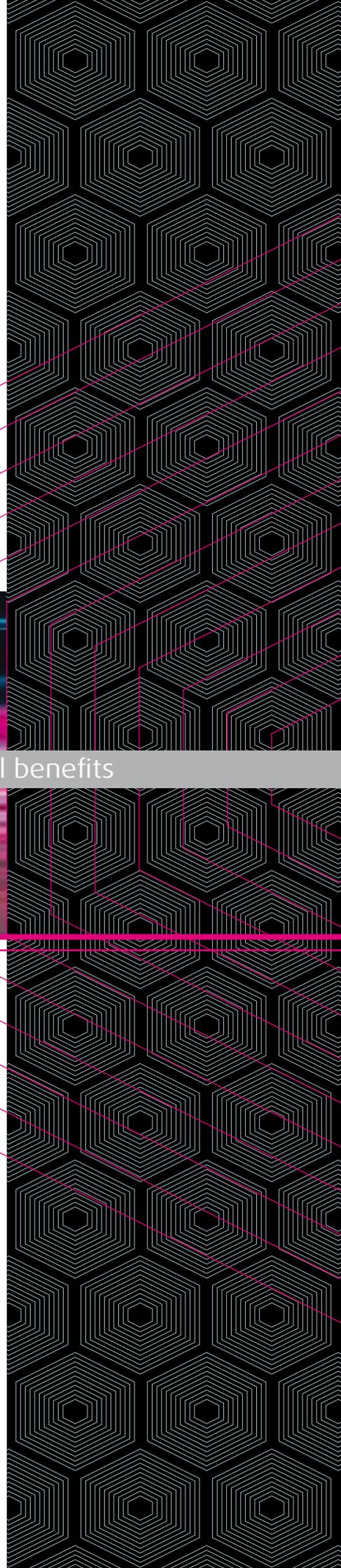


EQUENS

PAYMENT SERVICES FOR EUROPE

Annual Report 2006

Pursuing mutual benefits



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Consolidated key figures

Transaction volumes (in millions)

	2006
Number of payments processed ¹	6.937,4
Number of ATM and POS transactions switched for authorisation	1.906,3

Consolidated financial key figures (in thousands of EUR)²

	2006
Revenue ³	266,236
Results from operating activities ³	26,187
Net profit from continuing operations ³	16,410
Ordinary equity ⁴	121,009
Total assets net of assets classified as held for sale ²	320,140
Staff (full-time equivalents in absolute numbers) ⁵	1,315

¹ Including currency (non-euro) payments

² Source: Annual Accounts 2006

³ Pro-forma consolidated figures 2006, unaudited

⁴ Equity as on 31 December 2006

⁵ FTEs as on 31 December 2006 (in absolute numbers)



Company profile

Equens is the first truly pan-European full-service payment processor. As one of the largest and most innovative payment processors in Europe, Equens leads the market for future-proof payments and card processing solutions.

We can build on over 40 years of experience and the excellent reputation of our founders: Interpay Nederland and Germany's Transaktionsinstitut. With a combined annual volume of 7 billion transactions and 1.9 billion POS and ATM transactions switched for authorisation, Equens' market share within the eurozone is well over 10 per cent.

Our clients can count on a complete, modular and highly competitive portfolio that can be aligned seamlessly with their requirements. Our services cover the entire payments value chain.

Equens displays distinct client orientation by continuously aiming to achieve the lowest possible processing costs while complying with the highest standards of quality, reliability and security.

We offer our clients maximum value at minimum cost by translating our large-scale synergy effects and own assets into client benefits. This 'pursuit of mutual benefits' results in high-quality services, flexibility of choice and the lowest possible processing costs.

Our clients can count on a complete, modular and highly competitive portfolio.

Governance

Equens comprises the central holding company Equens N.V. with its statutory seat in Utrecht, the Netherlands. Equens N.V. holds all shares of the two subsidiaries Equens Nederland B.V. and Equens Deutschland AG.

All major former shareholders of Interpay and Transaktionsinstitut participate in Equens N.V. The two former shareholders of Transaktionsinstitut – the German DZ BANK and the Belgian KBC Bank – jointly hold 35 per cent. Interpay's former shareholders, the large Dutch banks, hold 65 per cent.

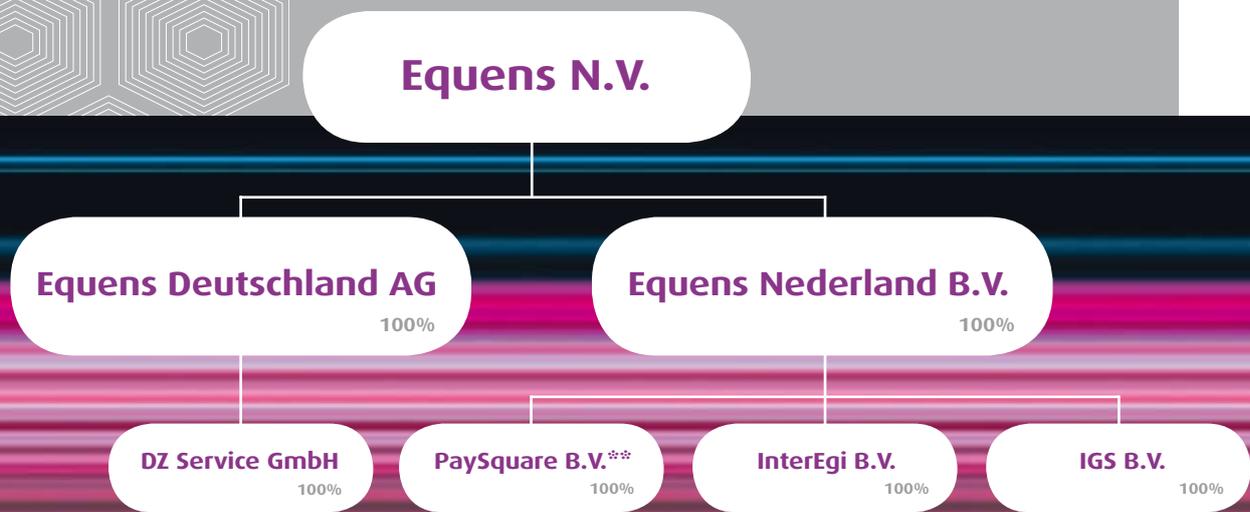
Supervisory Board

D. Voigtländer, DZ BANK AG (Chairman)
E. Dralans, ING Groep N.V. (Deputy Chairman)
Dr. J.J. Bos, Rabobank Nederland
Dr. U. Brixner, DZ BANK Foundation
M.C.A. Buitenhok, ING Groep N.V.
C. Defrancq, KBC Group
Dr. J.J. Kamp, ABN AMRO Bank
H. Op den Brouw, Rabobank Nederland
R. Teerlink, ABN AMRO Bank

Board of Directors

B.J. Haasdijk (Chairman until 1 May 2007)
M. Steinbach (Deputy Chairman, Chairman as of 1 May 2007)
A. Kuijpers, MBT
Dr. G. Möller
J. Sonneveld (as of 1 May 2007)

Equens Group – Group Structure*
as of December 2006



* Important Participations
** Asset held for sale



Economies of scale and scope will generate benefits for our clients in the form of higher service quality and even lower costs.

Statement from the Board of Directors

Our motto for Equens' first annual report is 'Pursuing mutual benefits'. This conveys exactly why in 2006 we decided on the strategically important step of the merger between Interpay Nederland B.V. and Transaktionsinstitut für Zahlungskehrsdienstleistungen AG. We will generate benefits for our clients by letting them profit from the synergy obtained by the establishment of the merger. The bottom line is that we always aim to offer maximum value at minimum total costs.

A shared clear vision and strategy with regard to the European payments market and the introduction of SEPA (Single Euro Payments Area) and similar client philosophies contributed to a perfect fit between us as merger partners. Equally important as a key success factor for the merger, in our view, was the almost instant personal connection between the key players involved.

Equens is the first truly pan-European full-service payment processor that actually bundles volumes, processing and expertise over the entire payment value chain in an increasingly consolidating European payments market. With 7 billion processed payment transactions in 2006 and 1.9 billion POS and ATM transactions switched for authorisation, Equens has a market share of over 10 per cent within the eurozone, making us one of the largest payment processors in Europe.

However, our ambitions do not end here. We focus on further increasing our volume, based on the vision that only economies of scale and scope will generate benefits for our clients in the form of higher service quality and even lower costs. The realisation of SEPA will result in more competition and consolidation. We expect that the number of processors will be reduced over the next few years, as a consequence of the urgent need to increase scale.

A shared clear vision and strategy and similar client philosophies contributed to a perfect fit

From left to right:
Götz Möller, Michael Steinbach,
Antoon Kuijpers, Ben Haasdijk

Equens is determined to be one of the major, prevailing processors. To that end we have defined a number of clear objectives for 2007: ensuring timely SEPA compliance, gaining new partners during the coming year (clients – meaning banks – and/or payment processors), and achieving substantial progress on the post-merger integration process.

It is gratifying to see how the market has welcomed the merger. Market parties need a partner who is able to provide continuity. More specifically, in 2006 our commitment, outstanding performance and proven reliability already resulted in the continued trust of existing clients and the acquiring of new clients.

The challenge for the near future is to combine the best of the Dutch and German organisations, thus establishing a process that combines the best of both worlds. And also to create a corporate culture that embraces all the changes we are facing with regard to client requirements in the European market. Working at Equens means considering change as a challenge, not a threat. And remaining continually alert throughout the organisation and taking pro-active initiatives on matters that can improve quality and efficiency for our clients. This mindset is essential if Equens is really to stand out from its competitors.

It will undoubtedly be a complex and at times painful process, as the merger synergies will in part be achieved through a reduction of the number of jobs over a period of four years. Obviously we will handle this process with the utmost care and we will take into consideration the interests of all parties involved. And clearly, we will make sure that the current service and quality levels will be maintained despite any adjustments in the organisation.

31/01/2006
signing MoU

Considering the performance achieved in 2006 in both Germany and the Netherlands, we are confident that we will be successful in realising our ambitions. We realise that all changes have placed – and will continue to place – heavy demands on our employees. Therefore we would like to express our heartfelt appreciation for their efforts during the past year and their contribution to the company's performance. We are proud to be heading an organisation whose excellent prospects for the future are to a considerable extent due to the quality of its staff. We would also like to thank the Works Councils, the Supervisory Board, unions and other worker participation organisations for their constructive contributions. Moreover, we would like to thank the members of our current Supervisory Board and the members of the previous Supervisory Boards of Interpay and Transaktionsinstitut for their support.

Ben Haasdijk, Chairman
Michael Steinbach, Deputy Chairman
Antoon Kuijpers
Götz Möller

Utrecht, April 2007

Our commitment, outstanding performance and proven reliability already resulted in the continued trust of existing clients and the acquiring of new clients.



An abstract graphic on the left side of the page. It features three stylized silhouettes of people in a hallway. The person on the right is wearing a hard hat and has a network diagram overlaid on their body. The background consists of a grid of white lines on a purple background, with a pattern of white and grey squares at the bottom left.

Pursuing mutual benefits

In the consolidating European payments market, clustering of transaction volumes, economies of scale and optimisation of quality are critical factors in competition. By bundling the skills, volumes and expertise of two leading European payment processors, Equens is able to realise substantial synergy and scale advantages. As a result, our clients can count on highly competitive services in terms of price and quality. Moreover, we are fully equipped to meet the challenges of the future and can support our current and future clients in making best use of the chances SEPA offers.

In other words, our strategy is aimed at pursuing mutual benefits. By translating our own achievements into client advantages from which you will reap the benefits, we strive to make the most of a challenging future. For ourselves and, more importantly, for our clients. After all, your business is our business.

Market vision

Market developments

Europe, our home market, has grown into an impressive economic area. Within the twelve countries that originally introduced the euro, 312 million inhabitants and 16 million companies are producing a GDP of 7.7 billion euro. This translates into 47 billion payment transactions worth more than 190 trillion euro. With more than 362 million issued cards, consumers made payments via 4.7 million POS terminals and retrieved cash from roughly 246,000 ATMs totalling 6.8 billion cash withdrawals per year. While all these transactions are made in one single currency, they rely on infrastructures bound to national borders and more than 25 different national payment transactions norms.⁶



19/09/2006
signing Merger Agreement

This European payments market is changing significantly as a result of harmonisation and standardisation fostered by SEPA. Moreover, interoperability between the different European payment processors and banks will be required to bridge national borders. This truly Single Euro Payments Area will be realised from 2008 onwards, when SEPA will shift from the development and preparation phase to the live phase. The result: a euro-domestic market characterised by a single standard SEPA format. Furthermore, the convergence of payments and card processing will gradually materialise in the long term as payments become almost real-time transaction based.

SEPA: opportunities and challenges

A borderless euro-domestic market spells major opportunities for European banks that can now easily extend their business throughout Europe. But this unique opportunity also involves major challenges. Significant investments are necessary to adjust to the new SEPA instruments and standards. Moreover, increased competition by new players such as non-banks or near-banks will put margins under pressure. Equens can help its clients to bridge the gap between declining margins and high investments by bundling large volumes and using economies of scale and scope. Outsourcing the processing of payments to Equens also enables banks to concentrate on their core business. We are fully geared

⁶ Sources: ECB Blue Book 2006, Eurostat

to support our clients in getting the most out of SEPA – from meeting specific requirements while keeping costs down and service levels high, to full flexibility and maximum speed.

Demand for optional services and specific requirements

In the short term, the introduction of SEPA means that the requirements for the basic level of SEPA payment services will be the same in all euro countries as of 2008. However, banks that currently enjoy an advanced payment infrastructure will want to be assured they can retain – or further increase – their current level of service after January 2008. Due to variations between different markets and specific customer requirements, banks may therefore require additional services in addition to the SEPA core layer.

Equens is fully geared to support its clients with the basic SEPA ‘Rulebook’ functionality as approved by the European Payments Council (EPC) plus additional optional services, enabling us to suit community- or client-specific needs. We are continuously tuning in to the latest changes in the SEPA landscape, such as the recent developments regarding the Payments Service Directive. As a result we can adapt our portfolio to the needs of banks, taking into account the desired additional optional services such as Creditor and Debtor Mandate Flow for direct debits. We also provide conversion or bridging services (using SWIFT File Act and MI-CUG) that allow banks to make the transition to SEPA at their own pace and to the degree they require, while already being SEPA compliant.

Lower processing costs and higher service levels

The expected result from the harmonisation will be consolidation of the current processing landscape. Three to five payment processors will most likely combine the processing of 60 to 70 per cent of all payment transaction volumes in the eurozone and each is expected to process over 10 billion transactions per year. This consolidation will produce significant potential for synergies due to scale effects arising from volume bundling and complementary skills. This will lead to three key client benefits: lower processing costs, higher service levels and the possibility to combine volumes of several countries on one system.

Fulfilling various clearing and settlement requirements

Within SEPA banks have more freedom of choice regarding settlement engines. Payment processors operating on the European market must be able to fulfil the different clearing and settlement requirements of the banks and/or different countries. Equens is equipped to serve our clients in this respect by meeting the various settlement requirements (EURO1, TARGET2, LORO/NOSTRO).

Focus on speed

Changing market demands will result in the elimination of the distinction between high-value and low-value payments in the future. The real focus will shift to the speed at which payments are settled. We recognised this development years ago due to our experiences in the Netherlands. Consequently we joined forces with the banks to take the initiative to introduce 'parcel settlement'. As a result, in theory clearing and settlement in the Netherlands takes place at least once every half hour, but in practice even a few hundred times a day. This is virtually real-time. In a clearing cycle that approaches 30 minutes the distinction between urgent and non-urgent payments is also of less significance.

SEPA requires reachability and interoperability

A pan-European payment processor should ensure its clients that any payment sent to any other bank account in the EU will reach its destination within the agreed time frame. To be able to fulfil this requirement, we consider reachability and interoperability a basic prerequisite for the success of SEPA. The accessibility of every bank account number within the EU can only be guaranteed when there is systematic and consistent access to banks and payment processors. This requires open standards for routing, tracking and tracing and connectivity. Equens' strategy is to offer a magnitude of reachability solutions for our clients to ensure sufficient reach at the start of SEPA.

Standardisation initiatives

Based on this strategy, Equens has already established several reachability solutions such as STEP2, multilateral clearing and bilateral clearing. We are currently preparing to establish additional reachability solutions in



2007, such as 'Equens-community-Clearing' and – as one of the founding members – the EACHA approach. The European ACH Association (EACHA) will develop a concept catering for market-wide common, EPC-based, technical interoperability between ACHs, which also enables banks to link up to other banks or the ACH(s) of their choice. The EACHA initiative received a lot of interest from all over the world during Sibos last year. It is becoming an important instrument in establishing SEPA reach within the EU-29 region. This is why we strongly believe that the EACHA initiative will offer major benefits to the entire SEPA market place.

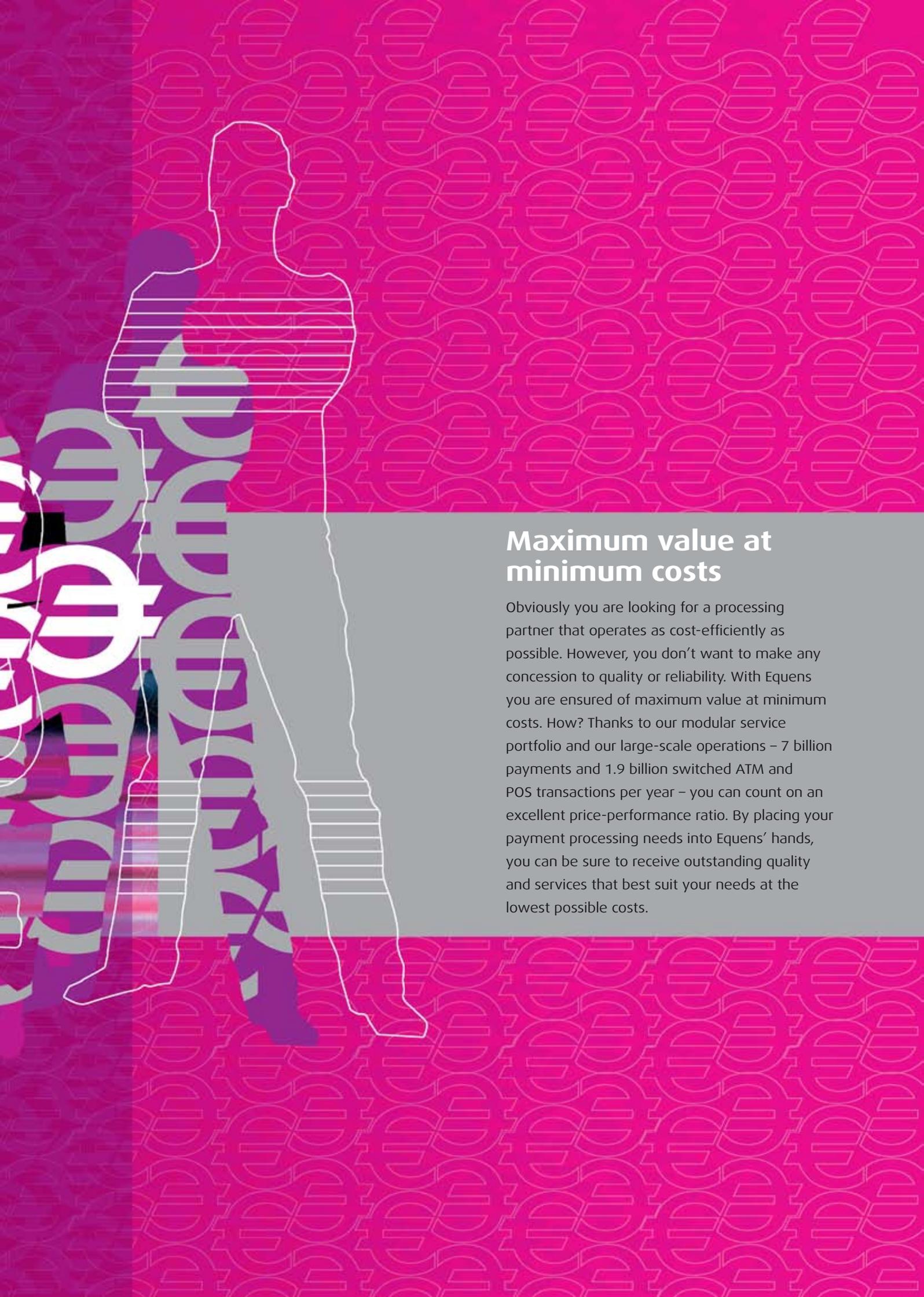
We were also the first payment processor in Europe to obtain permission to implement a SWIFT MI-CUG. This gives our clients the required 'reach' throughout the entire EU-29 region via SWIFT.

Furthermore, Equens participates in the Berlin Group. We are among the first companies to implement a 'Berlin Group' gateway to other card processors in order to ensure the lowest total cost of ownership for our clients' card payments value chain. This gateway supports switching and processing of debit card transactions independent of the brand, i.e. including both national and international brands. Technology-wise, Equens is fully EMV-compliant and our services can easily be adapted to fulfil additional SEPA requirements.

In our vision the issue of interoperability extends beyond the world of payments. This becomes clear from the fact that we are chairing the board of the European e-Business Interoperability Forum (eBIF). eBIF aims to increase the awareness of the need for interoperability in e-business and makes strategic recommendations on standardisation activities required to achieve this.

We are fully EMV-compliant and our services can easily be adapted to fulfil additional SEPA requirements.





Maximum value at minimum costs

Obviously you are looking for a processing partner that operates as cost-efficiently as possible. However, you don't want to make any concession to quality or reliability. With Equens you are ensured of maximum value at minimum costs. How? Thanks to our modular service portfolio and our large-scale operations – 7 billion payments and 1.9 billion switched ATM and POS transactions per year – you can count on an excellent price-performance ratio. By placing your payment processing needs into Equens' hands, you can be sure to receive outstanding quality and services that best suit your needs at the lowest possible costs.

Strategy

Focus on payments and card processing

During the implementation of SEPA, Equens will continue to meet the committed service levels for our clients. In other words: our service will remain constant while refurbishing for SEPA. Moreover, we continuously aim to further improve our services. We position ourselves in the European market as a full-service payment processor, being fully SEPA-compliant as from 1 January 2008. We are fully equipped to support our clients in successfully making the transition to SEPA compliance.

Our strategy is clearly focused on two main activities: payments and card processing. Clients can turn to us for the entire range of payment solutions: national payments, cross-border regulation payments, currency (non-euro) payments and – from 1 January 2008 onwards – SEPA payments. Our portfolio consists of both basic and additional services. The basic services ensure timely compliance for clients with the requirements of the EPC Rulebooks and Frameworks for all payment transactions. The additional optional services enable our clients to customise their services with distinct features, whether cross-border or domestic.

Payments

Many large banks already have the necessary expertise to know how to prepare for SEPA. For them we have created a modular SEPA portfolio based on the EPC Rulebooks, in addition to our clearing services and settlement preparation. At the same time there are also banks that plan to outsource their entire back-office activities in this regard. We are able to meet their specific requirements with modular, balanced and complete service packages, carefully customised to their specific needs.

You can turn to us for the entire range of payment solutions: national payments, cross-border regulation payments, currency (non-euro) payments and SEPA payments.



01/01/2008
SEPA services from day one

SEPA solution packages

Our SEPA solution packages vary from a basic 'SEPA Reachability package' – enabling initial compliance required by 1 January 2008 and encompassing inbound SEPA payments and direct debits – to a 'Full Service package' comprising our full service portfolio. The 'My SEPA package' allows our clients to make their selection from the broad portfolio of available basic and additional optional services, resulting in a fully tailored solution.

Building blocks

Our modular portfolio consists of four basic building blocks, covering the entire payments workflow: back-office processing, clearing, settlement preparation and booking information. An extra block – notification – is available specifically for direct debit transactions. Besides these basic SEPA services, we offer a wide range of additional services to help clients improve their efficiency. Our client support service is able to register, delegate and manage contracts, service requests or enquiries in a multi-channel environment using internet (Secure Portal), web services, e-mail, phone or operators for both our clients and their customers.

Next steps on the European payments market

We are convinced that this comprehensive service offering creates the conditions required to achieve the mutual benefits we pursue. On the one hand, we will be able to help our clients in fulfilling their SEPA needs. On the other hand – by doing so – we are building up the scale and processing volumes that are necessary to be successful as a truly pan-European full service payment processor in the long term, and to be able to keep providing the best possible price-performance ratio.

Cards

Success within SEPA requires high-quality services, cost-efficient processing and the capacity to cater for the entire euro-domestic market. Equens has taken all the measures necessary to prepare for the European cards market and the requirements of the SEPA Cards Framework as outlined by the EPC. Our strategy is geared towards realising an annual processing volume of 4 billion online POS and ATM transactions.



Modular SEPA portfolio

- 1 SEPA-core layer
- 2 SEPA-core layer +
- 3 Additional optional services
- 4 Community additional optional services
- 5 Bank specific layer

With our complete and modular cards portfolio we can ensure timely compliance for our clients. This enables them to offer their customers at least the same service quality they are currently providing. Our cards portfolio comprises a range of basic services encompassing the requirements of the EPC Cards Framework and a wide range of additional services. As we are not linked to a brand organisation, we are able to operate as a truly brand-independent concern. Our systems are multi-brand and our services are multi-currency, multi-device and multi-protocol. Our Cards portfolio comprises acquiring processing services, issuing processing services and payment clearing & settlement services.

Acquiring processing services

Acquiring hosting, both ATM and POS, not only encompasses transaction processing services for card payments and hosting terminals, but also supporting services such as service calls and key management. The services cater for all types of terminals and cards. Connectivity to virtually all ATM and POS devices is achieved using an intelligent, standardised and highly reliable ICT infrastructure.

Issuing processing services

Card issuing services range from card creation and delivery to payment transaction authorisation. Solutions can vary from stand-in to limitbased or fully delegated authorisation. Clients can delegate the 'EMV-based' authentication and process (financial) authorisations in their own environment.

In response to the market's demand for a solution for cash payments, Equens has developed Prepaid Services. With these services we link the benefits of online debit payments to those of the offline prepaid payment, enabling our clients and their customers to enjoy the best of both worlds.

Payment clearing & settlement services

Equens is able to handle the (pre)clearing of cards transactions and supports several settlement agents, including MasterCard and VISA. Consequently any transaction is cleared and settled as rapidly as possible.

With our complete and modular portfolio we can ensure timely compliance for our clients.

Next steps on the European cards market

Our card strategy for the near future is based on four pillars:

- Continuous investigation of opportunities to acquire or even merge with other card payment processors.
- Benefit from growth opportunities in international sales aimed at acquirers (acquiring transaction processing) and issuance of debit and prepaid cards.
- Partnering with organisations with a complementary portfolio and/or existing sales force, such as terminal and network providers, in order to obtain processing volume.
- Acquisition of ATM transaction volumes by following the expansion of partners in the ATM industry.

Increased competitiveness with one, single processing platform

Equens' legal predecessors, Interpay and Transaktionsinstitut, naturally had their own payment processing platforms. While both are state-of-the-art systems, thorough analysis has shown that ZVS, the payments platform used by Equens Deutschland (formerly Transaktionsinstitut), offers greater scope for the future as it is fully modular, customisable, scalable and format-independent, thus flexible and easy to connect to. This is the reason why ZVS was chosen as the shared payment processing platform for Equens as a whole.

ZVS will enable us to provide our services on a modular and flexible basis. The economies of scale resulting from one, single integrated platform will provide SEPA clients with high-quality processing services at low costs. Since 2005, domestic and cross-border euro-denominated payments have been processed on this single platform. As of 1 January 2008 we will process SEPA payments on ZVS, as this platform is already designed for the advent of SEPA.



ZVS: Equens' response to the challenge of SEPA

Fully modular and customisable

Apart from logically and physically separating data sets from different legal clients, ZVS can be fully customised to clients' individual requirements regarding workflow and individual system features. For example, clients are able to define the particular routing and interfaces for their payments. Among other things, flexibility is offered with regard to the moment of limit checks, embargo checking and request replies. If banks already have their own solutions, this can easily be integrated into ZVS.

Scalable

Processing capacity can easily be expanded to volume growth. Moreover, the interface is designed to enable simple connection to different booking systems and remote data transmission modes. Clients receive the connection solutions they need – to archive systems, treasury systems or any other system – and in the frequency they desire: daily, every hour or any other choice. ZVS can thus be easily adapted at any time for new clients throughout the eurozone, generating additional economies of scale.

Format-independent

ZVS does not depend on a single format; it can easily handle SEPA and other pre-formats such as specific domestic formats and SWIFT formats. With minimum investment costs for switch-overs, processing takes place in the standardised internal ZVS format.

ZVS enables us to provide our services on a modular and flexible basis.



A stylized map of Europe is shown in the background, with a dark purple and pink color scheme. The map is overlaid with several white stars of varying sizes, some of which are semi-transparent. The stars are arranged in a pattern that suggests the European Union flag. The map itself is a light grey color, and the stars are white with some having a slight shadow or gradient.

Truly pan-European

Continuing internationalisation and the realisation of SEPA mean that you will be operating in a euro-domestic market. Whether your payments take place in Finland or Portugal, you need a processor who is able to handle all your payments. Wherever you and your customers are located, Equens is fully equipped to process all payments: national payments, cross-border regulation payments, currency (non-euro) payments and – from 1 January 2008 onwards – SEPA payments. We offer several reachability solutions and make use of international, open standards. And thanks to our flexible and complete service portfolio which includes more than just the SEPA standard services, you can be sure the service levels you and your customers require will be fulfilled.

Market performance

Towards a European scale

For Equens, 2006 was the year of the merger between Interpay and Transaktionsinstitut. The Memorandum of Understanding was signed on 31 January 2006. This was followed on 19 September 2006 by signing the Merger Agreement, which was formally closed on 30 November 2006. From that moment on we have been operating as one company, with two primary legal country organisations, Equens Nederland B.V. and Equens Deutschland AG. By the end of the year, preparations for the post-merger integration were already fully under way.

Prepared for SEPA

Operationally, 2006 was largely dedicated to preparing for SEPA. The first release for processing SEPA payments on the future joint platform ZVS was ready on time, which attests to the flexibility and power of the system and the ease with which new functionality can be incorporated.

While the effects of the merger will become manifest in 2007 it is already clear that they will benefit our services and cost structure. Moreover, processing on a single platform will yield substantial economies of scale, which will also lead to lower costs for clients.

The quest for a strong brand name

A new company needs a new name. It had to be a name capable of functioning as a brand, embodying specific brand values. Descriptive names (Transaktionsinstitut) or contractions (Interpay) were rejected. Criteria in deciding on a name included 'European', 'flexible', 'first mover', 'successful' and 'ambitious'. Equens was the final choice, with a nod to the euro symbol. The 'q' alludes to quality and there is an association with 'sequence', calling to mind continuous transaction streams. Equens is a powerful name and easy to pronounce across many languages.

First mover with SEPA product portfolio

Equens surprised and impressed the market with the demonstrated courage to develop a joint SEPA programme and product portfolio as a first mover, even before the merger. This became evident in bilateral contracts and during the successful participation in Sibos in Sydney in October 2006. Our modular, comprehensive and flexible service portfolio was very well received as it enables clients to choose solutions that suit their specific market position and requirements.

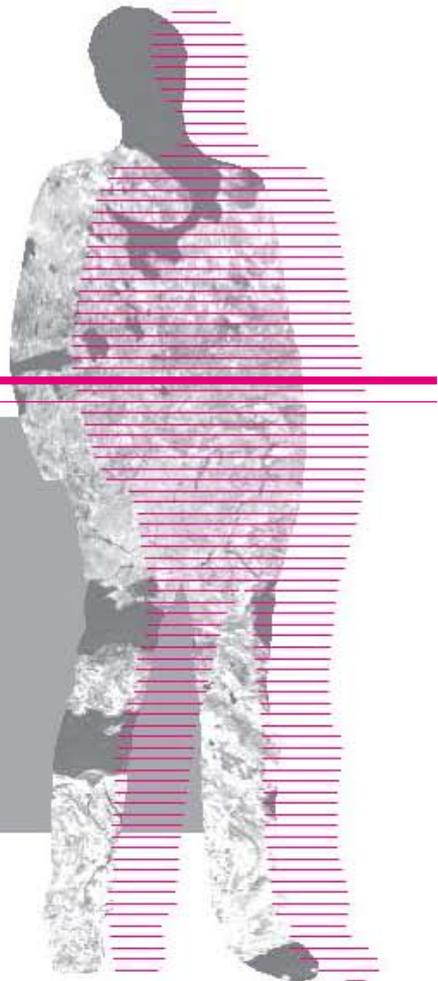
Since then, we have developed numerous contacts with potential clients, resulting in RFIs and RFPs. Several among them acknowledge that Equens, thanks to the merger, can be a valuable business partner in the European payments market.

Clients and contracts

A highly satisfying milestone was the signing of the long-term international debit cards contract with an existing client from 2009 till the end of 2013. The announcement was made on 26 January 2007, after detailed preparations and negotiations which took place in 2006. This is the first contract in the cards business won by Equens in full competition with major international players. It shows the sound progress we have achieved to be able to prove ourselves as an independent player in the international payments processing market. Moreover it proves the fact that Equens is actually translating obtained synergy and scale effects into attractive rates for our clients.

Existing contracts extended

In order to be able to attune our services to client-specific needs, Equens made the switch from collective to bilateral contracts with Dutch clients in 2005. As a result, banks will be able to differentiate themselves from their competitors even more. The bilateral negotiations were successfully completed in the beginning of 2006 and resulted in agreements with over 50 clients. Contracts were signed for card-related products and for payment services.



23/12/2006 ■
new record POS transactions

New clients

In 2006 we won the trust of new clients by expanding our business with existing clients. Moreover, we acquired our first Northern European client for whom we will process their growing volume of cross-border payment transactions.

Following the example of other banks, two 'new' Dutch banks were connected to EBALink in 2006. This service, which Equens offers in collaboration with the Dutch Central Bank, enables these banks to receive EU-regulation payments through Equens without having to make the required investments in infrastructure and systems. The number of banks using EBALink since its introduction in November 2004 has now increased to thirteen.

In the ATM service portfolio we also gained a new client with pan-European ambitions: Cashferium. Their new cash point formula, starting in the Netherlands, will be rolled out in Europe in the next few years with the support of Equens. This formula allows merchants to deposit their surplus cash in a fully protected unit. Cardholders can subsequently withdraw cash from the ATM that forms part of the unit. Equens handles the processing of the transactions.

The number of ATMs hosted by Equens increased to 350 at the end of 2006 and is likely to exceed 1000 in the coming years. ATM hosting, similar to POS hosting, is a business in which both continuous and peak performance and volume are the most important business drivers. We have a long track record in this business and naturally wish to further expand our ATM hosting and switching activities.

New records without disruptions

With all preparations for the SEPA future, processing proceeded without any problems in both Germany and the Netherlands, as in previous years. All service level agreements were achieved and processing peaks were absorbed without any difficulties.

In 2006 we processed almost 7 billion payment transactions, up 5.7 per cent on the aggregated volumes of Interpay and Transaktionsinstitut in 2005.

In the field of cards transactions a total of 1.9 billion cash withdrawals and payment terminal transactions were switched and routed through Equens for authorisation. This represents an overall increase of 8.9 per cent compared to 2005.

During the days leading up to Christmas, we again processed a record number of electronic payments. On Saturday 23 December a total of 8,924,682 debit and credit card payment transactions were switched for authorisation. The previous one-day record, dating from Friday 23 December 2005, was almost 8 million transactions. With nearly 9 million transactions, this record was surpassed with over 12.5 per cent.

The existing peak – transactions per second – record was also broken once again. On Saturday 23 December during the busiest half hour, an average of 342 electronic payments per second were processed. For comparative purposes: this was 14.8 per cent more than the previous peak record from Saturday 24 December 2005 (298 transactions per second).

In order to be prepared for future growth, we have decided to increase our cards processing capacity significantly for the future. An intermediate step will be taken in 2007, when we switch part of our processing capability to the new HP Itanium hardware platform. During 2008 the other applications will also be transferred to this new, more powerful hardware platform.

Millionth Prepaid Chipknip (electronic purse)

A milestone was reached in the Dutch market when we issued the millionth Prepaid Chipknip. Chipknip is available in both reloadable and prepaid formats. In 2006 over 164 million Chipknip transactions were processed.

Paper-based transactions

In Germany Equens also operates in the market for paper-based transactions. These services are carried out by DZ Service GmbH, a subsidiary of Equens. In 2006 DZ Service GmbH converted and processed 71 million paper-based transactions. In order to complete the payments product portfolio and to optimise ownership structure, Equens acquired a 49.8 per cent interest from DZ BANK in 2006 and is now the sole shareholder of DZ Service GmbH.

Strategic programmes and projects

Increasingly cost-efficient

On top of all the records attained and uninterrupted continuity achieved, Equens also proved to be successful in continually driving down costs. We achieved this through our policy of being permanently alert to opportunities to increase efficiency – such as process optimisation – and achieving savings in gradual steps. Until 2010 Equens will generate cost savings of approximately 25 per cent, which include a significant reduction in headcount. Moreover, we plan to increase our annual processing volume to 10 billion. Further optimisation and savings for the future proved possible even with our cost-efficient single ZVS payment processing platform. Naturally, we let our clients benefit from the savings achieved.

SWIFT MI-CUG

In August 2006 Equens Nederland was the first – and to date the only – payment processor to receive the SWIFT Board's permission to expand its SWIFT Market Infrastructure Closed User Group (MI-CUG) to financial institutions in the 29 EU countries. This permission has been extended to Equens as a whole. This means that we will be ready to provide services to all European institutions with a SWIFT connection well in advance of the introduction of SEPA.

Alternative to MasterCard/VISA network

Through our participation in the 'Berlin Group' Equens is working with other parties towards a technical alternative for the routing of cross-border debit card transactions, other than via the MasterCard/VISA network. This alternative uses local debit networks, with card readers that can directly identify the country of origin of the debit card concerned and therefore also pass on the payment to the bank concerned directly. This will enable European bank customers to use their debit cards cross-border at even more acceptance locations within Europe. Equens participates in these international pilot projects, as we consider this initiative to be a significant contribution to SEPA.



First future-proof POS terminal on Dutch market

In 2006 Equens and POS terminal manufacturer CCV successfully conducted a pilot for the development of a future-proof POS terminal. The terminal is based on the Common Terminal Acquiring Protocol (CTAP) technology developed by Banksys and Equens. The protocol was designed as an open standard, thus ensuring that POS terminals can also be connected to other payment processors. CTAP increases the level of flexibility for merchants in the future SEPA world, as they can make independent choices for both a POS terminal and for any payment processor.

The new payment terminals are EMV compliant. To be able to serve our Dutch clients in this respect, we made our current switch EMV compliant. This new functionality is fully operational. After passing this milestone, Dutch EMV debit card transactions can be routed to the Dutch issuing banks in line with the international EMV standards. A number of Dutch Banks have started issuing EMV debit cards. For debit cards, some banks use the EMV authentication service provided by Equens. This makes them EMV compliant, but allows them to adapt their internal infrastructure at their own pace. Obviously our card services, that will be expanded in countries outside the Netherlands, will be fully EMV compliant too.

Progress in strategic partnership with Fin-Force

In 2006 we made further progress in the strategic partnership with Fin-Force (founded by the Belgian KBC Bank). In this partnership, Fin-Force processes the currency (non-euro) payment transactions for Equens whereas Equens processes the EU regulation payments for Fin-Force on its ZVS platform. Together with Fin-Force, Equens offers the full range of payment solutions: national payments, cross-border regulation payments, currency (non-euro) payments and – as of 1 January 2008 – SEPA payments.

In 2006, all service level agreements were again achieved and processing peaks were absorbed without any difficulties.

Phasing-out credit card issuing processing activities

In line with our strategic decision to focus on payments and card processing, we had already previously decided to phase out our credit card issuing activities, including Equens' participation in the joint venture SiNSYS. This was further implemented in 2006. The aim was obviously to transfer transaction processing and services to other parties without any noticeable disruption or discomfort for clients, and this process has progressed smoothly so far.

Focus on quality

Quality assurance is one of our major priorities. Accordingly, quality management was further tightened in 2006 in Germany in the form of a virtual organisational unit, bundling all separate quality initiatives within the company and forming a knowledge tank on quality issues. In the summer, universal tools, structures and processes were defined for all quality projects. Quality Management was certified according to the international ISO 9001:2000 standard by the German quality institute TÜV SÜD.

Another confirmation of our quality level was an analysis of Equens Deutschland's clearing process, which is based on the payments platform ZVS, by the American Juran Institute⁷ in 2006. The outcome showed that within a period of 22 months, during which more than 6.6 billion bulk payment transactions were processed, only one single payment was processed incorrectly, implying a level of 6.7 sigma. Considering that every company dealing with Six Sigma hopes to achieve 6.0 sigma and that average processes usually only have a sigma level of 3 to 4, this result clearly demonstrates the outstanding quality of Equens' payment processing services.

In the Netherlands a milestone was reached in the field of quality assurance with the certification of the SAS 70 Type I report by KPMG. In a SAS 70 report, the key controls of a service provider with regard to reliability, availability and integrity are described and assessed by an external auditor. We were very pleased to hear that on 15 January 2007 KPMG also certified the Type II SAS 70 report. This report officially confirms that Equens Nederland has actually proven to live up to the described key control measures. Equens is now one of the first IT service providers in Europe to have obtained a SAS 70 Type II certification.

⁷ Juran Institute is a training and consulting organisation whose mission is to enable organisations to achieve sustainable breakthrough results, founded in 1979 by Dr. Joseph M. Juran.

Continued innovation

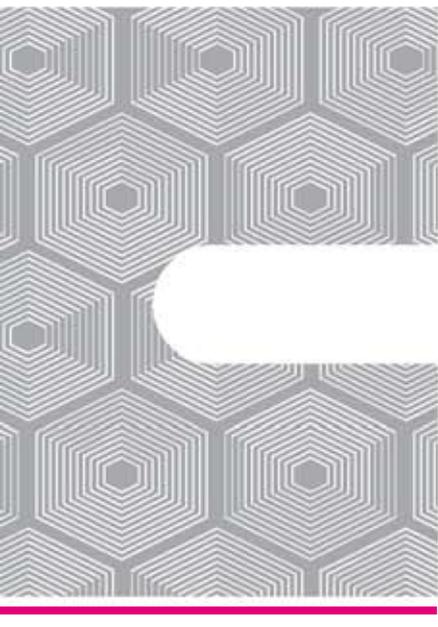
Both in Germany and in the Netherlands Equens' legal predecessors can look back on histories which, though different in length, are similarly rich in innovation. Within Equens the associated development activities are concentrated in the New Business Services division. This division's mission within the framework of our strategic focus – expanding volume in payments and card transactions – is to develop and prepare the market launch of (international) payment solutions with a short time-to-market. And then to implement and maintain them in close cooperation with clients and partners. In order to acquire additional processing volume we want to be a partner for companies aiming to introduce innovations in payments and payments-related products. These partners may include banks as well as new market parties in specific segments. The latter are often initiatives leveraging venture capital to capture new opportunities in the payments market.

Debit cards and prepaid cards

Debit cards in the Netherlands build on developments launched previously in two fields: card transactions directly debited to current accounts (e.g. PIN and Maestro transactions) and so-called stored value transactions (e.g. prepaid cards). In 2006, various initiatives were launched in the prepaid cards market. There are numerous potential applications and Equens, with its comprehensive infrastructure and effective processing for centrally registering payments, is an exceptionally suitable partner. A first partner agreement for Prepaid Giftcard processing was entered into in 2005. Other contracts were signed in 2006 with four new parties in specific segments, such as the FashionCard and a party that is active in the field of awarding programs and Christmas gifts.

Developments in mobile payments

Equens is also active in the field of mobile payments. We expect this type of payment to develop in two directions. The first centres on the use of mobile phones as identifiers, using NFC (Near Field Communication) technology to transmit identity data to point-of-sale terminals. Applications include POS transactions, public transport and parking, offering significant potential increases in efficiency. The second direction is for payments being made by using mobile phones. We are prepared for providing services in both areas.



Mobile Recharge

A major agreement in the field of Mobile Recharge was signed with Vodafone in the first quarter of 2006. Equens is now the payment processing partner for all mobile operators in the Netherlands. International interest in this product – which replaces the scratch card with a free call to the provider – is unabated. This is partly due to the potential of this form of payment for the future.

Micro- and mini-payments

Another highly promising step was the initiative taken towards the end of 2006 to provide processing services to banks for micro- and mini-payments. These will be taken further in 2007, especially in the field of internet payments and mobile payments, with Equens being an attractive partner regarding development and processing. The solutions being developed are based on stored value. They offer the benefit of a less complex infrastructure and other security requirements than payment solutions that debit payments directly to bank accounts.

Customer support and risk management

In terms of client support, in 2006 Equens continued its shift from ‘physical’ support via paper, fax and telephone for clients and their customers, to interactive support via internet. Increasingly, services are delivered through a portal and web services, with Equens providing the necessary self-service applications to enable our clients to implement and update contracts and monitor transactions. Some 90 per cent of our clients now actually perform these services themselves.

Keeping pace with that shift, we have built a support database with frequently asked questions that can easily be accessed by our clients and their customers. Besides a continuous high level of services, this also leads to greater efficiency and flexibility in the support process. And finally, it reduces costs for our clients and provides better information on possible improvements in our overall service provision.

Following the merger, the two country organisations for client support will be combined, creating various synergies. We will continue to offer country-specific, localised support and expand this for instance by using the languages of the countries concerned. Equens aims to develop into a full electronic payment processor.

Efficiency initiatives

The merger and the rebranding to Equens provided a welcome opportunity for efficiency initiatives in terms of the number and layout of standard forms. Their numbers are being cut back substantially and the layout has been made more user-friendly. Moreover the forms can now be easily downloaded from the website.

New role for Risk Management

After the transfer of the responsibility for the payment schemes PIN, Chipknip, Acceptgiro and Direct Debit to the independent Brands & Licences organisation Currence and the shift to bilateral instead of collective contracts with banks, our services in the field of risk management have become even more demand-driven. The responsibility for and the execution of terminal certification now rests with Currence.

The activities in the field of fraud detection for debit cards will continue at the current high level. Together with the banks' publicity campaign this ensured that the situation is reasonably well under control. Although the number of (skimming) incidents in 2006 was very limited, we remain continuously alert.

ISO quality in information security

Work progressed in 2006 on preparations for ISO 27001 certification of information security. Certification will take place in 2007, first for our Dutch organisation. Subsequently, the German organisation will move from the German BSI⁸ standard – largely aligned with ISO 270001 – to the ISO standard.

Advisory report on healthcare

Our know-how in the field of secured transaction processing can also be of value for institutions outside the payments sector. For example, a review of IT security in healthcare was carried out at the request of the Dutch Ministry of Health, Welfare and Sport. The resulting advisory report describes the current level of security of ICT in the healthcare sector and the measures that can be used to make up, secure and monitor any deficiency. We received the request for this project owing to our reputation for security expertise in the payments industry and the far-reaching similarities between the security demands between the transfer of payment transactions and healthcare data.

⁸ Bundesamt für Sicherheit in der Informationstechnik





Full-service, flexible solutions

Our services cover the entire back-office payments value chain for both payments and card processing. This means you can turn to us for all your processing needs. Moreover, our modular service portfolio offers you the freedom and flexibility to choose exactly those services you require. And with our additional optional services, you have the opportunity to exceed the SEPA standard and maintain the service level you and your clients require. We truly focus on your needs. And thanks to our large-scale operations, you are ensured of outstanding quality (maximum value) at minimum costs.

Human resources

In 2006 we started a programme to integrate the corporate cultures of the two merger partners. To that end a number of culture sessions with the management and workforces were held.

In order to further strengthen our position in the European payments market, Equens aims to increase transaction volumes and realise cost savings. This will in part be realised by a significant reduction in headcount. Equens will take responsibility in finding the best solution for all employees involved given these boundary conditions. In principle, the reduction in the number of jobs in the Netherlands and Germany will be realised through a restriction of the number of external employees, as well as the attrition and retirement of existing employees. The Works Councils in both countries are closely involved in the formulation of the plans.

30/11/2006
official establishment Equens

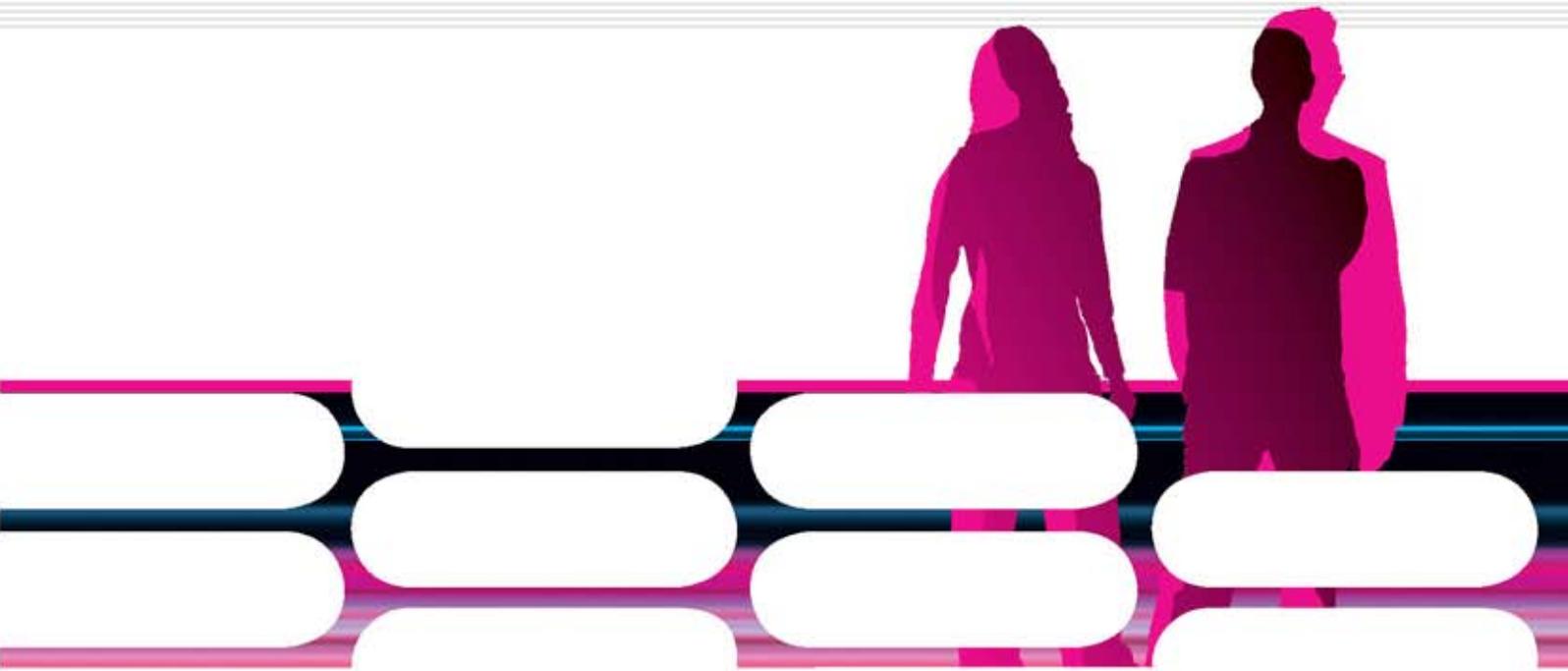
Labour market

Notwithstanding our plan for staff reduction, we do feel the impact of a tighter labour market. Vacancies with requirements for special skills – e.g. IT – can still be filled but are open for longer periods. Staff turnover is also rising, although not yet worryingly so. This calls for a proactive HR policy to keep track of our key employees.

Developments in Germany

The number of employees in 2006 as compared to 2005 was affected by the closure of the Hanover location in 2005, the first effects of the closure of the Hamburg and Karlsruhe locations and the further expansion of selected activities in all areas of the business, especially in the fields of Business Development, Governance and Organisation/IT.

Cooperation with the Works Councils was constructive. The existing collective labour agreement entered into for the company with the union ver.di has continued to be appropriate and adaptable in all arrangements, especially with regard to performance and results-related pay in the collective wage brackets, and the working hours regulations that were adapted to the company's business needs. In addition to the employment



In order to further strengthen our European market position, we aim to increase volumes and realise cost savings.

agreements already in place, an employment agreement was concluded in 2006 with the Works Council on the private use of e-mail and the internet in the company. In addition, a career model was introduced which establishes a project hierarchy alongside the management hierarchy.

Management principles were developed in 2006 as a result of the management development training courses that were launched in 2005. These principles will be incorporated in the joint Equens Culture programme.

In the area of employee development, the focus was on language competence and the development of a comprehensive training programme for project managers, aimed at preparing employees for the increasing demands arising from the internationalisation of the company.

Developments in the Netherlands

To ensure that the staff reduction is handled properly we have created a separate task force within HR, which works closely together with the Baanwerk mobility centre. As a result, lines of communication are short and decisions can be taken quickly and accordingly. Much effort has already been put into assisting staff in finding other positions. This was necessary in particular for Customer Services (call center) where some activities have been downsized, and for Facility Services where a number of activities have been outsourced. For Facility Services an agreement on the intended approach was reached with the unions and the employees concerned. For Customer Services – as part of the support provided – a recognised intermediate vocational education course has been offered, enabling staff to increase their specialist knowledge for their job within Equens and at the same time enhancing their value in the external labour market.

For the Netherlands, 2006 was the first full year with its own collective labour agreement. Up to 2005 the collective labour agreement for the banking sector applied. The plans for the next four years have been recorded in an employment conditions memorandum. The three major topics are further streamlining the number of rules and regulations, closer alignment of inconvenience allowances with the market and the transition from a group-defined benefit pension scheme to a defined contribution scheme. A major reason for this last change is the prevention of undesirable fluctuations in the balance sheet resulting from year-to-year variations in the pension obligations.

In addition to all the changes associated with a new collective labour agreement, 2006 was also a year in which numerous new developments in the field of social security legislation had to be implemented, especially in the fields of health insurance and pensions.

In 2006, in addition to second level management, employment of third level management also occurred on the basis of individual labour contracts. At the same time, a new bonus system for second and third level management was introduced. Moreover, a new management development process has been established to improve the development of management skills and to get a clear view of the performance and potential of current and future management. From now on, all management positions from the first to the fourth level are evaluated and strict procedures have been defined for appointing management, which will now always be handled by the Management Development Board.

The HR function was further optimised during the past year in order to enhance efficiency and avoid errors. Staff accessibility to HR provisions was improved with the introduction of a multi-channel 'click – call – face' system (intranet, telephone, personal contact).

Working at Equens means considering change as a challenge, and continually aiming to improve our services to really stand out from our competitors.

Statement from the Supervisory Board

In 2006, both Interpay and Transaktionsinstitut took an important step towards realising their ambition to become a truly pan-European full service payment processor: the merger that led to the establishment of Equens. After just a couple of months of successful negotiations and preparation, the two companies announced the completion of the legal formalities on 30 November 2006. We are convinced that this is an enormous achievement that has been realised in a very short period of time.

The merger brought together two companies that have an excellent basis for a strong position in a single euro-domestic market. By combining their extensive experience, growing volumes and dedicated market-focused staff in Equens, they will be able to offer their clients all the benefits resulting from the achieved economies of scale, scope and skills: higher service quality, more flexibility and lower processing costs.

Both Supervisory Boards were deeply involved in the merger process. Both sides welcomed the initiatives by Ben Haasdijk and Michael Steinbach with great enthusiasm and from the outset, negotiations and contacts between the two companies were constructive as well as pleasant on all levels.

The intended retirement of Ben Haasdijk in 2007 was announced recently. The Supervisory Board wishes to express its great appreciation for everything that he has achieved for Interpay and for Equens. We are also very pleased to know that his responsibilities will pass into the hands of Michael Steinbach who, we are fully confident, will skilfully lead Equens to the next phase of strengthening its position to become the number one European payment processor.

In 2006 Interpay's Supervisory Board met eleven times. The Supervisory Board of Transaktionsinstitut had three official gatherings. In November 2006, the Supervisory Board of Equens N.V. held a first informal meeting to discuss all the implications of the merger and prepare for the coming year.

In 2007 we will continue to be closely involved in the post-merger integration process, ensuring that the interests of all stakeholders are taken into account: clients, the company and employees. For our employees, the post merger integration process will be a period of incisive change and uncertainty. Nevertheless, they provided an entirely flawless and undisrupted performance during the whole year of 2006. This deserves our highest appreciation, and gives us great confidence in a sound and strong future for Equens.

D. Voigtländer, Chairman

Pro-forma Consolidated Income Statement

For the year ended 31 December 2006⁹

In thousands of EUR

Continuing operations

	2006
Revenue	266,236
Other income	-519
	265,717
Costs of outsourced work and other external costs	94,657
Employee benefits expense	131,091
Depreciation and amortisation expense	19,126
Impairment and reversal of impairment of assets	428
Work performed by the entity and capitalised	-4,253
Other expenses	-1,519
	239,530
	26,187
Finance income	2,912
Finance expenses	-1,633
Net finance costs	1,279
Share of profit of equity accounted investees	160
Profit before income tax	27,626
Income tax expense	11,216
Net profit from continuing operations	16,410

⁹ The Pro-forma Income Statement is taken from the Directors' report in Equens N.V.'s consolidated annual accounts for the year 2006. Balance sheet items are net of contributions from activities classified as held for sale. The figures as presented are pro-forma and unaudited.

Pro-forma Consolidated Balance Sheet

As at 31 December 2006⁹

In thousands of EUR

Assets

Property, plant and equipment	14,858
Intangible assets	101,425
Investments in equity accounted investees	1,098
Other investments	14,808
Deferred tax assets	17,434

Total non-current assets **149,623**

Inventories	2,327
Current tax assets	572
Trade and other receivables	71,279
Cash and cash equivalents	96,339

Total current assets **170,517**

Total assets **320,140**

Equity

Total equity attributable to equity holders of the company **119,226**

Liabilities

Loans and borrowings	999
Accrued personnel expenses	84,623
Provisions	741
Deferred tax liabilities	6,561

Total non-current liabilities **92,924**

Bank overdrafts	12,112
Loans and borrowings	2,196
Accrued personnel expenses	5,552
Current tax liabilities	12,728
Trade and other payables	66,698
Provisions	8,704

Total current liabilities **107,990**

Total liabilities **200,914**

Total equity and liabilities **320,140**

⁹ The Pro-forma Income Statement is taken from the Directors' report in Equens N.V.'s consolidated annual accounts for the year 2006. Balance sheet items are net of contributions from activities classified as held for sale. The figures as presented are pro-forma and unaudited.

Financial report

Notes to the Pro-forma Annual Accounts

Equens has drawn up its consolidated financial statements for 2006 voluntarily based on standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) according to IFRS (International Financial Reporting Standards).

Equens was established by the shareholders of Equens Nederland B.V. (formerly Interpay Nederland B.V.) and Equens Deutschland AG (formerly Transaktionsinstitut für Zahlungsverkehrsdienstleistungen AG). In respect of the incorporation, Equens N.V. issued shares per 30 November 2006 to the former shareholders of Equens Nederland B.V. and Equens Deutschland AG. As consideration for these shares the incorporators have contributed their shares in Equens Nederland B.V. and Equens Deutschland AG into Equens N.V..

Since the merger was designed as a merger of equals and took economic effect as of 1 January 2006, the annual accounts presented are pro-forma accounts consolidating both founding entities for the full year, thereby reflecting the shareholder perspective.

Deviating from this, the formal accounting treatment of the merger according to IFRS requires the identification of an acquiring entity. From an accounting perspective, Equens Nederland B.V. has been identified as the acquiring entity. This is reflected in the balance sheet since Equens Nederland B.V. is valued at net equity value whereas Equens Deutschland AG is valued at fair value (purchase price for Equens N.V.).

The participations in SiNSYS S.A., which was sold on 30 November 2006, and in PaySquare B.V. are classified as 'discontinued activities' in line with the targeted positioning of Equens. Pro-forma Profit & Loss Account and Balance Sheet are adjusted not to reflect these participations.

Our auditors have expressed an unqualified opinion on the consolidated financial statements of Equens N.V. for the year 2006 based on IFRS. The Pro-Forma Income Statement and Balance Sheet are taken from the Director's report in Equens N.V.'s consolidated annual accounts for the year 2006, but are unaudited.

Results 2006

The year 2006 was for Equens very successful, not only from a strategic but also from a financial perspective. Both core operating entities, Equens Nederland B.V. and Equens Deutschland AG achieved their respective revenue targets and exceeded their targets regarding operating profit.

Consolidated transaction volumes increased for both core products. Processed payment transactions reached 6.9 billion, implying a growth of 5.7 per cent compared to 2005. The number of POS and ATM transactions switched for authorisation grew by 8.9 per cent in comparison to 2005 and reached 1.9 billion transactions.

With total pro-forma consolidated revenues of 266.2 million euro of continuing operations, Equens is now the largest pan-European payment processor in Europe. The results from operating activities for both entities, in spite of extraordinary items, amount to 26.2 million euro and are fully in line with expectations. Compared to 2005 revenues dropped due to the deconsolidation of PaySquare and the successive termination of credit card activities.

While revenues met expectations, existing clients could be secured and new clients were gained, it is expected that prices will be subject to increasing market pressure in the context of the introduction of SEPA. As in the previous years, Equens therefore continued to focus on further cost reduction and cost flexibilisation. While on the German side the consolidation of locations was completed with the closure of the sites Karlsruhe and Hamburg, the Dutch side largely vacated the Amsterdam site and terminated the rental agreement. Additionally, all preparations were completed for the outsourcing of the Dutch Facility Services division comprising telecommunications, office automation and facility services



as of 1 February 2007. Also, the transfer of its mainframe operations to an external provider in 2007 was prepared. The resulting one-time extraordinary charges were fully accounted for in 2006. The phase-out of the credit card-related activities was carried out according to plan, resulting in a reduction in revenues. The associated costs were reduced accordingly. Restructuring expenses for the process were fully accrued for as at year end 2006. In this context, Equens Nederland also sold its participation in SINSYS S.A.. In order to fully reap the benefits of the merger, Equens started a post-merger integration project to consolidate the systems infrastructure, combine development activities and further reduce costs, in particular through the reduction of staff. This will lead to extraordinary charges in the following years.

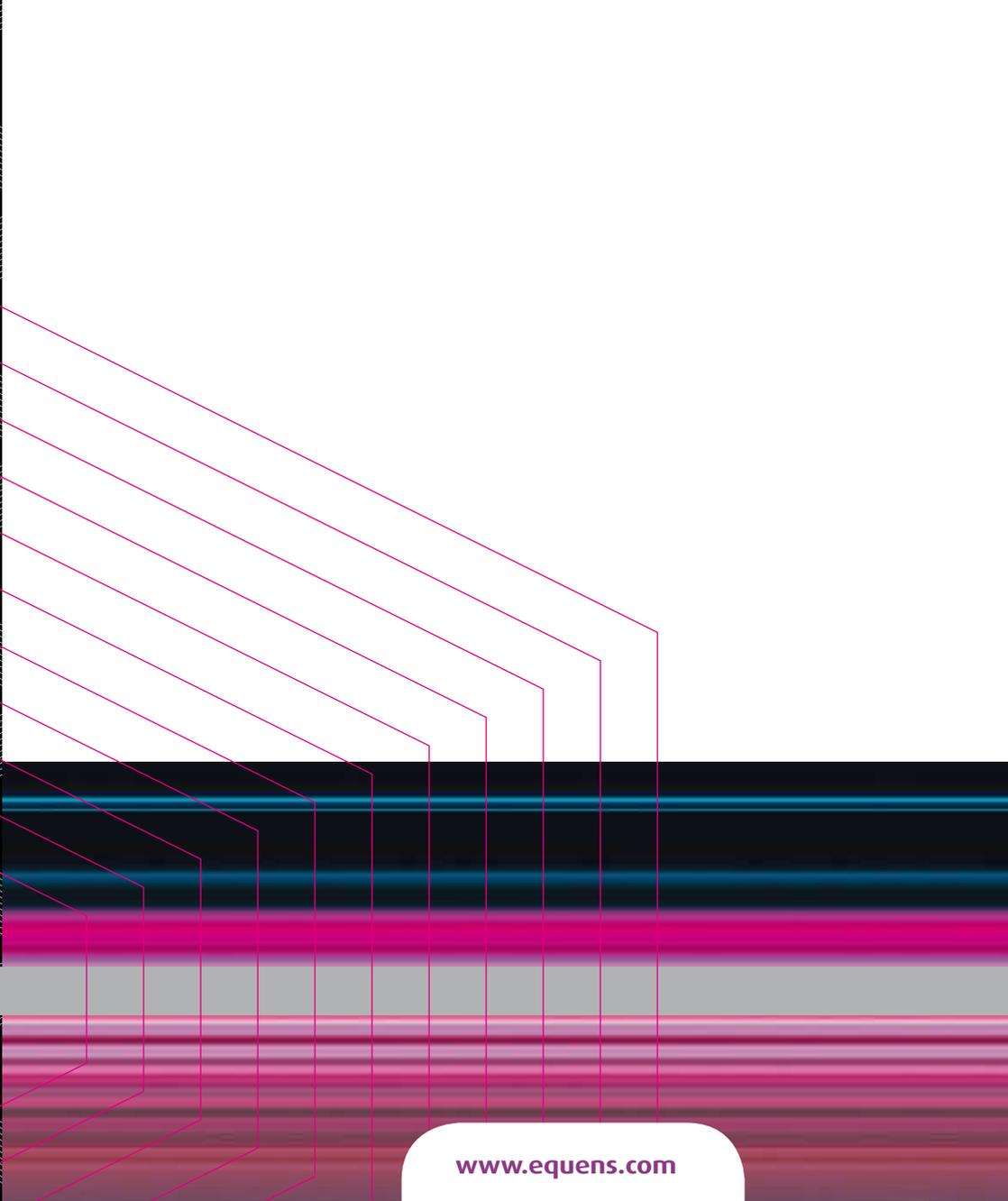
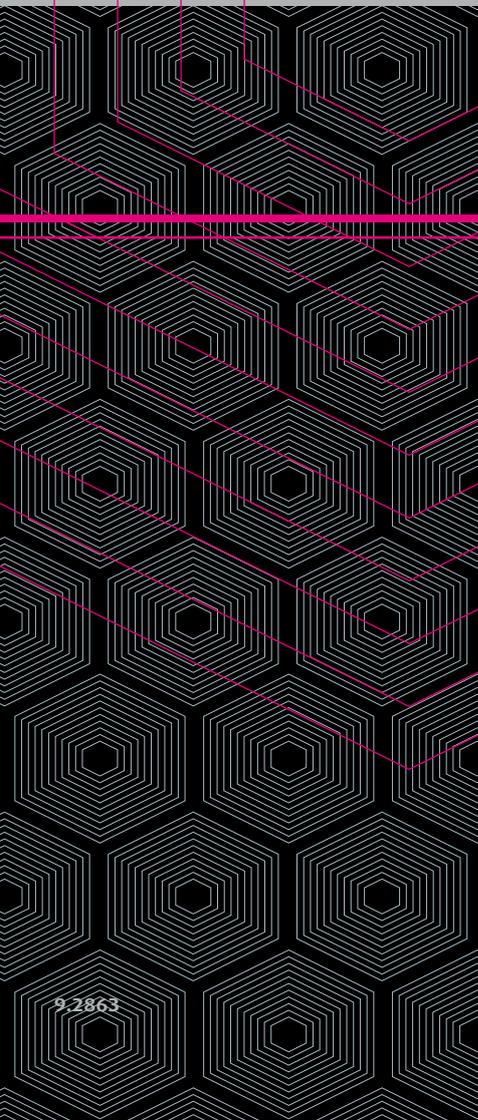
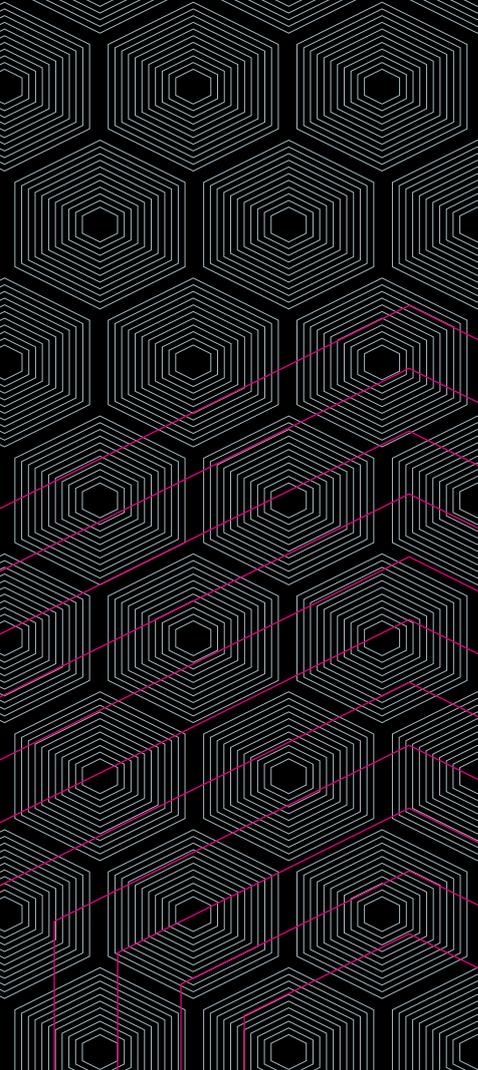
The pro-forma consolidated number of full-time equivalents (internally) was 1315 on 31 December 2006.

Balance Sheet

The balance sheet is characterised by a strong cash position of 96 million euro providing an adequate basis for planned investments. As a consequence of the accounting treatment of the merger, consolidated intangible assets – consisting primarily of software rights as well as goodwill – increased. Accrued personnel expenses are dominated by pension obligations. Bank overdrafts are essential for remaining credit card activities and will be reduced further in 2007.

The equity position before dividend distribution amounts to 119 million euro, reducing risks significantly. Nevertheless the company is striving to further improve its solvency to strengthen its position in the European market.

In spite of the challenges ahead, the Board of Directors is convinced that Equens is financially and structurally in an excellent starting position to further improve its already strong position in Europe.



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