualification date (see below) by also attaching a Form 8621 to the tax return for the United States holder's taxable year that includes the qualification date. The qualification date is the first day of the United States holder's taxable year for which it elects to treat the PFIC as a QEF. The election may cause the United States holder to recognise taxable gain as if the ordinary shares had been sold.

A United States holder who does not make a QEF election may be able to avoid taxation and interest charges under the PFIC regime by making a mark-to-market election. The mark-to-market election requires a United States holder to include in income each taxable year an amount equal to the excess, if any, of the fair market value of the ordinary shares at the close of the tax year over the shareholder's adjusted basis in the ordinary shares. Similarly, an electing United States holder may deduct the excess, if any, of the United States holder's adjusted basis in the ordinary shares over their fair market value at the close of each tax year. However, the United States holder's deduction is limited to the net mark-to-market gains (reduced by any prior deductions) that the United States holder has included in income from the ordinary shares in previous tax years.

The foregoing summary of the possible application of the PFIC rules is only a summary of certain material aspects of those rules. Because the United States federal tax consequences to a United States holder under the PFIC provisions are significant, and the PFIC rules are very complex, United States holders of ordinary shares are urged to discuss those consequences with their own tax advisors.

Backup Withholding and Information Reporting

United States backup withholding tax is imposed on applicable payments to persons that fail to establish that they are entitled to an exemption or to provide a correct taxpayer identification number and other information to the payer or in some cases to the broker. The backup withholding tax is imposed at a rate of 28%.

Backup withholding is not an additional tax. Rather, the United States income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is furnished to the IRS.

Taxation in Germany

The following section contains a short summary of certain German tax principles that may be or may become relevant with respect to the acquisition, holding, or transfer of the Shares. This summary is not and does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders. In particular it does not comprehensively treat the tax considerations that may apply to a shareholder that resides outside Germany, including foreign residents with a permanent establishment in Germany. The summary is based upon the domestic tax laws of the Federal Republic of Germany in effect as on the date hereof and therefore does not take in account any amendments introduced at a later date and implemented with or without retroactive effect. The relevant rules as well as their interpretation by the German tax courts or tax authorities may change, possibly with retroactive effect. Shareholders or prospective shareholders are therefore stongly advised to consult their tax advisers regarding the tax consequences of any purchase, ownership or disposal of the Shares.

Taxation of Dividends

If an individual who is a tax resident of Germany (i.e., a person whose residence or habitual abode is located in Germany) holds Shares as non-business (private) assets, 50% of all dividends are included in taxable investment income (the "half-income method", *Halbeinkünfteverfahren*). These taxable dividends are subject to a progressive income tax rate (up to 42%), plus a 5.5% solidarity surcharge thereon (i.e. an aggregate maximum rate of up to 44.31%). Only one half of the expenses having an economic nexus with these dividends (*Werbungskosten*) are tax-deductible.

Individuals who hold Shares as non-business (private) assets are entitled to a "savers' exemption" (*Sparerfreibetrag*) in the amount of €1,370 (or €2,740 for married couples filing jointly) per calendar year with respect to their investment income. In addition, such persons are entitled to a lump-sum deduction in the amount of €51 (or €102 for married couples filing jointly) for expenses (*Werbungskostenpauschale*), unless proof of higher income-producing expenses is furnished. 50% of the shareholder's dividends, plus other investment income, are subject to taxation only if and to the extent they exceed the savers' exemption after deduction of actual expenses (in the case of dividends, only a 50% deduction applies) or the lump-sum deduction for expenses.

If the Shares form part of a business property, taxation depends upon whether the shareholder is a corporation, sole proprietor or partnership.

- Dividends received by resident corporations (i.e. corporations whose registered domicile or effective place of management of control is located in Germany) are in principle exempt from corporate income tax and the solidarity surcharge; 5% of the dividends are, however, considered non-deductible business expenses and, as such, are subject to corporate income tax at a rate of 25%, plus a 5.5% solidarity surcharge thereon (which add up to a total tax liability of approximately 26.375%). Besides this, actual business expenses directly related to the dividends are deductible.
- If the Shares form part of the business property of a sole proprietor, 50% of dividends are considered income for purposes of calculating the shareholder's income tax liability. Only 50% of business expenses having an economic nexus to the dividends are tax-deductible.
- If the shareholder is a partnership, personal income tax or corporate income tax is assessed only at the level of each partner. If the partner is a corporation, dividends are generally tax-exempt; however 5% are considered non-deductible business expenses and, therefore, subject to corporate income tax at a rate of 25% (plus solidarity surcharge thereon). If the partner is an individual, 50% of dividends are subject to personal income tax at a rate of up to 42%, plus solidarity surcharge thereon.

If a shareholder (individual or corporation) is a tax resident of Germany, all or part of the Dutch withholding tax which was withheld from the dividends and which is not refundable under the Tax Treaty between Germany and the Netherlands may be credited against the respective shareholder's personal income or corporate income tax liability if evidenced by a withholding certificate. Alternatively, an individual shareholder may, under certain circumstances, elect to deduct the non-refundable Dutch withholding tax in determining his or her taxable income.

If the Shares form part of a business property dividends will also generally be subject to trade tax. The corporate income tax and personal income tax exemptions described above (95% exemption on dividends for corporations, 50% exemption on dividends for individuals) should apply to trade tax accordingly if the shareholder has held at least 10% of the Issuer's registered share capital since the beginning of the relevant tax assessment period. In all other cases, the full amount of dividend payments will be subject to trade tax.

If the shareholder to whom the dividends are taxable (including a partner of a partnership holding the Shares) is an individual, trade tax is generally credited against the shareholder's personal income tax liability in accordance with a lump-sum tax credit method.

If a shareholder not resident of Germany holds the Shares as part of the business property of a permanent establishment or fixed base in Germany or as part of a business property for which a permanent representative in Germany has been appointed, rules similar to those described for the taxation of resident shareholders apply.

Taxation Under the Foreign Tax Act

If shareholders resident in Germany and certain expatriate German citizens (former residents) in the aggregate, directly or indirectly, should hold more than 50% of the issued share capital or of the voting rights of the Issuer, under German controlled foreign corporation legislation, any German resident shareholder's pro rata share in certain passive income (including, for example, but without limitation, certain interest income) earned by the Issuer and subject to a low-tax regime (i.e., in principle an effective tax burden of less than 25%) may be taxed to such shareholder, irrespective of whether such income is distributed or retained by the Issuer. Upon distribution of a dividend, the attribution of non-distributed income may be reversed or the dividend may be exempt from German tax. Moreover, any single shareholder resident in Germany may be taxed on his *pro rata* share in certain investment type income derived by the Issuer or its subsidiaries and subject to a low-tax regime (as defined under German tax law) irrespective of whether this income is distributed by the Issuer.

Taxation of Capital Gains

Capital gains from the sale of the Shares held as non-business (private) assets by an individual who is a tax resident of Germany are generally subject to income tax plus solidarity surcharge, if the Shares are sold within one year of the date of acquisition. The tax base is generally 50% of the capital gains. Capital gains are not taxed if, in combination with other profits from personal sales transactions in the same calendar year, they total less than €512. Losses from the sale of the Shares may be offset only by profits from personal sales transactions in the same calendar year or, absent such profits, by profits from personal sales transactions in the previous year or subsequent years if certain requirements are met.

If the Shares are held as non-business (private) assets of an individual who is a tax resident of Germany, 50% of the capital gains from the sale of Shares are subject to taxation based upon the applicable individual income tax rate, plus a solidarity surcharge in the amount of 5.5% thereon, even after expiration of the aforementioned one-year period, if the individual or, in the event of a gratuitous transfer, the individual's legal predecessor or, in the event of several successive gratuitous transfers, any legal predecessor of the individual has, at any point during the five years immediately preceding the transfer, held, directly or indirectly, at least 1% of the capital of the Issuer. Generally, only 50% of losses from the sale of Shares and 50% of expenses having an economic nexus thereto may be claimed as tax deductions.

If the Shares form part of a business property, then taxation depends upon whether the shareholder is a corporation, sole proprietor, or partnership.

- Capital gains from the sale of the Shares derived by taxpayers resident in Germany and subject to corporate income tax are generally, irrespective of the amount and holding period of the investment, exempt from corporate income tax (including solidarity surcharge); however, 5% of capital gains are considered non-deductible business expenses and, as such, are subject to corporate income tax (plus solidarity surcharge). Losses from the sale of Shares or any other reductions of profits related to such Shares generally do not qualify as tax-deductible business expenses.

- If the Shares form part of the business property of a sole proprietor who is a tax resident of Germany, capital gains from the sale of the Shares are always subject to income tax and the solidarity surcharge. The tax base is 50% of the capital gains from the sale of the Shares. Only 50% of losses from the sale of the Shares and 50% of expenses having an economic nexus thereto may be claimed as tax deductions.

- If the shareholder is a partnership, personal income tax or corporate income tax is assessed only at the level of each partner. Taxation depends upon whether the partner is a corporation or an individual: if the partner is a corporation, 95% of capital gains generally are tax-exempt. If the partner is an individual, 50% of capital gains are subject to income tax, plus solidarity surcharge.

In addition, if the Shares form part of the business property of a permanent establishment maintained in Germany, capital gains from the sale of the Shares are generally also subject to trade tax. The corporate income tax and personal income tax exemptions described above (95% exemption on dividends for corporations, 50% exemption on dividends for individuals) apply to trade tax accordingly if the business of the Issuer fulfils certain activity requirements and the shareholder has held at least 10% of the Issuer's registered share capital since the beginning of the relevant tax assessment period.

If the Shares form part of the business property of a partnership trade tax is levied at the level of the partnership. The corporate income tax and personal income tax exemptions described above (95% capital gains exemption for corporations, 50% capital gains exemption for individuals) also apply accordingly for purposes of trade tax to the extent the partnership has corporations or individuals, respectively, as partners. If the partner to whom the dividends are taxable (including a partner of a partnership holding the

Shares) is an individual, the trade tax apportionable to that partner and paid by the partnership is generally credited against the partner's personal income tax liability in accordance with a lump-sum tax credit method.

If the Shares are sold by an individual who resides abroad and is subject to non-resident taxation in Germany and if such individual holds the Shares as part of the business property of a permanent establishment or fixed base in Germany or as part of a business property for which a permanent representative in Germany has been appointed, rules similar to those described for the taxation of resident shareholders apply.

Special Treatment of Companies in the Finance and Insurance Sector as shareholders

If financial institutions or financial services providers, including those domiciled in another member state of the European Community or another contracting state to the EEA Agreement, hold or sell the Shares which are allocable to the trading book (*Handelsbuch*) pursuant to section 1 (12) of the German Banking Act (*Gesetz über das Kreditwesen*), neither the dividends nor capital gains will be subject to the half-income method or the 95% exemption from corporate income tax and from any applicable trade tax, unless the dividends are accorded favourable tax treatment under the so-called Parent-Subsidiary Directive (EC Directive 90/435/EEC of the Council dated 23 July 1990). The foregoing also applies correspondingly to the Shares, which are acquired by a financial enterprise within the meaning of the German Banking Act for purposes of realising short-term gains from proprietary trading, and to the Shares, which in the case of life insurance or health insurance companies qualify as a capital investment or which are held by pension funds.

Inheritance and Gift Tax

The transfer of the Shares to another person by gift or *causa mortis* is generally subject to German inheritance or gift tax only if:

- the decedent, donor, heir, beneficiary, or any other transferee maintains a residence or has his or her habitual abode in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years outside Germany without maintaining a residence in Germany; or
- the Shares were held by the decedent or donor as part of a business property for which a permanent establishment is maintained in Germany or for which a permanent representative in Germany was appointed at the time of the transfer.

Special rules apply to certain German citizens who neither maintain a residence nor have their habitual abode in Germany.

Other Taxes

No German transfer tax, value-added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of the Shares. No net wealth tax is currently imposed in Germany.

THE GLOBAL OFFER

Introduction

The Global Offer consists of an offering of up to 7,704,161 New Shares by us and up to 17,976,374 Existing Shares by the Selling Shareholders. We intend to apply for the admission of our ordinary shares to trading on Euronext Amsterdam and to list our ordinary shares on Eurolist by Euronext. We are currently listed on the FSE. We also intend to apply for admission of the New Shares, and of 35,276,325 existing ordinary shares which have not yet been listed on the FSE, to listing and trading in the Prime Standard Segment of the regulated market of the FSE. After the Global Offer, we will evaluate whether to maintain our listing on the FSE.

The Global Offer consists of a public offering in The Netherlands (including to certain institutional investors) and an international offering to certain institutional investors. We will receive the net proceeds from the sale of the New Shares but will not receive any proceeds from the sale of Existing Shares, all of which will be paid to the Selling Shareholders. The expected date of issue of the New Shares will be on or shortly after the Pricing Date.

The rights of holders of New Shares and Existing Shares will rank *pari passu* with each other. In addition, the Selling Shareholders have granted to the Underwriters an option, exercisable within 30 calendar days after the Allotment Date, pursuant to which the Underwriters may require the Selling Shareholders, other than IAM, to sell up to 3,852,080 additional existing ordinary shares at the Offer Price, subject to completion of the Capital Restructuring. For more information on the Underwriters' Option, see "Plan of Distribution—Underwriters' Option".

Timetable

The timetable below lists certain expected key dates for the Global Offer.

Event	Time and Date
Beginning of subscription period in The Netherlands	09:00 (CET) 9 November 2005
End of subscription period in The Netherlands	16:00 (CET) 17 November 2005
Expected allotment of Shares	18 November 2005
Euronext Listing Date	18 November 2005
Settlement Date	22 November 2005
FSE Trading Date	23 November 2005

The timetable for the Global Offer is subject to acceleration or extension.

Any acceleration or extension of the timetable for the Global Offer will be announced in a press release (together with any related revision of the expected dates of pricing, allocation and closing) at least two hours before the proposed expiration of the accelerated timetable for the Global Offer or, in the event of an extended timetable for the Global Offer, at least two hours before the expiration of the original timetable for the Global Offer. Any extension of the timetable for the Global Offer will be for a minimum of one full business day.

Offer Price

The Offer Price will be agreed between us and the Selling Shareholders following recommendations from the Joint Global Coordinators and Joint Bookrunners taking into account market conditions and other criteria, including those listed below:

- the price of our ordinary shares as quoted on the FSE on and prior to the Pricing Date;
- a qualitative assessment of demand for the Shares;

- our financial information;
- the history of, and prospects for, us and the industry in which we compete;
- an assessment of our management, its past and present operations and the prospects for, and timing of, our future revenues;
- the present state of our development;
- the above factors in relation to other companies engaged in activities similar to ours; and
- the above factors in relation to other companies exhibiting similarly rapid growth.

The Offer Price will be deposited with the AFM and published in a pricing statement on or about 17 November 2005.

Change of Maximum Number of Shares

The maximum number of Shares being offered in the Global Offer can be increased prior to the Settlement Date. The actual number of Shares offered in the Global Offer will be determined after taking into account market conditions, and criteria and conditions such as those listed below:

- the price of our ordinary shares as quoted on the FSE;
- demand for the Shares in the offering; and
- the economic and market conditions, including those in the debt and equity markets.

The actual number of Shares offered in the Global Offer will be deposited with the AFM and published in a pricing statement on or about 17 November 2005. Any increase in the maximum number of Shares being offered in the Global Offer will be announced in a press release.

Subscription

The subscription period for prospective investors in The Netherlands will begin on 9 November 2005 at 09:00 Amsterdam time and end on 17 November 2005 at 16:00 Amsterdam time.

Allotment

The allotment is expected to take place before the start of trading on Euronext Amsterdam 18 November 2005, subject to acceleration or extension of the timetable for the Global Offer. You may receive a smaller number of Shares than you applied to subscribe for. The Underwriters may, at their own discretion and without stating the grounds, reject any subscriptions wholly or partly.

We expect to announce the Offer Price and the numbers of Shares allocated to investors under the Global Offer on or about 17 November 2005. Concurrently with such announcement we will publish a pricing statement which will state the Offer Price and the aggregate number of New Shares to be issued by us and Existing Shares to be sold by the Selling Shareholders.

Joint Global Coordinators and Joint Bookrunners

Goldman Sachs International, Lehman Brothers and Morgan Stanley are acting as Joint Global Coordinators and Joint Bookrunners in connection with the Global Offer.

Lead Manager, Listing Agent and Paying Agents

Fortis Bank is the Lead Manager, Listing Agent and Paying Agent with respect to the listing of our ordinary shares on Eurolist by Euronext and admission for trading on the official market of Euronext

Amsterdam and the Paying Agent with respect to the issue of Shares on Euronext Amsterdam. The address of Fortis Bank is:

Fortis Bank
Rokin 55
1012 KK Amsterdam
The Netherlands

Deutsche Bank AG is the Paying Agent in Germany with respect to the application for listing and trading of our ordinary shares in the Prime Standard Segment of the regulated market of the FSE. The address of Deutsche Bank is:

Deutsche Bank
TSS/GES, Post-IPO Services
Taunusanlage 12
60325 Frankfurt am Main
Germany

Payment, Delivery, Clearing and Settlement

Payment for the Shares, and payment for any shares subject to the Underwriters' Option provided this option has been exercised prior to the Settlement Date, will take place on the Settlement Date.

The Shares will be ordinary shares in bearer form which are entered into the collection deposit (*verzameldepot*) and/or giro deposit (*girodepot*) on the basis of the Securities Giro Act (*Wet Giraal Effectenverkeer*). Application has been made for the Shares to be accepted for clearance through the book-entry facilities of Euroclear Netherlands and Clearstream Luxembourg.

Delivery of the Shares is expected to take place on or about 22 November 2005 (the "Settlement Date") through the book-entry facilities of Euroclear Netherlands and Clearstream Luxembourg, in accordance with their normal settlement procedures applicable to equity securities and against payment for the Shares in immediately available funds.

There are certain restrictions on the transfer of our registered book-entry shares, as detailed in "Selling and Transfer Restrictions".

Ranking and Dividends

Should the Management Board decide in the future to grant a dividend, the rights of holders of New Shares and Existing Shares will rank *pari passu* with each other. See "Dividend Policy".

Listing and Trading of the Ordinary Shares

In order to seek to increase the liquidity of our ordinary shares, align the trading of our ordinary shares with the Company's domicile and raise our investor profile, we intend to apply for the admission of our ordinary shares to trading on Euronext Amsterdam and to list our ordinary shares on Eurolist by Euronext under the symbol "TA".

We expect that listing and trading in our ordinary shares on Euronext Amsterdam will commence on or about 18 November 2005 (the "Euronext Listing Date") on an "as-if-and-when-issued" basis. The Settlement Date, on which the closing of the Global Offer and delivery of the Shares is scheduled to take place, is expected to be on or about 22 November 2005, the second business day following the Euronext Listing Date (T+2). Up to 41,358,991 of our ordinary shares are currently listed on the FSE. We intend to apply for admission of the New Shares, and of the 35,276,329 existing ordinary shares which have not yet been listed on the FSE, to listing in the Prime Standard Segment of the regulated market of the FSE.

Trading in the newly listed shares on the FSE is expected to commence on or about 23 November 2005. After the Global Offer, we will evaluate whether to maintain our listing on the FSE.

Investors that wish to enter into transactions in our ordinary shares prior to the Settlement Date, whether such transactions are effected on Euronext Amsterdam or otherwise, should be aware that the closing of the Global Offer may not take place on the Settlement Date or at all if certain conditions or events referred to in the Underwriting Agreement (see "Plan of Distribution") are not satisfied or waived or occur on or prior to such date. Such conditions include the receipt of officers' certificates and legal opinions and such events include the suspension of trading on Euronext Amsterdam or a material adverse change in our financial condition or business affairs or in the financial markets. If closing of the Global Offer does not take place on the Settlement Date or at all, the Global Offer will be withdrawn, all subscriptions for the Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and all transactions in our ordinary shares on Euronext Amsterdam will be cancelled. All dealings in our ordinary shares on Euronext Amsterdam prior to settlement and delivery are at the sole risk of the parties concerned.

Euronext Amsterdam NV does not accept any responsibility or liability for any loss or damage incurred by any person as a result of the listing and trading on an "as-if-and-when-issued" basis as from the Euronext Listing Date until the Settlement Date.

If the Global Offer is withdrawn, and at the time of withdrawal any New Shares or Existing Shares in the Global Offer have been sold short on the FSE, such sales will not be unwound on the FSE and any person so selling New Shares or Existing Shares from the Global Offer on the FSE will bear the risk of being unable to settle such sale by delivering New Shares or Existing Shares from the Global Offer.

PLAN OF DISTRIBUTION

The Global Offer includes an offering of up to 25,680,535 Shares consisting of a public offering in The Netherlands (including to certain retail and institutional investors) and an offering to certain institutional investors outside The Netherlands, including to qualified institutional buyers in the United States in reliance upon Rule 144A of the Securities Act.

Goldman Sachs International, Lehman Brothers and Morgan Stanley are Joint Global Coordinators and Joint Bookrunners, and representatives of the several Underwriters, and Fortis Bank is Lead Manager, the Listing Agent and Paying Agent with respect to the listing of our ordinary shares on Eurolist by Euronext and admission for trading on Euronext Amsterdam. Deutsche Bank AG is the Paying Agent with respect to listing and trading in the Prime Standard Segment of the regulated market of the FSE. The underwriting commission to be paid by us and the Selling Shareholders to the Underwriters is expected to amount to 2.647% of the gross proceeds of the Global Offer. In addition, we and the Selling Shareholders may pay a discretionary fee of up to 0.5% of the proceeds of the Offering. Pursuant to the underwriting agreement to be entered into on or around 17 November 2005 (the "Underwriting Agreement"), the Underwriters will have certain costs and expenses incurred in connection with the Global Offer reimbursed.

Subject to certain conditions set forth in the Underwriting Agreement among us, the Selling Shareholders, the members of the Management Board and members of Senior Management and the Underwriters, we and the Selling Shareholders have agreed to sell to the Underwriters, and the Underwriters have severally agreed to purchase from us and the Selling Shareholders, the number of Shares listed opposite the names of the Underwriters below.

Underwriters	Maximum Number of Shares
Goldman Sachs International	7,276,152
Lehman Brothers	7,276,152
Morgan Stanley	7,276,151
Fortis Bank	3,852,080
Total	25,680,535

The Selling Shareholders are offering up to 17,976,374 Existing Shares in the Global Offer, and we are offering up to 7,704,161 New Shares in the Global Offer. We expect that listing and trading in our ordinary shares on Euronext Amsterdam will commence on or about the Euronext Listing Date (18 November 2005) prior to the closing of the Global Offer on the Settlement Date on an "as-if-and-when-issued" basis. If closing of the Global Offer does not take place on the Settlement Date or at all, the Global Offer will be withdrawn, all subscriptions for the Shares will be disregarded, any allotments made will be deemed not to have been made, any subscription payments made will be returned without interest or other compensation and all transactions in our ordinary shares on Euronext Amsterdam will be cancelled. All dealings in our ordinary shares on Euronext Amsterdam prior to settlement and delivery are at the sole risk of the parties concerned. Euronext Amsterdam NV does not accept any responsibility or liability for any loss or damage incurred by any person as a result the listing and trading of our ordinary shares on an "as-if-and-when-issued" basis as from the Euronext Listing Date until the Settlement Date.

The Underwriters and any dealer purchasing from them have agreed to certain restrictions regarding the offer and sale of the Shares as part of their distribution. The Underwriters, through their respective selling agents, Goldman Sachs & Co., Lehman Brothers and Morgan Stanley & Co. Incorporated propose to resell Shares in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act. Any offer or sale of Shares in reliance on Rule 144A will be made by broker-dealers who are registered as such under the US Securities Exchange Act of 1934 (the "Exchange Act").

If an Underwriter defaults, the Underwriting Agreement provides that in certain circumstances, the purchase commitments of the non-defaulting Underwriters may be increased or the Underwriting Agreement may be terminated.

In the Underwriting Agreement, we and each of the Selling Shareholders have made certain representations and warranties and agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act. If these indemnities are unenforceable, we and the Selling Shareholders have each agreed to contribute to any payments that the Underwriters are required to make in respect of the liabilities against which we and the Selling Shareholders have agreed to indemnify them.

The Underwriting Agreement provides that, upon the occurrence of certain events, such as a suspension or material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange, the FSE or Euronext Amsterdam; a suspension or material limitation in trading in the ordinary shares on the FSE or Euronext Amsterdam; a material loss or interference with our business; any change or development in or affecting the general affairs, management, financial position, shareholders' equity or results of our operations or the operations of our subsidiaries in a material adverse way; or certain other conditions, the Underwriters, upon the decision of the Joint Global Coordinators and Joint Bookrunners, have the right, collectively but not individually, to withdraw from the Global Offer before delivery of the Shares if they consider it impracticable or inadvisable to proceed with the Global Offer. All dealings in our ordinary shares on Euronext Amsterdam prior to settlement and delivery are at the sole risk of the parties concerned. Euronext Amsterdam NV does not accept any responsibility or liability for any loss or damage incurred by any person as a result the listing and trading on an "as-if-and-when-issued" basis as from the Euronext Listing Date until the Settlement Date.

No Sales of Similar Securities

We, the Selling Shareholders, the members of the Management Board and the members of Senior Management have agreed that, other than pursuant to the Underwriting Agreement, we, the Selling Shareholders, the members of the Management Board and the members of Senior Management will not, during the period commencing on the date of the Underwriting Agreement and ending 180 days from the Settlement Date, (A) offer, sell, contract to sell or otherwise dispose of, any of our securities that are substantially similar to the Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, our ordinary shares or any such substantially similar securities (other than pursuant to share option plans available to our employees and officers existing on the date of the Underwriting Agreement and the terms of which are disclosed in this Prospectus), or (B) purchase or sell any option or other guaranty or enter into any swap, hedge or other arrangement that transfers to any other entity, in whole or in part, any of the economic consequences of ownership of our ordinary shares, whether any such transaction described above in (A) or (B) is to be settled by transfer of ordinary shares or such other securities, in cash or otherwise, except (i) with the prior written consent of the Joint Bookrunners; or (ii) for the exercise of the amended Warrants as described in "Description of Share Capital and Corporate Governance—Share Capital—Outstanding Warrants and Recent Conversion of Preferred A Shares" or (iii) in the case of the Selling Shareholders only, to any of their affiliates (as defined in Rule 144(a)(1) under the Securities Act), provided that such affiliate agrees with the Underwriters in writing to be bound by similar restrictions on the sale of similar securities.

Underwriters' Option

The Selling Shareholders, other than IAM, have granted the Underwriters an option, exercisable within 30 calendar days after the Allotment Date pursuant to which the Underwriters may require such Selling Shareholders to sell up to 3,852,080 additional existing ordinary shares at the Offer Price. If the Underwriters exercise this option, each Underwriter will be severally obligated, subject to certain conditions contained in the Underwriting Agreement, to purchase a number of additional existing ordinary shares proportionate to that Underwriter's initial amount reflected in the table above, and the Selling

Shareholders, other than IAM, will be obligated to sell a number of additional existing ordinary shares proportionate to the total additional existing ordinary shares over which they have granted the Underwriters' Option as set forth in the first sentence of this paragraph. The Underwriters may exercise this option at their discretion for any purpose in accordance with applicable law, including to cover short positions created in the initial allotment of Shares or in subsequent transactions.

Stabilisation and Short Positions

In connection with the Global Offer, the Underwriters through Lehman Brothers as stabilisation manager or its affiliates or agents may engage in transactions on Euronext Amsterdam, the FSE, in the over-the-counter market or otherwise, which stabilise or maintain the market price of the Shares at levels that might not otherwise exist. Such stabilisation, if commenced, may be discontinued at any time without prior notice and will be undertaken between the Pricing Date and no later than 30 calendar days after the Allotment Date. In this context, up to 3,852,080 additional Shares may be allocated in connection with possible stabilisation measures.

If the Underwriters through Lehman Brothers create a short position in the Shares in connection with the Global Offer, for example if they sell more Shares than the Selling Shareholders offer under the Prospectus, they may reduce that short position by purchasing Shares in the open market. The Underwriters through Lehman Brothers may also elect to reduce any short position by exercising all or part of the Underwriters' Option. Under applicable law, any short position resulting from over-allotments not covered by the Underwriters' Option may not exceed 5% of the original offer size.

Purchases of Shares to stabilise the trading price or to reduce a short position may cause the price of the Shares to be higher than it might be in the absence of such purchases.

None of us, the Selling Shareholders or any of the Underwriters makes any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the Shares. In addition, none of us, the Selling Shareholders or any of the Underwriters makes any representation that Lehman Brothers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Relationships and Transactions with Directly Interested Parties

Some of the Underwriters and their respective affiliates have from time to time engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with us or any parties related to us. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations (including those issued by the AFM). The Underwriters have received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with your and our interests.

See "Selling Shareholders and Related Party Transactions—Related Party Transactions" and "Management and Employees—Administrative, Management and Supervisory Bodies Conflicts of Interest".

No Public Offering Outside The Netherlands

No action has been or will be taken in any jurisdiction other than The Netherlands that would permit a public offering of the Shares, or the possession, circulation or distribution of this Prospectus or any other material relating to us or the Shares in any jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisements in connection with the Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Purchasers of the Shares may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the Offer Price.

SELLING AND TRANSFER RESTRICTIONS

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) total balance sheet assets of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by us of a prospectus pursuant to the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Shares to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Shares to be offered so as to enable an investor to decide to purchase or subscribe the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive.

United Kingdom

Neither this prospectus nor any other offering material has been submitted to the clearance procedures of the Financial Services Authority in the United Kingdom. The Shares have not been offered or sold and, prior to the expiry of a period of six months from the sale of the Shares, will not be offered or sold to persons in the United Kingdom except to "qualified investors" as defined in section 86 of the Financial Services and Markets Act 2000 (the "FSMA").

Each Underwriter will represent, warrant and agree that: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; (ii) it has not offered or sold and will not offer or sell the Shares other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses; (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of the Shares in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or in respect of which an exemption (as set out in the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) applies; and (iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom.

France

Neither this Prospectus nor any other offering material relating to the Shares has been submitted to the clearance procedures of the *Autorité des marchés financiers* in France. The Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this Prospectus nor any other offering material relating to the Shares has been or will be (i) released, issued, distributed or caused to be released, issued or distributed to the public in France or (ii) used in connection with any offer for subscription or sale of the Shares to the public in France. Such offers, sales and distributions will be made in France only to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in and in accordance with Article L.411-2 of the French Code *monétaire et financier* and French Decree No. 98-880 dated 1 October 1998. Such Shares may be resold only in compliance with Articles L.411-1, L.411-2 and L.412-1 of the French Code *monétaire et financier*. Investors in France and persons who come into possession of offering materials are required to inform themselves about and observe any such restrictions.

Japan

The Shares have not been and will not be registered under the Securities and Exchange Law of Japan (Law No. 25 of 1948, as amended), and are not being offered or sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (which term as used herein includes any corporation or other entity organised under the laws of Japan), or to others for offering or sale, directly or indirectly, in Japan or to, or for the account of, any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

Spain

The offer of Shares has not been registered with the *Comisión Nacional del Mercado de Valores* in Spain. Accordingly, no Shares will be offered or sold in Spain nor may this Prospectus or any other offer material be distributed or targeted at Spanish resident investors save in compliance and in accordance with the requirements of the Spanish Securities Market Law 24/1998, Royal Decree 291/1992 on Issues and Public Offers of Securities, both as amended, and any regulation issued thereunder.

Belgium

The Shares may not be offered publicly, directly or indirectly, in Belgium at the time of the Global Offer. The Global Offer has not been notified to, and the offering documents (including this Prospectus) have not been approved by, the Belgian Banking and Finance Commission. The Shares may be sold in Belgium only to professional investors as defined in Article 3 of the Royal Decree of 7 July 1999 on the public nature of financial transactions acting for their own account, and this Prospectus may not be delivered or passed on to any other investors.

Germany

No action has been or will be taken in the Federal Republic of Germany to make a public offering of the Shares. It is intended to apply for notification of this prospectus by the AFM to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*), and to publish this prospectus in Germany together with a German language translation of the summary, solely for purposes of the listing of the New Shares and part of the Existing Shares in the Prime Standard Segment of the regulated market of the FSE.

Each Underwriter will represent, agree and undertake in the Underwriting Agreement (i) that it has not offered, sold or delivered and will not offer, sell or deliver any Shares within the Federal Republic of

Germany otherwise than in accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), and (ii) that it will distribute in the Federal Republic of Germany any offering material relating to the Shares only under circumstances that will result in compliance with the applicable rules and regulations of the Federal Republic of Germany.

Italy

The Global Offer has not been cleared by Consob pursuant to Italian securities legislation and, accordingly, the Underwriters will not offer, sell, or deliver any Shares or distribute copies of this Prospectus or of any other document relating to the Shares in the Republic of Italy, except to professional investors, as defined in Article 31, second paragraph, of Consob Regulation n. 11522 of 1 July 1998, as amended, and provided that such professional investors will act in their capacity and not as depositaries or nominees for other shareholders

Luxembourg

Each Underwriter has represented, warranted and agreed that no public offerings or sales of the Shares or any distribution of this Prospectus or any other offering material relating to the Shares will be made to the public in or from Luxembourg, except for the Shares in respect of which the requirements of Luxembourg law concerning a public offering of securities in Luxembourg have been fulfilled.

VALIDITY OF THE SHARES

The validity of the Shares and certain other legal matters will be passed upon by Stibbe NV, our Dutch counsel, and certain legal matters will be passed upon by De Brauw Blackstone Westbroek NV, Dutch counsel for the Underwriters. We are also being represented by Herbert Smith LLP, our US and English counsel. The Underwriters are also being represented by Sullivan & Cromwell LLP, their US counsel.

INDEPENDENT AUDITORS

Our audited consolidated financial statements as of and for each of the years in the three-year period ended 31 December 2002, 2003 and 2004, appearing in this Prospectus have been audited by Ernst & Young, independent auditors, as stated in their report thereon appearing elsewhere herein. Ernst & Young are members of the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*).

GENERAL INFORMATION

Available Information

Annually, within five months of the end of our fiscal year, unless the General Meeting of Shareholders has extended this period (which it may do for up to a maximum of six months due to special circumstances), the Management Board is required to prepare annual accounts, accompanied by an annual report and an accountants' certificate. The annual accounts must be signed by all members of the Management Board and the Supervisory Board. The annual accounts, annual report and accountant's certificate as well as our deed of incorporation, the Current Articles and the Deed of Amendment will be available to shareholders without charge at our head office in "s-Hertogenbosch during regular business hours from the day of notice convening the annual General Meeting of Shareholders. The annual accounts and annual report are also available from our website: www.teleatlas.com.

Copies of our annual accounts for the years ended 31 December 2002, 2003 and 2004 and our Current Articles may also be obtained free of charge by sending a request in writing to us at our business address: Reitscheweg 7F, 5232 BX 's-Hertogenbosch, The Netherlands. In addition, copies of this Prospectus may also be obtained from our website or free of charge by sending a request in writing to the Fortis Bank at the following address:

Fortis Bank
Rokin 55
1012 KK Amsterdam
The Netherlands

Alternatively, this Prospectus may be obtained through the website of Euronext Amsterdam at www.euronext.com.

Copies of the following documents are available from our website from the date of this prospectus for at least a period of 12 months:

- Shareholders' Agreement dated 6 July 2004;
- Securities Purchase Agreement dated 28 April 2004;
- Registration Rights Agreement dated 6 July 2004;
- a form of Management Letter;
- a form of Warrant; and
- our Current Articles (*statuten*).

Provision of Information

We have agreed that, for so long as any of the Shares are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted Shares or to any prospective purchaser of such restricted Shares designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

We are not currently subject to the periodic reporting and other informational requirements of the Exchange Act.

Corporate Resolutions

The Supervisory Board, with the approval of the meeting of Preferred A Shareholders, will resolve on or around the Pricing Date to issue such amount of ordinary shares to the extent necessary for this Offering and will resolve to exclude the related pre-emptive rights of the existing holders of shares in the Company. We reserve the right to issue ordinary shares for a lower amount than the expected gross proceeds of €150 million. The Supervisory Board is designated in our Current Articles as the corporate body competent to issue shares and to limit or exclude the pre-emptive rights for a period of five years ending on 6 July 2009. See "Description of Share Capital and Corporate Governance"—Issue of Ordinary Shares, Pre-emption Rights.

Organisational Structure

We are a holding company of a number of directly and indirectly held operating companies. Our subsidiaries and holdings are:

- Bene-Fin BV (The Netherlands) (held 100%)
- Tele Atlas Data's-Hertogenbosch BV (The Netherlands) (held 100%)
- Tele Atlas North America Holding BV (The Netherlands) (held 100%)
- Tele Atlas Survey BV (The Netherlands) (held 100%)
- Tele Atlas Deutschland GmbH (Germany) (held 100%)
- Tele Atlas Data Gent NV (Belgium) (held 100%)
- Tele Atlas North America, Inc. (United States) (held 100%)
- Geographic Data Technologies Canada, Inc. (Canada) (held 100%)
- Tele Atlas Iberia SL (Spain) (held 100%)
- Tele Atlas UK Ltd (United Kingdom) (held 100%)
- Tele Atlas GmbH (Austria) (held 100%)
- Tele Atlas Schweiz AG (Switzerland) (held 100%)
- Tele Atlas France Sarl (France) (held 100%)
- Tele Atlas Italia Srl (Italy) (held 100%)
- Tele Atlas Scandinavia ApS (Denmark) (held 100%)
- Shanghai NaviAtlas Navigation Information Co, Ltd (China) (joint venture—held 25%)
- Infotech Enterprises Ltd (India) (held approximately 3%)
- PPWK GeoInvent sp. z.o.o. (Poland) (held 100%)

Material Contracts

The following contracts are the only contracts (not being contracts entered into in the ordinary course of business) that we have entered into within the two years immediately preceding the date of this Prospectus which are material or which have been entered into at any other time and which contain provisions under which we have an obligation or entitlement that is material as of the date of this Prospectus:

Geographic Data Technology, Inc.; Agreement and Plan of Merger

On 27 April 2004, we entered into an agreement and plan of merger (the "Merger Agreement"), pursuant to which our wholly-owned subsidiary GDT Acquisition, Inc. merged with Geographic Data Technologies Inc. ("GDT"). The merged entity is Tele Atlas North America, Inc.

At the time the merger became effective, each common share of GDT converted into the right to receive a cash amount per share, and a proportional non-transferable (except by operation of law) interest in the escrow amount of $15.0 million. At the same time, each common share of GDT Acquisition, Inc. converted into and exchanged for one share of common stock of the merged corporation, i.e. the surviving corporation after the Merger.

Each party to the Merger Agreement gave customary representations and warranties. We are not entitled to recover any damages for a breach of the representations, warranties, covenants or agreements of GDT set forth in the Merger Agreement for an aggregate amount in excess of $15.0 million. We (and the surviving corporation after the merger) have agreed to indemnify and hold the prior holders of GDT shares harmless from and against all claims and liabilities, obligations, costs, damages, losses and expenses of any nature, arising out of or relating to any breach of our representations, warranties, covenants or agreements set forth in the Agreement and Plan of Merger.

Infotech Enterprises Limited; Share Purchase Agreement and Outsourcing Agreement

On 23 March 2005, we entered into an agreement (the "Share Purchase Agreement") with Infotech, an Indian listed company, for the sale to Infotech of all of the issued and outstanding shares in the capital of Tele Atlas India Private Ltd., our subsidiary in India. The net proceeds we received from Infotech for the shares of Tele Atlas India were approximately €1.2 million, which in April 2005 we applied to the purchase of 250,000 ordinary shares of Infotech. For as long as we own at least 1% of the issued and outstanding shares of Infotech, we are entitled to designate one member of the board of directors of Infotech, subject to the approval of the board of directors of Infotech.

We and Infotech have given customary representations and warranties under the Share Purchase Agreement. After 23 March 2006, no claim for indemnification may be brought under the representations, covenants and agreements contained in the Share Purchase Agreement, except for claims (i) of which we have been notified in writing with reasonable specificity by Infotech prior to 23 March 2006 and (ii) of which Infotech has been notified in writing with reasonable specificity by us prior to 23 March 2006.

As part of the transaction, we agreed to purchase a minimum amount of data editing and software development services from Infotech during 2005, 2006 and 2007 at a price fixed in the agreement. Our total purchase commitment over the three-year period is €14.4 million.

Shanghai Changxiang Computer Co. Ltd; Equity Joint Venture Contract

On 11 September 2004, we entered into an Equity Joint Venture Contract (the "Joint Venture Contract") with SCC, forming the equity joint venture company NaviAtlas in Shanghai in accordance with Chinese law. Unless terminated according to the terms of the Joint Venture Contract, NaviAtlas will cease operations on 11 September 2024. NaviAtlas shall be formed to develop, market and sell digital map-based products and services in a variety of formats and across a wide array of applications including in-car navigation, location-based services, telematics and advanced driver assistance systems in the Chinese market.

The registered share capital of NaviAtlas is Renminbi Yuan 12.6 million (approximately €1.4 million). SCC shall contribute 75% and we shall contribute 25%, or approximately €350,000, of the registered share capital of NaviAtlas. We share the profits, losses and risks of NaviAtlas with SCC in proportion to our respective contributions to the registered share capital of NaviAtlas.

The NaviAtlas board of directors is composed of three directors, of whom two are appointed by SCC and one by us. The chairman of the board of directors is appointed by SCC and the vice chairman by us. Unanimity is required for certain resolutions of the board of directors.

The liability of each of the parties for the obligations, liabilities, debts and losses of NaviAtlas is limited to that party's obligation to make its respective contribution to the registered share capital of NaviAtlas. If a creditor of NaviAtlas brings any action or claim against any party to the Joint Venture Contract for any act or omission of NaviAtlas, NaviAtlas is obligated to defend such party at its cost and hold such party harmless against such claims or actions or any loss or expenses incurred thereby. We and SCC have given customary representations and warranties under the Joint Venture Contract.

Neither party is liable to the other for any direct or indirect damages arising from poor economic performance of NaviAtlas, unless and to the extent prescribed by law.

IAM

On 10 May 2005, we entered into an agreement with our shareholder IAM to convert a contingent loan into ordinary shares. See "Selling Shareholders and Related Party Transactions—Related Party Transactions".

GeoInvent

We recently acquired Warsaw-based GeoInvent from PPWK SA for €6.4 million in cash and assumed liabilities. Pursuant to the acquisition agreement, except for certain specified software and data we have agreed to obtain all of the assets of GeoInvent, including the technology it developed for our mobile mapping vans. We also now employ approximately 50 GeoInvent employees and lease two offices in Warsaw and Lodz.

Financial Advisor

Atlas Advisors LLC has acted as our financial advisor in connection with the Global Offer and is not an Underwriter or otherwise involved in the distribution of Shares. Atlas Advisors LLC accepts no responsibility for the contents of this prospectus.

Independent Auditors

We confirm that the information in the Auditor's Report on page F-2 has been accurately reproduced and that as far as we are aware and able to ascertain from information published by that party, no facts have been omitted which would render the Auditor's Report inaccurate or misleading.

Selling Shareholders' Business Addresses

Robert Bosch GmbH	P.O. Box 106050 70049 Stuttgart
International Asset Management (IAM) BV	P.O. Box 544 3700 AM Zeist
Meritech Capital Affiliates II LP Meritech Capital Partners II LP MCP Entrepreneur Partners II, LP	285 Hamilton Avenue Suite 200 Palo Alto, CA 94301
NEA Ventures 2004 LP New Enterprise Associates 10 LP New Enterprise Associates 11 LP	1119 Saint Paul Street Baltimore, MD 21202
Oak IX Affiliates Fund-A LP Oak IX Affiliates Fund LP Oak Investment Partners X LP Oak X Affiliates Fund LP Oak Investment Partners IX LP	525 University Avenue Suite 1300 Palo Alto, CA 94301
The Board of Trustees of The Leland Stanford Junior University	Stanford Management Company 2770 Sand Hill Road Menlo Park, CA 94025
TeleSoft Partners II LP TeleSoft Partners II QP LP TeleSoft NP Employee Fund LLC	1450 Fashion Island Boulevard Suite 160 San Mateo, CA 94404

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND US GAAP

We prepare our consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). These standards differ in many respects from those provided under accounting principles generally accepted in the United States ("US GAAP"). The summary below includes an overview of the primary differences between IFRS and US GAAP which may be material and applicable to us. Although the use of IFRS versus US GAAP has an impact on the way our consolidated financial statements are presented, IFRS does not have an impact on our business, business decisions, performance or cash flows.

We have not prepared a reconciliation of our consolidated financial statements and related footnote disclosures between IFRS and US GAAP, nor have we quantified such differences. Accordingly, no assurance is provided that the following summary of certain differences between IFRS and US GAAP is complete. Further, other accounting and disclosure differences may have come to our attention that are not identified below and we can provide no assurance that the identified differences in the summary below represent all principal differences relating to us.

Investors must rely on their own examination of our company, the terms of the Global Offer and the financial information relating to us in making an investment decision. Potential investors should consult their own professional advisers for an understanding of the differences between IFRS and US GAAP and how these differences might affect the financial information set out in this prospectus.

Revenue Recognition

General Background

The different approaches of IFRS and US GAAP to standard-setting are illustrated by the manner in which the respective revenue recognition pronouncements are written. IAS 18 *Revenue* contains general principles for revenue recognition and illustrative examples of specific transactions. In contrast to this, under US GAAP there are many individual pronouncements that cover particular categories of transaction or particular industries.

Multiple-Element Arrangements

US GAAP provides rules for transactions that have multiple elements such as a delivery of software with a commitment to provide updates to that software. If the fair value of each multiple element can be determined, revenue is generally allocated to the different elements based on the relative value of each element. However US GAAP provides that the best evidence of fair value is the price of an element when it is regularly sold on a standalone basis. In the absence of this evidence, revenue from sales with multiple deliverables is recognised as one unit of accounting with revenue recognised only after all elements have been delivered.

Under IAS 18 revenue is defined as "the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants". IAS 18 includes only general principles and does not provide specific guidance for multiple-element arrangements. However, IAS 18 does deal with combining and segmenting transactions, and in a multiple-element arrangement it may be necessary to apply revenue recognition criteria either to separately identifiable components of a single transaction or to two or more linked transactions. Applying the gross inflow of economic benefits approach to transactions with requirements for delivery of multiple elements often produces results under IFRS that differ from that produced by the application of US GAAP.

In our case, the licence of map data on a term contract with a requirement for updates constitutes a transaction with requirements for delivery of multiple elements. In this case we allocate revenue between the initial shipment of the map and the subsequent shipments of updates based on the contract terms or on our standard prices for licences of an equal term with and without updates. This approach is consistent with the application of the "gross inflow of economic benefits" approach of IFRS. Under US GAAP since updates can not be sold without having first purchased the initial map, revenue from the entire transaction generally must be recognised rateably over the updates or update period as they are delivered. Given this we would expect that, during times when our revenue from term licences of maps with requirements for updating are growing, our revenues recognised under US GAAP would be lower than those recognised under IFRS.

Consideration Given by a Vendor to a Customer

Under US GAAP, cash consideration (including a sales incentive) given by a vendor to a customer is presumed to be a reduction of the selling prices of the vendor's products or services and should be presented as a reduction of revenue in the vendor's income statement unless the vendor obtains a benefit that can be separated from the sale to this particular customer and the vendor can reasonably estimate the fair value of that benefit. If cash consideration is not treated as a reduction of revenue it is treated as an expense. We provide co-marketing funds to some of our customers that are sometimes calculated as a percentage of the purchases by the customers. Since the co-marketing contains both our brand as well as our customer's, it is clear the expenditures benefit us as well as the customer. In accordance with IFRS, we present these expenditures for co-marketing costs as cost of revenue. US GAAP limits the amount recognised as expense versus a reduction of revenue to the fair value of the benefit received by the vendor. Since we do not attempt to value the benefit received from the co-marketing expenditure it is possible that under US GAAP, some of the expenditures for co-marketing costs would have to be reflected as a reduction in revenue rather than as cost of revenue. If this reclassification were to be required under US GAAP, then our revenues would be lower under US GAAP than as reported under IFRS.

Intangible Assets

Initial Recognition and Measurement

Under IFRS, an intangible asset is initially recognised at cost if (i) the asset meets the definition of an intangible asset, i.e. it is identifiable and controlled by the entity, and (ii) it is probable that future economic benefits that are attributable to the asset will flow to the entity, and (iii) the cost of the asset can be measured reliably. The cost of internally developed intangible assets comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Under US GAAP, costs of internally developing intangible assets that are not specifically identifiable, have indeterminate lives, or are inherent in a continuing business and related to an entity as a whole should be expensed as incurred. We incur costs in connection with the development of our digital map databases that are under IFRS, subject to capitalisation. Under US GAAP these costs would be expensed as incurred. Additionally under IFRS these costs are amortised over their expected useful life.

As a result of these differences, our net operating expenses before amortisation and depreciation is lower under IFRS than it would be under US GAAP and our amortisation expenses are higher.

Costs of Developing Software for Internal Use

US GAAP provides guidance on accounting for costs of developing software for internal use. Three stages of software development are identified and only costs incurred during the application development stage may be capitalised. Under IFRS, costs of developing software for internal use are governed by the general rules for recognition and measurement of internally developed internal assets.

Our accounting for these costs would be similar under US GAAP to our practice under IFRS.

Impairment

Both IFRS and US GAAP require an impairment review to be carried out if events or changes in circumstance indicate that an asset's carrying amount may not be recoverable. The examples of "indicators of impairment" given in IAS 36 are similar to those under US GAAP and as the indicators listed in the relevant standards under both IFRS and US GAAP are not exhaustive, it is unlikely that a GAAP difference would arise in this respect.

If indicators of impairment are present, an impairment review must be carried out for the purposes of both IFRS and US GAAP. However, an impairment may be recognised at different times or in different amounts under IFRS and US GAAP. The IAS 36 methodology for carrying out an impairment review is a two-stage process that requires the reporting entity to consider first whether indicators of impairment are present and, if they are, to compare the asset's carrying amount directly to its recoverable amount—defined as the higher of an asset's fair value less costs to sell and its value in use. Under IFRS, the value in use calculation involves discounting the expected future cash flows to be generated by the asset to their net present value. US GAAP requires a three-stage impairment review process: having determined that indicators of impairment are present, a recoverability test must be performed by comparing the estimated sum of undiscounted cash flows attributable to the asset with its carrying amount. Only if the asset fails this recoverability test will the amount of the impairment be calculated by comparing the asset's carrying amount to its fair value.

We recorded an impairment charge on our North American database during 2003. Since amounts incurred in connection with the development of our database may not be capitalised under US GAAP, it is unlikely that we would have incurred an impairment charge on our databases under US GAAP.

Goodwill and Intangible Assets That are Not Amortised

Under US GAAP, goodwill and other intangible assets with an indefinite life are not amortised, but are reviewed annually for impairment. US GAAP requires all goodwill to be assigned to a reporting unit of the business on acquisition. Each reporting unit that has been assigned goodwill must then be reviewed annually to identify potential impairment. Initially, the fair value of a reporting unit should be compared with its carrying amount. If the carrying amount of a reporting unit, including goodwill, exceeds its fair value then the goodwill should be tested to measure the amount of the impairment loss, if any. This second test compares the implied fair value of the goodwill with the carrying amount of that goodwill.

US GAAP requires an annual impairment test to be carried out on intangible assets other than goodwill that are not amortised. Additional impairment tests are required when impairment indicators are identified. The impairment test requires the assets' carrying amount to be compared to its fair value, which is defined as the amount at which it could be sold to a willing party. There is no intermediate comparison to associated undiscounted cash flows.

Goodwill is dealt with under IFRS 3 and other intangible assets fall within the scope of IAS 38, but impairment is dealt with under IAS 36 for both. Similar to US GAAP, goodwill and intangible assets with indefinite lives are not amortised but are evaluated for impairment both annually and whenever there are indicators of impairment. Goodwill acquired in a business combination is allocated to each of the cash-generating units on acquisition. The cash-generating units are tested for impairment by comparing the carrying amount including goodwill with its recoverable amount and any impairment loss is recognised.

Although the amount of our impairment will not necessarily be the same under IFRS and US GAAP, we would not expect significant differences between the results of a potential impairment of goodwill under IFRS and US GAAP.

Reversal of Impairment Charges

Under IFRS an entity must assess at each reporting date whether there are indicators that an impairment loss may have reversed and, where this is the case, it should estimate the asset's recoverable amount. IAS 36 requires an impairment charge to be reversed for an asset other than goodwill but only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. US GAAP prohibits the reversal of an impairment loss (except for long lived assets held for sale when there has been subsequent recovery after the impairment).

As we have recognised an impairment charge in a prior year, it is possible that it will be required to reverse this charge (or a charge taken in a future year) under IFRS. Assuming the charge was also recognised under US GAAP no such reversal would take place under US GAAP.

Share-Based Payments

Expensing of Fair Value of Share-based Payments

IFRS 2 and the US standard governing share-based payments, FAS 123R, provide for the expensing of the fair value of share options and other share-based payments. The rules are generally similar but provide for different definitions of employees, effective dates and transition provisions. IFRS 2 is effective for years beginning after 1 January 2005 and applies to grants of shares, share options or other equity instruments made after 7 November 2002 that had not yet vested at the effective date of the IFRS. IFRS 2 applies retrospectively to liabilities arising from share-based payment transactions existing at the effective date. Earlier application is encouraged. The application to non-vested options outstanding as of the effective date can as a result require the restatement of prior year's results to include the expense for those pre-existing options.

For public companies, FAS 123R is effective at the beginning of the entity's first fiscal year that begins after 15 June 2005. Earlier application is encouraged. FAS 123R only applies after the effective date and therefore has no impact on prior periods.

We implemented IFRS 2 effective 1 January 2005 and were required to restate our 2004 results to reflect the amount of compensation related to non-vested options outstanding as of the effective date. Under US GAAP, we could have elected the same effective date, valuation methods and policy for recognising compensation costs for awards with graded vesting so for any option granted after the effective date the compensation required to be recognised would have been similar. However since under US GAAP there would have been no requirement to restate prior periods for unvested pre-existing options, there would have been no restatement of 2004 results.

Deferred Tax on Share Options

In certain countries we are entitled to a tax deduction for the amount treated as employee compensation under tax rules governing taxes on exercise of certain employee share options. The compensation is equivalent to the difference between the option exercise price and the fair market value of the shares at the date of exercise. Under IFRS, deferred tax assets are recognised and are calculated by comparing the estimated amount of tax deduction to be obtained in the future (based on our share price at the balance sheet date) with the cumulative amount of the compensation expense recorded in the income statement. If the amount of estimated future tax deduction exceeds the cumulative amount of the remuneration expense at the statutory tax rate, the excess is recorded directly in equity, against the profit and loss reserve. Under US GAAP, deferred tax assets are recognised by multiplying the compensation expense recorded by the prevailing tax rate in the relevant tax jurisdiction. Where, on exercise of the relevant option, the tax benefit obtained exceeds the deferred tax asset in relation to the relevant options, the excess is recorded in additional paid-in capital. Where the tax benefit is less than the deferred tax asset, the write-down of the deferred tax asset is recorded against additional paid-in capital to the extent of previous excess tax benefits recorded in this account, with any remainder recorded in the income statement.

Employer Taxes on Share Options

Under IFRS, employer's taxes that are payable on the exercise of share options are provided for over the vesting period of the options. Under US GAAP, such taxes are accounted for when the options are exercised.

Business Combinations

Post Combination Restructuring Costs

Under US GAAP, certain costs to be incurred on restructuring on business combination are treated as a fair value adjustment in the balance sheet acquired. Under IFRS, these costs are expensed post-acquisition.

We recognised restructuring charges connected to the GDT acquisition in periods subsequent to the close of that transaction. Under US GAAP these charges would not have been recognised as expenses in the income statement but would have been treated as an adjustment to the GDT balance sheet as of date of acquisition, therefore under US GAAP goodwill would have been higher and subsequent period operating expenses lower.

Deferred Taxes

Our purchase of GDT resulted in differences between the assigned values of the GDT assets and the US tax basis of those assets. Under both US GAAP and IFRS a deferred tax liability or asset should be recognised for differences between the assigned values and the tax bases of the assets and liabilities recognised in a business combination accounted for under the purchase method. No deferred tax liability is recognised upon initial recognition of goodwill. Because of the large US tax loss carryforwards of Tele Atlas North America, Inc., no deferred tax asset or liability was recognised. US GAAP and IFRS provide different treatments when a deferred tax asset that was not initially recognised is subsequently recognised.

Under IAS 12 *Income Taxes*, if a deferred tax asset of the acquiree which was not recognised at the time of the combination is subsequently recognised, the resulting credit is taken to income for the period. This credit is offset by an expense to reduce the carrying amount of goodwill to the amount that would have been recognised had the deferred tax asset been recognised at the time of the combination.

Under US GAAP, the subsequent elimination of a valuation allowance recognised at the acquisition date for deferred tax assets would be applied first to eliminate any goodwill related to the acquisition, second to eliminate any non-current intangible assets related to the acquisition, and third to reduce income tax expense.

Restructuring Activities

Under IFRS, a restructuring provision can be recognised when an entity has a present obligation to restructure, having developed a formal plan for restructuring and raised a valid expectation in those affected that it will carry out restructuring, and a reasonable estimate can be made of the amount of the obligation. US GAAP requires that the liability for the costs of restructuring are recognised and measured at fair value when the liability is incurred, rather than the date at which the exit plan is committed to. In particular, where employees are required to serve beyond the minimum retention period in order to receive one-time termination benefits such as severance pay, the costs of the one-time termination benefit are recognised at fair value over the term of the retention period. If it is not possible for the employee to determine the type and amount of benefits they will receive from involuntary termination (for example, when the negotiation of severance benefits has not been conducted with the appropriate employee groups such as work councils or trade unions) then it is not possible to recognise a provision for any such amounts.

In the past we have incurred costs related to restructuring activities independent of a business combination. In these events, under IFRS we have recorded a restructuring charge earlier than we would have under US GAAP.

Other Taxation—Income Versus Equity

IAS 12 requires current and deferred tax movements to be included in the income statement for the period, except to the extent that they relate to items that have been recognised directly in equity in the same or a different period. The treatment required by US GAAP is essentially the same, except that tax effects are charged or credited directly to equity only when they relate to current period amounts recognised directly in equity and some items must always be recognised in income, which can cause a difference between IFRS and US GAAP.

For example, a difference will arise if the tax law or rate for an item that has been recognised directly in equity subsequently changes. When there is a change in tax rates or tax laws, IAS 12 requires the effect of the change to be shown in the current year income statement, except to the extent that it relates to items whose deferred tax movements were previously recognised directly in equity. US GAAP on the other hand requires a deferred tax movement caused by a changes in tax rates or tax laws to be recognised in income for the period, irrespective of whether some part of the movement relates to items originally charged to equity.

(This page has been left blank intentionally.)

GLOSSARY OF SELECTED TERMS

The following explanations are not intended as technical definitions, but to assist investors in understanding certain terms used in this Prospectus.

aftermarket systems	Automotive navigation systems that are fitted in vehicles after the vehicle sale by dealers, garages or other professional installers.
automotive navigation	Navigation systems that are installed in automobiles on a permanent or semi-permanent basis. Includes factory-installed systems and aftermarket systems.
Blaupunkt	Blaupunkt GmbH. Formerly Blaupunkt Werke GmbH and a wholly-owned subsidiary of one of our major shareholders, Bosch.
Bosch	Robert Bosch GmbH or, in the event of a transfer of the ordinary shares held by Robert Bosch GmbH to Robert Bosch Investment Nederland BV (a 100% subsidiary of Robert Bosch GmbH) prior to the Closing Date, Robert Bosch Investment Nederland BV. Robert Bosch GmbH is 100% owner of Blaupunkt GmbH, one of our major customers.
dynamic content	Information aggregated from various third-party sources to provide dynamic data including traffic incident, speed and flow data, road construction, fuel price and weather information in major metropolitan markets in North America.
factory-installed navigation systems	Automotive navigation systems that are factory-installed in vehicles by car manufacturers on a permanent or semi-permanent basis.
global positioning system (GPS)	A network of 24 dedicated satellites funded and maintained by the US government which currently beams a signal worldwide to allow GPS receivers to calculate an exact geographic location anywhere on the earth's surface.
integrated navigation device	Navigation products which are solely dedicated to providing position information to users by integrating GPS receiver technology, map data and a user interface screen to present navigation instructions.
IAM	International Asset Management (IAM) BV.
ISO	"International Organisation for Standardisation." A network of the national standards institutes of 150 countries that coordinates and publishes specifications, criteria and finished standards for a variety of industries.
MCP	MCP Entrepreneur Partners II LP.
Meritech	Meritech Capital Affiliates II LP, Meritech Capital Partners II LP, MCP.

NEA	New Enterprise Associates 10 LP; New Enterprise Associates 11 LP; NEA Ventures 2004 LP.
Oak	Oak Investment Partners IX LP; Oak IX Affiliates Fund-A LP; Oak IX Affiliates Fund LP; Oak Investment Partners X LP; Oak X Affiliates Fund LP.
PCT	"Patent Cooperation Treaty". Treaty which came into force in 1978, and which provides a unified procedure for processing patent applications in PCT member countries.
PDAs	"Personal Data Assistants". Handheld consumer electronic devices which are capable of hosting navigation software.
personal navigation products	Navigation devices or applications which utilise satellite navigation and which are portable and transferable rather than being permanently fitted in a vehicle.
POIs	"Points of Interest". Distinctive geographic points which may be of interest to users of navigation products, including fuel stations, restaurants, hotels, tourist attraction and landmarks.
smartphones	A type of mobile phone containing operating system software that provides a standardised interface and platform for application developers. Smartphones usually have a standard phone keypad for input, and have more powerful processors and larger user interface screens than standard mobile phones.
Stanford University	The Board of Trustees of the Leland Stanford Junior University.
Telesoft	Telesoft Partners II LP; Telesoft Partners II QP LP; Telesoft NP Employee Fund LLC.
telematics	Telematics are services sold with a vehicle, generally including emergency and roadside assistance services, concierge services and verbal directions to subscribers.
value added reseller (VAR)	An entity that develops our data for incorporation in their products for use by end users.

INTERIM FINANCIAL STATEMENT REVIEW REPORT

The financial data for the nine months period ended 30 September 2005 are included in this Prospectus on pages 9-10, 34-36 and 43-67 (the "Financial Data"). In our opinion, the Financial Data has been extracted without adjustment from the Q3-2005 quarterly report and is consistent, in all material respects, with the Q3-2005 quarterly report. We issued an unqualified review report on this Q3-2005 quarterly report on 28 October 2005.

Eindhoven, The Netherlands, 7 November 2005

Ernst & Young Accountants

(This page has been left blank intentionally.)

INDEX TO FINANCIAL STATEMENTS

Tele Atlas NV
Corporate seat: Amsterdam

Corporate head office:

Reitscheweg 7F
NL-5232 BX 's-Hertogenbosch
The Netherlands

Financial Statements

Auditor's Report

Introduction

We have audited the consolidated financial statements of Tele Atlas NV, Amsterdam (the "Company") and its subsidiaries for the years 2002, 2003 and 2004, which comprise the consolidated balance sheet, consolidated statement of operations, consolidated cash flow statement, consolidated statement of changes in shareholder' equity and the related notes, prepared in accordance with International Financial Reporting Standards, and issued unqualified auditors' reports on these financial statements on 19 February 2003, 27 April 2004 and 1 March 2005 respectively. Since the Company adopted IFRS 2 Share based payments with effect from 1 January 2005, the restatement of historical financial information as required under IFRS 2 has been made in the quarterly interim reports the Company has issued in 2005. For the purpose of the inclusion in this prospectus of three year historical financial information prepared in accordance with International Financial Reporting Standards, as stated in note 1 to the consolidated financial statements, the Company also incorporated these restatements in the consolidated financial statements included on pages F-3 to F-28. Based on our audits of the consolidated financial statements for the years 2002, 2003 and 2004, we have audited the consolidated financial statements prepared in accordance with International Financial Reporting Standards, restated as required under IFRS 2, included in this prospectus on pages F-3 to F-28. These financial statements are the responsibility of the Company's management. Our responsibility is to express an audit opinion on these consolidated financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statement. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the consolidated financial statements on pages F-3 to F-28 of this prospectus give a true and fair view of the financial position of the Company as of 31 December 2002, 2003 and 2004 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards, including the restatement of historical financial information as required under IFRS 2, as published by the International Accounting Standards Board.

Eindhoven, The Netherlands, 7 November 2005

Ernst & Young Accountants

Consolidated Balance Sheet as of 31 December

	Notes	2002	2003	2004(1) (restated)
		(€ in thousands)		
Assets				
Current assets				
Cash and cash equivalents	**9**	40,120	9,458	44,920
Trade accounts receivable	**10**	14,199	13,855	34,870
Inventories		262	344	571
Prepaid expenses and other current assets	**11**	5,406	2,218	3,347
Total current assets		**59,987**	**25,875**	**83,708**
Non-current assets				
Tangible fixed assets	**12**			
—equipment, leasehold improvements and furniture		10,630	7,048	10,131
Intangible fixed assets	**13**			
—databases and tools		208,405	183,432	245,021
—goodwill		24,401	647	14,549
—other		—	—	15,648
Total intangible fixed assets		232,806	184,079	275,218
Deferred tax	**7**	—	—	21,291
Total non-current assets		**243,436**	**191,127**	**306,640**
Total assets		**303,423**	**217,002**	**390,348**

(1) The figures as of and for the year ended 31 December 2004 and as of and for the nine months ended 30 September 2004 have been restated to reflect the retrospective application of IFRS 2, pursuant to which the effects of share-based payment transactions, including expenses associated with share options granted to employees, must be reflected on the profit and loss statement and financial condition.

	Notes	2002	2003	2004(1) (restated)
		(€ in thousands)		
Equity and Liabilities				
Current liabilities				
Short term debt and current portion of long term debt	**14**	696	4,244	214
Shareholders entitlement to potential tax benefits	**17**	—	—	2,125
Trade accounts payable		5,550	5,351	10,554
Income tax payable		1,067	1,337	1,437
Accrued expenses and other liabilities	**15**	18,114	21,704	31,779
Deferred revenues		1,852	1,810	1,385
Financial instruments		1,258	655	—
Total current liabilities		**28,537**	**35,101**	**47,494**
Non-current liabilities				
Shareholder loans	**16**	—	10,000	—
Shareholder entitlement to potential tax benefits	**17**	20,286	20,286	18,161
Deferred taxes	**7**	21,688	21,447	21,062
Pension accrual	**18**	2,241	2,606	3,761
Other non-current liabilities		336	48	182
Total non-current liabilities		**44,551**	**54,387**	**43,166**
Shareholders' Equity	**19**			
Share capital (ordinary shares)		3,801	3,801	3,801
Share capital (convertible preferred shares)		—	—	3,528
Additional paid in capital		287,251	287,251	452,022
Treasury shares		(487)	(670)	(251)
Foreign currency adjustment		(15,017)	(30,304)	(26,885)
Accumulated result (deficit)		(26,569)	(45,229)	(127,557)
Result (loss) current year		(18,644)	(87,335)	(4,970)
Total equity		**230,335**	**127,514**	**299,688**
Total equity and liabilities		**303,423**	**217,002**	**390,348**

Consolidated Statement of Operations for the Year ended 31 December

	Notes	2002	2003	2004[1] (restated)
		(€ in thousands, except per share information)		
Revenues		**78,291**	**86,471**	**127,682**
Operating expenses				
Cost of revenue		8,398	9,428	16,527
Personnel expenses	**4**	78,913	77,389	88,700
Depreciation and amortisation		35,970	40,119	40,832
Impairment of intangible assets		—	62,000	—
Other operating expenses	**5**	40,571	45,140	47,991
Total operating expenses		**163,852**	**234,076**	**194,050**
Capitalised databases and tools	**13**	66,564	61,951	59,695
Net operating expenses		**97,288**	**172,125**	**134,355**
Operating result (loss)		**(18,997)**	**(85,654)**	**(6,673)**
Financial income (expenses) net	**6**	1,321	(1,102)	(3,494)
Result (loss) before income taxes		(17,676)	(86,756)	(10,167)
Income tax	**7**	(968)	(579)	5,197
Net result (loss)		**(18,644)**	**(87,335)**	**(4,970)**
Net result (loss) per share				
Basic	**8**	(0.49)	(2.31)	(0.13)
Diluted	**8**	(0.49)	(2.31)	(0.13)

(1) The figures as of and for the year ended 31 December 2004 and as of and for the nine months ended 30 September 2004 have been restated to reflect the retrospective application of IFRS 2, pursuant to which the effects of share-based payment transactions, including expenses associated with share options granted to employees, must be reflected on the profit and loss statement and financial condition.

Consolidated Cash Flow Statement for the Year ended 31 December

	Notes	2002	2003	2004
			(€ in thousands)	
Cash flow from operating activities				
Operating results		(18,997)	(85,654)	(6,673)
Depreciation and amortisation		35,970	102,119	40,832
Operating result before depreciation and amortisation (EBITDA)		16,973	16,465	34,159
Changes in other non-current liabilities		247	77	904
Share-based compensation credited to equity		—	—	4,585
Changes in working capital and other changes	**21**	(9,082)	5,253	(6,594)
Cash generated from operations		8,138	21,795	33,054
Interest paid		1,566	(458)	(1,206)
Income tax paid		(407)	(395)	(642)
Net cash inflow from operating activities		9,297	20,942	31,206
Capitalisation of databases and tools		(66,564)	(61,951)	(59,695)
Net cash outflow from operating activities after investments in databases and tools		(57,267)	(41,009)	(28,489)
Cash flow from investing activities				
Investments in subsidiaries, net of cash acquired		(9,537)	—	(84,930)
Purchase of equipment, software, leasehold improvements and furniture		(4,026)	(3,470)	(6,259)
Net cash outflow from investing activities		(13,563)	(3,470)	(91,189)
Cash flow from financing activities				
Issue of preferred convertible stock		—	—	168,299
Proceeds from and repayment of long term borrowings		—	14,000	(14,000)
Exercise of stock options		—	—	841
Treasury shares acquired		(183)	(183)	—
Net cash inflow/(outflow) from financing activities		(183)	13,817	155,140
Net increase/(decrease) in cash and cash equivalents		(71,013)	(30,662)	35,462
Cash and cash equivalents at the beginning of the period		111,133	40,120	9,458
Cash and cash equivalents at the end of the period	**9**	40,120	9,458	44,920

Tele Atlas NV

Consolidated Statement of Changes in Shareholders' Equity

	Share capital	Convertible preference shares	Share premium	Treasury shares	Foreign currency adjustment	Accumulated deficit	Total
				(€ in thousands)			
Balance as at 31 December 2002	**3,801**	**—**	**287,251**	**(487)**	**(15,017)**	**(45,213)**	**230,335**
Foreign currency adjustment and changes in valuation of financial instruments	—	—	—	—	(15,287)	—	(15,287)
Exercise of options	—	—	—	—	—	(16)	(16)
Treasury shares acquired	—	—	—	(183)	—	—	(183)
Net result for 2003	—	—	—	—	—	(87,335)	(87,335)
Balance as at 31 December 2003	**3,801**	**—**	**287,251**	**(670)**	**(30,304)**	**(132,564)**	**127,514**
Issue of preferred shares	—	3,528	164,771	—	—	—	168,299
Foreign currency adjustment	—	—	—	—	(12,267)	—	(12,267)
Recognition of deferred tax on foreign currency difference on intercompany loans	—	—	—	—	15,031	—	15,031
Changes in valuation of financial instruments	—	—	—	—	655	—	655
Exercise of options	—	—	—	419	—	422	841
Share-based compensation	—	—	—	—	—	4,585	4,585
Net result for 2004	—	—	—	—	—	(4,970)	(4,970)
Balance as at 31 December 2004	**3,801**	**3,528**	**452,022**	**(251)**	**(26,885)**	**(132,527)**	**299,688**

Please also refer to note 19 to these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Corporate Information

Tele Atlas is a leading provider of digital maps for use in a wide variety of navigation, mapping and geography-related applications.

Tele Atlas NV is a stock corporation, incorporated in The Netherlands, with its registered office in Amsterdam, The Netherlands.

Balance sheets are presented before appropriation of results.

1. Summary of significant accounting policies

The principal accounting policies adopted for the preparation of these consolidated financial statements are set out below. The accompanying notes are an integral part of the consolidated financial statements.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB.

Basis of preparation

The consolidated financial statements are prepared under the historical cost convention, except for (derivative) financial instruments that have been measured at fair value. Assets and liabilities are stated at face value unless indicated otherwise. All amounts are stated in thousands of euros, unless indicated otherwise.

Changes in accounting policies

IFRS 3 Business Combinations

In March 2004, the International Accounting Standards Board issued IFRS 3 Business Combinations. IFRS 3, IAS 36 and IAS 38 (revised 2004) are applicable for business combinations for which the agreement date is on or after 31 March 2004. IFRS 3 prescribes the financial reporting by an entity when it undertakes a business combination. Under IFRS 3, all business combinations are accounted by applying the purchase method, which views the business combination from the perspective of the acquirer. The acquirer allocates the cost of the business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities, at their fair values at acquisition date except for non-current assets that are classified as held for sale which are to be recognised at fair value less cost to sell. Goodwill, being the excess of the cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, is recognised as an asset and subsequently carried at cost less any accumulated impairment losses in accordance with IAS 36 Impairment of Assets. IFRS 3 replaces IAS 22 business combinations.

IFRS 2 Share-based payments

In February 2004, the International Accounting Standards Board issued IFRS 2 Share-based Payment. IFRS 2 applies to annual periods beginning on or after 1 January 2005. IFRS 2 prescribes the financial reporting by an entity when it undertakes a share-based payment transaction. It applies to grants of shares, share options or other equity instruments made after 7 November 2002 that had not yet vested at the effective date of the IFRS. IFRS 2 applies retrospectively to liabilities arising from the share-based payment transactions existing at the effective date. IFRS 2 requires an entity to reflect in its profit and loss and financial position the effects of share-based payment transactions, including expenses associated with share options granted to employees.

Pursuant to IFRS 2, the figures as of and for the year ended 31 December 2004 have been restated to reflect the retrospective application of IFRS 2. The retrospective application of IFRS 2 has led to an increase of personnel expenses of €4,585 (2004) and had no impact for the years ended 31 December 2002 and 2003.

Consolidation principles

The consolidated financial statements include the accounts of Tele Atlas NV and all its subsidiaries over which it exercises effective control, after the elimination of all material intercompany transactions and balances. Subsidiaries are consolidated as from the date the parent company obtains control until such time as control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as those of Tele Atlas NV, using consistent accounting policies. Adjustments are made to conform any dissimilar accounting policies.

The following fully owned companies are consolidated in the financial statements:

Subsidiary Name	Country of incorporation and residence	Proportion of ownership interest
Bene-Fin BV	NL	100%
Tele Atlas Data 's-Hertogenbosch BV	NL	100%
Tele Atlas North America Holding BV	NL	100%
Tele Atlas Survey BV	NL	100%
Tele Atlas Deutschland GmbH	GR	100%
Tele Atlas Data Gent NV	BEL	100%
Tele Atlas India Private Ltd	IND	100%
Tele Atlas North America Inc.	US	100%
Geographic Data Technologies Inc(1)	US	100%
Geographic Data Technologies Canada(1)	CAN	100%
Tele Atlas Iberia SL	SP	100%
Tele Atlas UK Ltd	UK	100%
Tele Atlas GmbH	AU	100%
Tele Atlas Schweiz AG	SW	100%
Tele Atlas France SARL	FR	100%
Tele Atlas Italia Srl	IT	100%
Tele Atlas Scandinavia ApS	DEN	100%

(1) As from 6 July 2004.

Foreign currencies

The functional and presentation currency of Tele Atlas NV and its subsidiaries in the European Union is the euro (€). Transactions in foreign currencies are accounted for at the exchange rates prevailing as at the transaction date. Assets and liabilities in foreign currencies are translated at exchange rates as at balance sheet date. Gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of operations. However, translation differences on intercompany loans, which have the nature of a permanent investment, are accounted for directly in shareholders' equity. Current and/or deferred tax charges and credits attributable to those translation differences are also dealt with in equity.

The functional currencies of subsidiaries outside the European Union are their respective domestic currencies. As at the reporting date, assets and liabilities are translated into the presentation currency at the exchange rates prevailing at the respective balance sheet dates. Goodwill and fair value adjustments arising on an acquisition of a foreign entity are treated as assets and liabilities of that foreign operation and translated at the closing rate. Income and expenses are translated at average exchange rates for the periods concerned. Resultant translation differences are charged or credited to shareholders' equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation shall be recognised in the statement of operations.

The following exchange rates were applied for the main non-euro currencies:

	Rate as at 31 December 2004	Average rate for the period	Rate as at 31 December 2003	Average rate for 2003	Rate as at 31 December 2002
USD	0.7339	0.8086	0.7949	0.8927	0.9523
GBP	1.4128	1.4733	1.4188	1.4562	1.5347
JPY ('000)	7.0671	7.4759	7.4240	7.6500	8.0260
CHF	0.6468	0.6475	0.6414	0.6607	0.6870
INR	0.0169	0.1790	0.0175	0.0192	0.0200
DKK	0.1344	0.1344	0.1343	0.1346	0.1346

Financial instruments

Financial instruments carried in the balance sheet consist of cash and cash equivalents, receivables, trade creditors, liabilities and borrowings. Tele Atlas NV uses derivative financial instruments such as foreign exchange contracts to hedge its risks associated with foreign currency fluctuations. It is the company's policy not to trade in financial instruments.

For the purposes of hedge accounting, hedges are classified into two categories: (a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability; (b) cash flow hedges which hedge exposure to variability in cash flows that is associated with a forecasted transaction.

In relation to fair value hedges which meet the conditions for special hedge accounting, any gain or loss from re-measuring the hedging instrument at fair value is recognised immediately in the net profit and loss. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in the net profit and loss.

In relation to cash flow hedges which meet the conditions for special hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity through the Statement of Changes in Equity and the ineffective portion is recognised in the net profit and loss. When the hedged forecasted transaction affects the profit and loss, the associated gains and losses that had previously been recognised in equity are transferred to the net profit and loss in the same period.

For hedges that do not qualify for special hedge accounting, any gains or losses arising from changes in the fair value of the hedged item and the hedging instrument are taken directly to the net profit and loss for the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for special hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. Where the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the net profit and loss for the period.

The fair value of forward exchange contracts is determined through independent appraisals.

Goodwill

Following the introduction of IFRS 3, replacing IAS 22, goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill on acquisitions after 31 March 2004 is not amortised and goodwill already carried on the balance sheet will not be amortised after 1 January 2005. Goodwill already carried on the balance sheet was amortised over 10 years under IAS 22. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of each cash-generating unit, to which the goodwill relates.

Intangible fixed assets

Intangible fixed assets consist of geographic databases, production tools, customer relationships and trademarks. Intangible fixed assets are stated at historical cost, less accumulated amortisation. Intangible assets acquired separately are capitalised at cost and from a business acquisition are capitalised at fair value as at the date of acquisition. The cost of capitalised internally generated geographic databases and tools includes all production and acquisition costs related to these assets. Indirect costs are also included, if they can be allocated on a reasonable and consistent basis. Intangible assets are amortised on a straight-line basis, based on the estimated economic life of the assets. Databases are amortised over a period of 10 years, after subsequent completion of the database release. Production tools, customer relationships and trademarks are amortised over 5 years.

At each balance sheet date, the Company assesses any indication of impairment of intangible and tangible fixed assets. If any such indication exists, the amount recoverable is estimated, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

Tangible fixed assets

Tangible fixed assets consisting of office and computer equipment and other items, are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis. Tangible fixed assets are depreciated, based on their estimated economic life, over 3-5 years.

Inventories

Inventories consisting of CD materials for navigation products are stated at the lower of acquisition price or production cost and net realisable value.

Accounts receivables

Accounts receivables are stated at face value less a valuation allowance for bad debts based on a review of all amounts outstanding as at year-end. An estimate for doubtful debts is made when the collection of the full amount is no longer probable.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term deposits, which are held to maturity. They are stated at face value.

Leases

Finance leases, which transfer to the group substantially all the risk and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of operations net of any reimbursement.

Post employment benefits

Tele Atlas has pension plans in the various countries where it operates. In most countries, a defined contribution plan is operated, limiting the employers' legal or constructive obligation to the amount it agrees to contribute during the period of employment. These contributions are charged to the statement of operations in the year to which they relate.

In Germany, Tele Atlas operates a defined benefit plan. Accumulated obligations are carried as pension liabilities in the balance sheet and are based on actuarial calculations, using for the year ended 31 December 2004 a discount rate of 4.7%, an assumed rate of salary increase of 3.0% and German mortality rates. Benefits paid are deducted from this liability, while additions are charged to the statement of operations.

In Italy, all employees are paid a staff leaving indemnity on termination of their employment. Each year, the Group accrues an amount for each employee, based in part on the employee's remuneration and in part on the revaluation of amounts previously accrued. The indemnity has the characteristics of a defined contribution obligation and is an unfunded, but fully provided, liability.

The cost of providing benefits under the plans is determined separately for each plan. Actuarial gains and losses are recognised as income or expense immediately.

Share capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company. When equity is repurchased, the amount of consideration paid is recognised as a charge to equity and reported in the balance sheet as treasury shares. As treasury shares are delivered from equity, the Company applies the FIFO method in determining the amount to be credited to equity.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The Company generates the majority of its revenues by licensing the geographic content and various additional characteristics of its database to customers. Licensing takes the form of selling products (generally CDs or DVDs) to end users for perpetual use, or licensing of the geographic content and various additional characteristics of the database to customers for a fixed period of time. Licensing to end-users for infinite use may be through the direct sale of products to these customers or through partners (often application developers). Revenue on these sales is recognised in the period when products are sold to the end-user. Where the geographic content and various additional characteristics of the database are licensed to customers for a fixed period of time, revenue will often depend on the use of the data by the customer, as reported by the customer or, when data are sold though a partner, by the partner. Royalty agreements often contain minimum royalty amounts and arrangements for upgrading the data. Revenue in these cases is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise. Depending on the revenue characteristics of the related agreement, revenue on these royalty agreements is recognised upfront or over the period of the agreement.

Government grants and subsidies

Grants and subsidies are recognised when there is reasonable assurance that the grant or subsidy will be received and all attaching conditions will be complied with. Grants or subsidies generally relate to expense items and are matched with the expenses which they intend to compensate.

Financial income and expenses

Interest income and interest expenses are recognised on an accrual basis.

Income taxes

Income tax expense is computed on the pre-tax income for financial accounting purposes. Deferred tax assets and liabilities are recognised for all temporary differences. Deferred tax assets, including assets arising from tax loss carry-forwards, however, are recognised only to the extent that it is probable that a taxable profit will be available against which such temporary differences or tax loss carry-forwards can be utilised.

Deferred tax is provided for using the liability method on temporary differences arising from the different treatment of items for financial accounting and taxation purposes, which are expected to reverse in the future, deferred tax is calculated at actual tax rates.

Use of estimates

The preparation of Tele Atlas NV's consolidated financial statements requires management to make estimates and assumptions that influence the reported amounts in the financial statements. Actual results might differ from those estimates.

Notes to the consolidated statement of operations

2. Segment information

Tele Atlas' primary reporting format is geographical segments and its secondary format is business segments. Revenues are generally allocated to either the Europe or North America geographic segments, based on the location of the customers. When we sell map data covering the geography of one region to customers in a different region, we allocate a portion of the revenues from the sale to the geographic segment which generated the date to compensate that region for the costs of the creation and maintenance of the data.

Revenues and operating result (loss) from areas outside of Europe and North America are included in revenues and operating result (loss) for Europe.

The following table shows the revenue and profit information for these two (geographical) segments for the years ended 31 December, 2002, 2003 and 2004 and certain asset and liability information as at those dates. Operating expenditure by the Company's production location in India is allocated to the respective regions based on the database projects concerned.

	Europe			North America			Corporate and other			Total		
	2002	2003	2004	2002	2003	2004	2002	2003	2004	2002	2003	2004
	(€ in thousands)											
Revenues	67,040	78,435	98,692	11,251	8,036	28,990	—	—	—	78,291	86,471	127,682
Operating result	4,450	3,735	14,360	(23,447)	(89,389)	(21,033)	—	—	—	(18,997)	(85,654)	(6,673)
Total assets (excluding cash balances)	169,803	170,953	189,405	93,500	36,591	134,732	—	—	21,291	263,303	207,544	345,428
Total liabilities	22,647	27,840	35,533	6,140	3,924	12,350	43,041	57,070	42,777	71,830	88,834	90,660
Capital expenditure (including internally generated databases and tools)	32,053	31,200	36,422	38,537	34,369	29,532	—	—	—	70,590	65,569	65,954
Depreciation, amortization	25,919	28,098	30,322	10,051	12,021	10,510	—	—	—	35,970	40,119	40,832

Business Segments

The company operates in one line of business, split up in the following categories (in millions of Euro):

	2002	2003	2004
In-car navigation (bundle)	29.6	29.4	36.9
In-car navigation (data products)	22.3	29.1	24.4
Personal navigation	2.6	7.9	33.4
Enterprise and public sector	11.6	10.9	22.9
Other segments	12.3	9.2	10.0
Total revenues	78.3	86.5	127.7

3. Business combination

On 6 July, 2004 the Company acquired 100% of the share capital of Geographic Data Technologies, Inc. (GDT), through its subsidiary Tele Atlas North America, Inc. GDT, a private company based in Lebanon, New Hampshire, USA, is a digital map company that is focused on the North American market. Based on their unaudited financial statements GDT generated for the fiscal year ended March 31, 2004, revenues of $43.5 million and reported an EBITDA of $6.5 million. This compares with $38.5 million in revenues and a $2.7 million EBITDA-loss for the prior year ended 31 March, 2003. Tele Atlas expects to realise significant cost savings with the combination of its operations in North America with GDT.

The fair values of the identifiable assets and liabilities of GDT as at the date of the acquisition were:

	$	€
	(In thousands)	
Databases	52,652	43,335
Customer relationships	22,550	18,560
Trademarks	1,140	938
Tangible fixed assets	2,864	2,357
Trade receivables	4,349	3,579
Accrued royalty revenue	4,321	3,556
Prepaid expenses and other receivables	1,246	1,026
Investments	7	6
	89,129	73,357
Trade payables	(1,382)	(1,137)
Bank overdrafts / line of credit	(2,100)	(1,728)
Accruals and other liabilities	(3,823)	(3,147)
	(7,305)	(6,012)
Fair value of net assets	81,824	67,345
Goodwill arising on acquisition	19,351	15,927
	101,175	83,272
Consideration:		
Paid in cash	100,000	82,305
Costs associated with the acquisition	1,175	967
	101,175	83,272

From the date of acquisition GDT has contributed approximately €15.7 million to revenues of the combined entity. No information is available on operating expenses and profit or loss of GDT for this period as activities were merged from the date of acquisition.

4. Personnel expenses

	Year ended December 31,		
	2002	2003	2004
	(In thousands of euros)		
Permanent employee expenses:			
—wages and salaries	59,575	57,978	63,740
—social security costs	13,799	13,071	12,922
—pension costs	1,196	1,368	2,607
—other (including recruitment and training costs)	2,873	2,872	3,500
Total permanent employee expenses	77,443	75,289	82,769
Temporary employee expenses	1,470	2,100	1,346
Expenses relating to share based payments	—	—	4,585
Total personnel expenses	78,913	77,389	88,700

Pension costs consist of the cost of defined contribution plans of €1,322 (2004), €957 (2003) and €798 (2002), and of defined benefit plans of €1,285 (2004), €411 (2003) and €398 (2002). The cost for defined benefit plans includes interest of €130 (2004), €95 (2003) and €95 (2002). The 2004 service costs were €371 whereas actuarial losses amounted to €784. For the countries in which defined benefit plans are used, the split between service costs and actuarial gains and losses up to and including 2003 was not available.

The total remuneration of the two statutory directors of Tele Atlas NV for the 2004 financial year amounted to €908. The remuneration of the four statutory directors including severance pay for one director for the financial year 2003 amounted to €1,434. The remuneration of the two statutory directors for the financial year 2002 amounted to €596.

At December 31, 2004 the Tele Atlas Group employed 1,952 persons. At 31 December, 2003 the Tele Atlas Group employed 1,807 persons. At 31 December, 2002 the Tele Atlas Group employed 1,850 persons.

5. Other operating expenses

	Year ended 31 December		
	2002	2003	2004
	(In thousands of euros)		
Housing, information technology and communication cost	14,318	14,263	12,531
Marketing	6,479	6,553	6,587
Source material	5,212	3,087	4,154
Outsourcing cost	2,253	4,825	5,161
Travel and other cost	12,309	16,412	19,558
Total	40,571	45,140	47,991

6. Financial income and expenses

	Year ended 31 December		
	2002	2003	2004
	(In thousands of euros)		
Interest income/(expenses)	1,759	(365)	(1,026)
Other financial expenses	(323)	(512)	(635)
Currency translation gains/(losses)	(115)	(225)	(1,833)
Total	1,321	(1,102)	(3,494)

7. Income tax

Major components of income tax expense for the years ended 31 December, 2002, 2003 and 2004 are:

	Year ended 31 December		
	2002	2003	2004
	(In thousands of euros)		
Current income tax	(432)	(730)	(1,358)
Adjustments in respect of current income tax of previous years	—	(630)	(90)
Deferred income tax relating to origination and reversal of temporary differences	(599)	241	(1,314)
Recognition of tax asset not previously recognised	—	—	7,679
Adjustments in respect of deferred income tax of previous year	63	540	280
Income tax benefit/(charge)	(968)	(579)	5,197

Deferred tax assets relate to future benefits from tax loss carryforwards in The Netherlands, to the extent that it is likely that these benefits will occur. Movements in deferred tax assets are as follows:

	Year ended 31 December		
	2002	2003	2004
	(In thousands of euros)		
Balance as at 1 January	—	—	—
Additions to/deductions from deferred tax assets	—	—	21,291
Balance as at 31 December	—	—	21,291

Tax losses in The Netherlands include losses caused by changes in the exchange rates on intercompany loans denominated in USD. Under IFRS, these exchange losses have been accounted for in equity. Consequently, the related tax benefit, amounting to €15,031 as at 31 December, 2004 has also been accounted for in equity.

Deferred tax liabilities relate mainly to temporary differences in relation to the valuation of databases in Germany and Belgium. Movements in deferred tax liabilities are as follows:

	As at 31 December		
	2002	2003	2004
	(In thousands of euros)		
Balance as at January 1	21,152	21,688	21,447
Additions to/deductions from deferred tax liabilities	536	(241)	(385)
Balance as at December 31	21,688	21,447	21,062

The Company's tax balances consist of:

	As at 31 December		
	2002	2003	2004
	(In thousands of euros)		
Deferred income tax asset	—	—	21,291
Current income tax liability	(1,067)	(1,337)	(1,437)
Deferred income tax liability	(21,688)	(21,447)	(21,062)
Total	(22,755)	(22,784)	(1,208)

As at 31 December 2004 Tele Atlas NV and its subsidiaries had remaining tax loss carryforwards amounting to €63.4 million net of temporary differences (2003: €127.2 million), mainly in The Netherlands and the USA for which no tax asset has been recognised yet. This amount was restated following a review by the Company of its tax loss carryforwards and the recognition of the temporary differences on certain assets acquired in the GDT acquisition in 2005. As at December 31, 2003 Tele Atlas NV and its subsidiaries had remaining tax loss carryforwards amounting to €127.2 million net of temporary differences mainly in The Netherlands and the USA for which no tax asset has been recognised yet. As at 31 December, 2002 Tele Atlas NV and its subsidiaries had remaining tax loss carryforwards amounting to €72.4 million net of temporary differences, mainly in The Netherlands and the USA for which no tax asset has been recognised yet.

8. Net result per share

Basic earnings (loss) per share are calculated by dividing the net result for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding (adjusted for treasury shares) during the year. The weighted average number of ordinary shares outstanding during 2004 was 37,716,789. The weighted average number of ordinary shares outstanding during 2003 was 37,691,326. The weighted average number of ordinary shares outstanding during 2002 was 37,878,579.

Diluted earnings (loss) per share are calculated by dividing the net result attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of dilutive convertible preferred shares, warrants and options to the extent that these options have vested, unless the result of such calculation would be anti-dilutive.

Since in 2002, 2003 and 2004 the net result of the group was negative the effect of adjusting the number of shares for the convertible preferred shares, and options would be anti-dilutive and consequently diluted earnings per share equals basic earnings per share.

9. Cash and cash equivalents

	As at 31 December		
	2002	2003	2004
	(In thousands of euros)		
Cash at bank and on hand	12,095	6,910	3,507
Short term bank deposits	28,025	2,548	41,413
Total	40,120	9,458	44,920

10. Accounts receivable

	As at 31 December		
	2002	2003	2004
	(In thousands of euros)		
Affiliated companies	1,172	1,487	—
Trade accounts receivable	13,027	11,564	26,840
Unbilled royalty revenue	—	804	8,030
Total	**14,199**	**13,855**	**34,870**

11. Prepaid expenses and other current assets

Other receivables consist of VAT recoverable, prepaid insurances, advances and other prepaid expenses.

12. Tangible fixed assets

	Office and computer equipment	Other	Total
	(In thousands of euros)		
Net book value as at 1 January, 2002	10,206	2,328	12,534
Additions	3,712	2,389	6,101
Depreciation	(5,771)	(1,416)	(7,187)
Exchange differences	(546)	(272)	(818)
Net book value as at 31 December, 2002	7,601	3,029	10,630
Net book value as at 1 January, 2003	7,601	3,029	10,630
Additions	2,982	488	3,470
Depreciation	(5,150)	(1,296)	(6,446)
Exchange differences	(395)	(211)	(606)
Net book value as at 31 December, 2003	5,038	2,010	7,048
Net book value as at 1 January 2004	5,038	2,010	7,048
Acquisition of subsidiary	1,662	695	2,357
Additions	5,148	1,111	6,259
Depreciation	(3,861)	(1,306)	(5,167)
Exchange differences	(245)	(121)	(366)
Net book value as at 31 December 2004	7,742	2,389	10,131
Cumulative cost as at 31 December 2002	39,857	9,192	49,049
Less: accumulated depreciation as at 31 December 2002	(32,256)	(6,163)	(38,419)
Net book value as at 31 December 2002	7,601	3,029	10,630
Cumulative cost as at 31 December 2003	27,832	5,604	33,436
Less: accumulated depreciation as at 31 December 2003	(22,794)	(3,594)	(26,388)
Net book value as at 31 December 2003	5,038	2,010	7,048
Cumulative cost as at 31 December 2004	32,050	6,191	38,241
Less: accumulated depreciation as at 31 December 2004	(24,308)	(3,802)	(28,110)
Net book value as at 31 December 2004	7,742	2,389	10,131

13. Intangible fixed assets

	Databases and Tools	Goodwill	Other	Total
	(In thousands of euros)			
Net book value as at 1 January 2002	175,323	32,924	—	208,247
Additions	66,564	—	—	66,564
Amortisation	(24,899)	(3,885)	—	(28,784)
Exchange differences	(8,583)	(4,638)	—	(13,221)
Net book value as at 31 December 2002	208,405	24,401	—	232,806
Net book value as at 1 January 2003	208,405	24,401	—	232,806
Additions	61,951	—	—	61,951
Amortisation	(30,375)	(3,297)	—	(33,672)
Impairment	(45,091)	(16,909)	—	(62,000)
Exchange differences	(11,458)	(3,548)	—	(15,006)
Net book value as at 31 December 2003	183,432	647	—	184,079
Net book value as at 1 January 2004	183,432	647	—	184,079
Acquisition of subsidiary	43,335	15,927	19,482	78,744
Additions	59,695	—	—	59,695
Amortisation	(33,464)	(299)	(1,902)	(35,665)
Exchange differences	(7,977)	(1,726)	(1,932)	(11,635)
Net book value as at 31 December 2004	245,021	14,549	15,648	275,218
Cumulative cost as at 31 December 2002	296,190	34,701	—	330,891
Less: accumulated amortisation as at 31 December 2002	(87,785)	(10,300)	—	(98,085)
Net book value as at 31 December 2002	208,405	24,401	—	232,806
Cumulative cost as at 31 December 2003	346,683	31,153	—	377,836
Less: accumulated amortisation as at 31 December 2003	(118,160)	(13,597)	—	(131,757)
Less: accumulated impairment losses as at 31 December 2003	(45,091)	(16,909)	—	(62,000)
Net book value as at 31 December 2003	183,432	647	—	184,079
Cumulative cost as at 31 December 2004	441,736	45,354	17,550	504,640
Less: accumulated amortisation as at 31 December 2004	(159,246)	(13,896)	(1,902)	(175,044)
Less: accumulated impairment losses as at 31 December 2004	(37,469)	(16,909)	—	(54,378)
Net book value as at 31 December 2004	245,021	14,549	15,648	275,218

	2002	2003	2004
	(In thousands of euros)		
Additions to databases and tools can be broken down as follows:			
—source material acquired	5,212	3,087	4,154
—internally generated databases and tools	61,352	58,864	55,541
	66,564	61,951	59,695

Impairment testing of indefinite lived goodwill

Goodwill acquired through the acquisition of GDT has been allocated to the North American region as a Cash Generating unit as defined under IAS 36. The carrying amount of goodwill as at 31 December 2004 was $19,351 (€14,201).

The recoverable value of the region has been determined based on a value in use calculation. Cash flow projections covering a period of ten years and a terminal value were developed by the Company. Management believes that this planning horizon is justified taking into account the long term nature of investments in its business. Projected pre-tax cash flows were discounted using Weighted Average Cost of Capital of 27%, which was based on an industry average capital structure.

The key assumptions on which management has based its cash flow projections to undertake the impairment testing of goodwill are as follows:

- revenue growth has been based on historic performance and detailed revenue planning for 2005. For subsequent years, growth is based on expected market growth and the expected development of Tele Atlas North America's market share;
- growth of cost of revenue and sales-related expenses has been estimated based on revenue growth; and
- growth of other costs, including costs related to the database, has been estimated taking into account the expected cost savings resulting from the integration of GDT in the North American Tele Atlas organisation, future plans in improving the database and expected cost of living increases.

14. Short term debt and current portion of long term debt

In 2003, the Company entered into a multi purpose bank facility, with a limit of €10.0 million. The facility was to be used in overdraft or money market loans and was secured by a pledge on certain assets of the Company. As per 31 December 2003, €4.0 million had been drawn on this facility. In 2004, overdrafts were repaid and the facility was cancelled.

15. Accrued expenses and other liabilities

Accrued expenses and other liabilities relate mainly to liabilities in respect of source material acquired, holiday allowances, royalties to third parties, returned products.

16. Shareholders Loans

During 2003, the Company entered into a loan agreement with Robert Bosch GmbH and International Asset Management BV (each 50%). The total amount which could be borrowed under this agreement was €10.0 million. The loan had an interest rate of 11.5% and was repayable after 3 years. In 2004, the loan was repaid in full and the agreement was terminated.

17. Shareholder entitlement to potential tax benefits

This relates to a contingent loan from International Asset Management (I.A.M.) BV which was granted further to the legal restructuring of the Tele Atlas Group in January 2000. The loan is based on the potential tax benefits to the Tele Atlas Group of the tax depreciable base of intangible fixed assets as at 31 December 1999. Repayment of the loan is contingent upon the realisation of these tax benefits over a 10-year period. Any remaining balance payable after this period will be forgiven. The loan does not bear interest. The total amount of the loan, assuming full realisation of the tax benefits, using currently prevailing tax rates, is €33.0 million. The amount carried on the balance sheet represents the liability to IAM to the extent that it is likely that benefits will be realised. As at 31 December 2004, €2,125 was due under this loan agreement.

18. Pension accrual

Movements in pension liabilities were as follows:

	As at December 31		
	2002	2003	2004
	(In thousands of euros)		
Balance as at 1 January	1,944	2,241	2,606
Charged/released to statement of operations	398	411	1,285
Utilised	(101)	(46)	(130)
Balance as at 31 December	2,241	2,606	3,761

19. Shareholders' equity

Ordinary Share Capital

The total authorised number of ordinary shares as at 31 December 2002 and 2003 was 100,000,000 with a par value of €0.10 each. On 27 May 2004 the Meeting of Shareholders resolved to amend the Articles of Association of the Company, resulting in an increase of total authorised number of ordinary shares to 200,000,000 with a value of €0.10 each. This amendment became effective on 6 July 2004. As at 31 December 2004 38,013,897 Ordinary Shares had been issued and fully paid up. As at 31 December 2003 and 31 December 2002, 38,013,897 Ordinary Shares had been issued and fully paid up. As at 31 December 2004 the company held 122,322 Ordinary Shares as treasury stock. As at 31 December 2003 the company held 348,038 Ordinary Shares as treasury stock. As at 31 December 2002 the company held 275,200 Ordinary Shares as treasury stock.

Convertible Preferred A Shares

On 27 May 2004 the Meeting of Shareholders resolved to amend the Articles of Association of the Company, resulting in the creation of a new class of shares: Convertible Preferred A Shares. Each Convertible Preferred A Share is convertible into one Ordinary Share without further payment. The Convertible Preferred A Share pay the same dividend, if any, as Ordinary Shares but are senior in liquidation preference. The prior approval of the meeting of holders of Convertible Preferred A Share is required before the general meeting of shareholders may pass resolutions on certain matters, such as issuing new shares or rights to acquire shares, the limitation or exclusion of pre-emptive rights of shareholders, the acquisition by the Company of its own shares or the reduction of issued share capital, any distribution to shareholders or ordinary shares and amendments to the Company's articles. This amendment became effective on 6 July 2004.

The total authorised number of Convertible Preferred A Shares as at 31 December 2004 was 100,000,000 with a value of €0.10 each. On 27 May 2004 the Meeting of Shareholders approved the issue of 35,276,329 Convertible Preferred A Shares. Convertible Preferred A Shares were issued and paid up on 6 July 2004.

Warrants

On 27 May 2004, the Meeting of Shareholders approved the issue of 7,055,264 Warrants, each for the purchase of one Convertible Preferred A Share at a purchase price of €5.00. Warrants were issued on 6 July 2004. They are exercisable at any time until 6 July 2009.

Stock options

In 2000 the Company adopted its Stock Option Plan 2000 under which options to purchase ordinary shares of the Company's stock may be granted to employees of the Company, its present and future subsidiaries and affiliated companies, and to other individuals designated by the Management Board and approved by the Supervisory Board to receive such options for their contributions to the growth and success of the Company and its subsidiaries. Options granted under the Stock Option Plan 2000 are exercisable immediately on the date of the grant, at an exercise price equal to the fair market value of the underlying shares of the Company on the date of the grant. Options granted under the plan cannot be transferred, pledged or charged, and may be exercised only by the optionee, within a five year period as from the date of the grant, or, upon the optionee's death and with the approval of the Management Board, by his successors within three months from the date of the optionee's demise.

In 2003, the company adopted a new stock option plan for executive management. Under this plan, options were granted to two Management Board members and two Senior Management members to purchase ordinary shares of the Company's stock. The options granted under this plan vest over a period which started on 1 September 2003 and ends on 30 September 2005. Options under the plan cannot be transferred, pledged or charged, and may be exercised only by the optionee over a period of five years from the date of grant or, upon the optionee's death and with approval of the Management Board, by his successors within three months from the date of his demise. In connection with the acceptance of the options under this new plan, two Management Board members agreed not the exercise options which had been granted to them under the stock option plan 2000.

At the beginning of 2004, the Company formalised a stock option plan for employees. The plan provides for employees to purchase ordinary shares of the Company's stock. The options granted under this plan vest over a period which started at the date of the grant and ends 30 September 2005. Options under the plan cannot be transferred, pledged or charged, and may be exercised only by the optionee over a period of five years from the date of the grant or, upon the optionee's death and with approval of the Management Board, by his successors within three months from the date of his demise. In connection with the acceptance of the options under this new plan, a number of employees agreed not to exercise options which had previously been granted to them under the stock option plan 2000.

During the Company's Annual General Meeting held on 27 May 2004, the Company's shareholders approved an increase in the ordinary shares available for employee stock option plans to an amount equal to ten percent of the Company's fully diluted shares (assuming exercise of all outstanding warrants and options). This increase became effective upon the closing of the financing on 6 July 2004. A new plan was approved which provides for the granting to employees and consultants of the Company of the right to purchase ordinary shares of the Company's stock. The options granted under this plan vest over a period as determined in the option agreement with the optionee. Options under the plan cannot be transferred, pledged or charged, and may be exercised only by or on behalf of the optionee over a period not to exceed 10 years from the date of the grant.

	Total options					**Granted and vested**	
	1 January 2002	**Granted**	**Exercised**	**Forfeited**	**31 December 2002**	**31 December 2002**	**Expiry date**
				(in thousands of Euro)			
2000 Employee Plan	1,175,614	203,000	—	(295,619)	1,082,995	907,995	2005–2008
Total	1,175,614	203,000	—	(295,619)	1,082,995	907,995	
Weighted Av Exercise Price	*5.64*	*2.87*	—	*9.39*	*4.10*	*4.43*	

	Total options					Granted and vested	
	1 January 2003	Granted	Exercised	Forfeited	31 December 2003	31 December 2003	Expiry date
				(in thousands of Euro)			
2000 Employee Plan	1,082,995	—	—	(614,582)	468,413	468,413	2005–2008
2003 Executive Plan	—	684,000	(16,667)	(33,333)	634,000	264,166	2008
Total	1,082,995	684,000	(16,667)	(647,915)	1,102,413	732,579	
Weighted Av Exercise Price	*4.10*	*1.05*	*1.76*	*3.78*	*2.43*	*3.16*	

	Total options					Granted and vested	
	1 January 2004	Granted	Exercised	Forfeited	31 December 2004	31 December 2004	Expiry date
				(in thousands of Euro)			
2000 Employee Plan	468,413	—	(111,557)	(64,565)	292,291	292,291	2005–2008
2003 Executive Plan	634,000	—	(34,000)	—	600,000	450,000	2008
2003 Employee Plan	—	624,152	(79,584)	(75,416)	469,152	359,364	2009
2004 Plan	—	4,084,566	(575)	—	4,083,991	543,071	2014
Total	1,102,413	4,708,718	(225,716)	(139,981)	5,445,434	1,644,726	
Weighted Av Exercise Price	*2.43*	*5.34*	*3.78*	*4.34*	*4.84*	*3.74*	

In 2002 and 2003, Tele Atlas used the intrinsic value accounting method for share awards under which there is no charge to earnings for employee stock option awards (because the exercise price equals the market value of the shares on the date of grant), and the dilutive effect of outstanding options is reflected as additional share dilution in the computation per share.

In February 2004, the International Accounting Standards Board issued IFRS 2 Share-based Payment. IFRS 2 applies to annual periods beginning on or after 1 January 2005. IFRS 2 applies retrospectively to liabilities arising from the share-based payment transactions existing at the effective date. IFRS 2 requires an entity to reflect in its profit and loss and financial position the effects of share-based payment transactions, including expenses associated with share options granted to employees.

Pursuant to IFRS 2, the figures as of and for the year ended 31 December 2004 have been restated to reflect the retrospective application of IFRS 2.

20. Financial instruments

Financial risk management objectives and policies

The Company is exposed to market risk, including changes in currency exchange rates and uses derivatives in connection with its risk management activities. The Company does not hold or issue derivative financial instruments for trading purposes.

Foreign currency risk

The Company carries out a significant proportion of its business in US dollars. The primary purpose of the Company's hedging activities is to protect its net cash flow in US dollars against the volatility in the rate of the US dollar against the Group currency, the euro. In 2004, the Company used purchased currency options with a maturity of less than twelve months.

Credit risk

Credit risk arising from the inability of a counterparty to meet the terms of the Company's financial instrument contracts is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Company. It is the Company's policy to enter into financial instruments with a diversity of creditworthy counterparties. Therefore, the Company does not expect to incur material credit losses on its risk management or other financial instruments.

Derivative financial instruments

Starting 2001, the Company adopted IAS 39, *Financial Instruments: Recognition and Measurement.* The standard requires the Company to recognise all derivatives on the balance sheet at fair value. Derivatives that are not hedging instruments must be adjusted to fair value through income. If the derivative is a hedging instrument, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of assets, liabilities, or firm commitments through earnings or recognised in a separate component of equity until the hedged item is recognised in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognised in earnings.

At 31 December 2004, no derivative financial instruments were included in the balance sheet (2003: negative €655). The amount that was recognised in equity during 2004 was €0. The amount that was removed from equity and reported in the Statement of Operations in 2004 was negative €655.

The fair value of derivative financial instruments included in the balance sheet as at 31 December 2003 was negative €655. The amount that was recognised in equity during 2003 was €2,376. The amount that was removed from equity and reported in the Statement of Operations in 2003 was negative €2,979.

The fair value of derivative financial instruments included in the balance sheet as at 31 December 2002 was negative €1,258. The amount that was recognised in equity during 2002 was €3,283. The amount that was removed from equity and reported in the Statement of Operations in 2002 was negative €1,561.

Net fair values

The carrying value of the financial assets and liabilities disclosed in the balance sheet is approximately equal to their fair value on account of the short maturity of these assets and liabilities.

Credit risk exposures

The Group's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event of the counterparties' failure to perform their obligations as of 31 December 2004 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet.

With respect to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract of arrangement. The Company's maximum credit risk exposure for derivative instruments is as follows: foreign exchange contracts—the full amount of the foreign currency the Company will be required to pay or purchase when settling the forward exchange contracts, should the counterparties not pay the currency they are committed to deliver to the Company. As of 31 December 2004, the notional principal amounts for foreign exchange contracts was €0, as of 31 December 2003, the notional principal amounts for foreign exchange contracts was €10,477, as of 31 December 2002, the notional principal amounts for foreign exchange contracts was €41,366.

Significant concentrations of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified along industry, product and geographic lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

21. Statement of cash flows

Changes in working capital represent changes in current assets, excluding cash and cash equivalents, and in current liabilities, excluding income taxes payable.

22. Commitments and contingent liabilities

Contingent liabilities

Tele Atlas NV and its subsidiaries are, from time to time, party to litigation arising in the normal course of business.

As at 31 December 2004, there were no significant cases, which had not been provided for in the financial statements.

Operating lease commitments

Tele Atlas NV leases facilities, cars and certain computer equipment under operating leases (the lessor effectively retains substantially all the risks and benefits of ownership of the leased items). As at 31 December 2004, the minimum annual lease commitments based on contractually agreed lease terms were as follows:

	2002	2003	2004
	(in thousands of €)		
Within one year	8,946	8,721	8,344
After one year but no more than five years	21,926	18,975	14,147
More than five years	3,004	699	4,025

Rental expenditure for the year ended 31 December 2004 amounted to €8,975.

Finance lease commitments

The group has finance lease for cars. The net book value of the assets related to these leases as at 31 December 2004 is €319. The net book value of the assets related to these leases as at 31 December 2003 was €312. The net book value of the assets related to these leases as at 31 December 2002 was €1,232. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments as at 31 December 2004 are as follows:

	2002		2003		2004	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments	Minimum payments	Present value of payments
	(In thousands of €)					
Within one year	685	641	249	237	195	186
After one year but no more than 5 years	378	369	5	5	112	95
Total minimum lease payments	1,063		254		307	
Less amounts representing finance charges	53		12		26	
Present value of minimum lease payments	1,010	1,010	242	242	281	281

Source material commitments

As at 31 December 2004, Tele Atlas NV had commitments in relation to the acquisition of source material of €2,335, of which €1,245 arises in 2005. As at 31 December 2003 Tele Atlas NV had commitments in relation to the acquisition of source material of €3,361, of which €2,252 arose in 2004. As at 31 December 2002 Tele Atlas NV had commitments in relation to the acquisition of source material of €5,418, of which €2,486 arose in 2003.

23. Related party transactions

Transactions were carried out with related parties in connection with the sales of navigation products. These transactions are carried out on an arm's length basis. Purchases by related parties accounted for 20% of the Company's sales in 2004.

24. Shareholders positions of Corporate Bodies

The Supervisory Board members and the Statutory Directors of Tele Atlas NV held the following number of shares and vested share options in Tele Atlas NV as at 31 December 2004

Statutory Directors Tele Atlas NV	Shares	Vested Options
Alain De Taeye	28,369	312,500
George Fink	7,700	312,500

Supervisory Board	Shares	Vested Options
Wim Dik	300	—
Bandel Carano	—	—
Charles Cotton	—	—
Holger von Hebel	—	—
Peter Morris	—	—
George Schmitt	—	—
Joost Tjaden	8,563	—

25. Reconciliation of net profit with Dutch GAAP

The Company's statutory financial statements for the years ended 31 December 2002, 2003 and 2004 have been prepared in accordance with Dutch GAAP as is required under Dutch law. The statutory financial statements are the official legally required financial statements as submitted to the Annual General Meeting of Shareholders for approval and are available from the Company upon request.

It should be noted that the statutory financial statements that are prepared in accordance with Dutch GAAP deviate from these IFRS consolidated financial statements for the year ended 31 December 2004. For the years ended 31 December 2002 and 2003, there are no differences.

Reconciliation of material adjustments in equity at 31 December 2004	IFRS	Effect of transition to IFRS	Dutch GAAP
Share capital (ordinary shares)	3,801	—	3,801
Share capital (convertible preference shares)	3,528	—	3,528
Additional paid in capital	452,022	—	452,022
Treasury shares	(251)	—	(251)
Foreign currency adjustment	(26,885)	68	(26,817)
Accumulated result (deficit)	(127,557)	(4,585)	(132,142)
Result (loss) current year	(4,970)	3,807	(1,163)
Total equity	**299,688**	**(710)**	**298,978**

Reconciliation of material adjustments to the income statement for the year ended 31 December 2004	IFRS	Effect of transition to IFRS	Dutch GAAP
Revenues	127,682	—	127,682
Operating expenses			
Cost of revenue	16,527	—	16,527
Personnel expenses	88,700	(4,585)	84,115
Depreciation and amortisation	40,832	778	41,610
Other operating expenses	47,991	—	47,991
Total operating expenses	**194,050**	**(3,807)**	**190,243**
Capitalised databases and tools	(59,695)	—	(59,695)
Net operating expenses	**134,355**	**(3,807)**	**130,548**
Operating result (loss)	**(6,673)**	**3,807**	**(2,866)**
Other income (expenses) net	(3,494)	—	(3,494)
Result (loss) before income taxes	(10,167)	3,807	(6,360)
Income taxes	5,197	—	5,197
Net result (loss)	(4,970)	3,807	(1,163)

ISSUER

Tele Atlas NV
Business Address
Reitscheweg 7F
NL-5232 BX ’s-Hertogenbosch
The Netherlands

LEGAL ADVISORS TO THE ISSUER

As to United States and English law
Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS
United Kingdom

As to Dutch law
Stibbe NV
Stibbetoren
Strawinskylaan 2001
1077 ZZ Amsterdam
The Netherlands

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

Lehman Brothers
25 Bank Street
London E14 5LE
United Kingdom

Morgan Stanley
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

LEGAL ADVISORS TO THE UNDERWRITERS

As to United States law
Sullivan & Cromwell LLP
1 New Fetter Lane
London EC4A 1AN
United Kingdom

As to Dutch law
De Brauw Blackstone Westbroek NV
Burgerweeshuispad 301
1076 HR Amsterdam
The Netherlands

LISTING AND PAYING AGENTS

Fortis Bank (Nederland) NV
Rokin 55
1012 KK Amsterdam
The Netherlands

Deutsche Bank AG
TSS/GES, Post-IPO Services
Taunusanlage 12
60325 Frankfurt am Main
Germany

INDEPENDENT AUDITORS

Ernst & Young
G.H. Betzweg 1
3068 AZ Rotterdam
The Netherlands

FINANCIAL ADVISOR TO THE ISSUER

Atlas Advisors LLC
140 East 45th Street
23rd Floor
New York, New York 10017
USA

Tele Atlas