Automotive Navigation Data

AND International Publishers N.V.

ANNUAL REPORT 2008

Report of the Supervisory Board

We hereby present the financial statements for 2008 with an unqualified auditor's report issued by Mazars Paardekooper Hoffman Accountants N.V. We advise the shareholders to adopt the present financial statements.

The composition of the Supervisory Board was amended in 2008 and consisted of Messrs. P.W. Middelhoven and F.A.M. Faas. Mr. E.T. van Dijk retired from the Supervisory Board as from 24 April 2008. The Board has decided for the time being to continue with the two current members.

The Supervisory Board supervises the policy of the Board of Directors. The Supervisory Board met on four occasions in 2008 with the Board of Directors of AND International Publishers N.V. Apart from the realisation of the company's ambitions to act as a third player in the market for personal navigation, the surprising external developments were of course also the subject of discussion. The consequences of the takeovers of Tele Atlas and Navteq by TomTom and Nokia respectively were identified, together with the way in which these developments could be responded to as effectively as possible. Both the possibilities for continuing to grow under our own strength and for being absorbed into a larger whole were specifically examined.

Although the relevant decision-making needs to be highly autonomous, the reality requires us to assume that the direction in which we decide to proceed will be largely determined by the changes in the economic reality.

While the path to structural profitability has been found, there will still be no question this year of a cash-flow-neutral operation. In view of the contract concluded with the large US onliner, the expectations for 2009 are highly positive. This contract will lead to a sharp rise in both profitability and sales. Even more important, however, is recognition by the market of AND's strategy. We expect that other players in the market will now also opt for AND. AND expects that the realisation of its specified ambitions can be financed out of its own resources.

According to the Supervisory Board, the requirements of best practice provision III.2.1 have been satisfied since all the members of the Supervisory Board may be regarded as independent.

The Supervisory Board has satisfied the requirements of best practice provision III.1.7.

Rotterdam, 20 April 2009

Supervisory Board

w.s. P.W. Middelhoven
w.s. F.A.M. Faas

Report of the Board of Directors

Profile of AND Automotive Navigation Data

AND International Publishers N.V. was established on 18 March 1998 as a public limited company under Dutch law, and heads the AND Group. The company has its registered office in Rotterdam. It has been listed on the Stock Exchange of NYSE Euronext in Amsterdam since 15 May 1998. AND is a provider of digital maps that are used for location-based services throughout the world. AND's focus is on the development of digital maps of Western Europe. These are used in Online Services, PND and in-car navigation, internet based mapping, fleet management and more.

Objective of AND Automotive Navigation Data

AND must become **the** alternative to Navteq and TeleAtlas in the Online, Navigation and Location Based Services markets.

Financial results

AND once again operated at a profit in 2008. In that year the company realised a profit of € 1,332,000 (2007 € 1,219,000). This result was achieved on sales of € 3,600,000 (in 2007 € 4,680,000).

In February 2008 a total of 44,592 warrants were exercised at the exercise price of € 7.17. This exercise and the addition of the result for 2008 to equity resulted in a total amount of € 14,681,000 of shareholders' equity at the end of 2008. The solvency ratio is strong, amounting to 78.9% (shareholders' equity as against total assets).
The negative cash flow for 2008 of € 865,000 resulted in total liquid assets at the end of 2008 of € 765,000.

AND and the Navigation market

The two big players Navteq and TeleAtlas have both been acquired, by Nokia and TomTom respectively. These acquisitions have generated unrest in the market. It is not an attractive proposition for PND players to buy maps from the competitor of today (TomTom) or the competitor of tomorrow (Nokia). Would this mean getting the most up-to-date map and paying the right price? In addition the price erosion in the PND market has been more rapid than expected. The margins of the PND players are being heavily squeezed and the relative prices of maps has become more important.

In the online market other matters as well come into play. Clearly each mobile device will in the near future be online and have a GPS signal. All sorts of services, including navigation and location-based search, will be developed around these appliances in order to promote mobile-user loyalty. Many of these services need maps. Players such as Google, Microsoft, Apple, Nokia, Samsung, LG, Vodafone and other large telecommunication companies will try to secure a position in this market. For this the market needs maps of which unlimited use may be made for all kinds of applications at a fixed price. The buyer of the map also wants to determine how to use the map without restrictions imposed by the map supplier.

AND delivers its maps on these terms, which is why AND has now concluded a major contract with an Onliner. AND expects that others in the market will also be looking for such arrangements. AND regards this first major contract as a confirmation of its strategy and a recognition of the quality of the data. This offers major opportunities since its cost-efficient method of production enables AND to deliver at a lower price. Nor does AND lay down any stipulations with regard to the use of the map.

To become the alternative in the market, AND has worked hard on achieving a comparable coverage to that of Navteq and TeleAtlas. AND has completed the maps of the Netherlands, Belgium, Luxembourg, Austria, Switzerland and Germany in accordance with the quality criteria laid down by the market and is striving to complete Western Europe by mid-2009.

Taxation

After allowing for the taxable result for 2008, the net tax losses amounted to approximately € 37 million.

Personnel

In order to realise the accelerated expansion of the database for Western Europe, the necessary changes were made at personnel level in 2008. The number of employees at AND Rotterdam increased from 26 at the end of 2007 to 34 at 31 December 2008. In the case of AND India the number increased from 242 at the end of 2007 to 279 employees at the end of 2008. In addition the level of outsourcing among Indian parties has been scaled up substantially. AND in India and Rotterdam is not expecting any major changes in this area in 2009. As from 1 February 2008, Yuriy Pasichnyk was added to the AND Management Team. Yuriy is our new CTO responsible for our development department in Rotterdam.

Research and development

A substantial investment in the development of the database was once again made in 2008. A total of € 2.8 million was capitalised in 2008 for new development. Further substantial investments will be made in new development in 2009. Certain activities of the development department in Rotterdam qualify for government grants. In 2008 these WBSO (R&D) grants totalled € 64,000.

Risks and uncertainties

Like all companies, AND is exposed to commercial, technical and financial risks that are inherent of entrepreneurship. The following (non-exhaustive) specific risks apply to AND:

- a substantial element of the sales is achieved among a limited number of customers. In 2008 the top five customers accounted for approximately 54% of total sales;
- the dependence on one major customer will be increasing substantially in 2009;
- for the maintenance and new development of the database, AND is dependent on the availability of geographical sources;
- the future growth depends on the development of new countries in the database, the development of the markets for these data, and AND's ability to capture a market share in these markets;
- AND is dependent on outsourcing partners for the development of the database since many of the activities relating to new development in India have been outsourced.

Risk-management of financial instruments

The use of financial instruments arises from the operational activities of the group. These instruments comprise cash, debtors, other receivables, creditors and other liabilities. AND's current policy is not to make any use of derivative financial instruments in order to hedge potential risks relating to these financial instruments. The use of these instruments exposes AND to the following risks:

- credit risk
- liquidity risk
- currency risk
- interest risk

Credit risk

The credit risk arises primarily from debtors. The group has a debtor portfolio of creditworthy customers spread over various regions. Most of the sales relate to solid, creditworthy entities. In comparison to the actual sales, the write-downs on debtors in recent years have been minimal. The group therefore considers that the credit risk is adequately controlled, e.g. by adequate credit management.

Liquidity risk

As at year-end the group held total cash balances of € 765,000, apart from which it has a credit facility with HBU (see note 15 in the notes to the accounts). The availability of these cash balances is sufficient to meet current liabilities. In addition a total of 512,000 warrants are outstanding at balance sheet date (see note 19 in the notes to the accounts). Past experience has indicated that the group has always been able to obtain sufficient (additional) financing for its operations.

Currency risk

Company policy is aimed at concluding sales contracts in euros wherever possible. A certain element of the sales is however realised from contracts in foreign currency. In 2008 this figure was approximately 26% of sales. Apart from the currency risk from sales contracts in foreign currency, the company is exposed to a currency risk on the activities in India, since the reporting currency is the Indian rupee.

Interest risk
The group does not have any interest-bearing loans and the interest risk is therefore limited to fluctuations in the interest rate on deposits and other bank balances. Surplus cash is invested in short-term deposits at a variable rate of interest.

Policy with regard to the remuneration of members of the Board of Directors and Supervisory Board
Given the size of the Board of Directors (one member) and the Supervisory Board (two members), there is no active remuneration policy with regard to the emoluments of these members. Details on the remuneration paid to these members may be found in sections 7 and 8 of the notes to the consolidated financial statements.

The future and prospects for AND
In response to recent market developments, AND has commissioned ThinkEquity to investigate how AND might now best proceed. The preliminary conclusion is that AND should extend the coverage of its database to Western Europe as a whole. The question as to whether AND should do so with a strategic or financial partner is currently being explored. The present economic situation has slowed this process.

The expectations for 2009 are highly positive. The contract concluded with the large US onliner will boost both profitability and sales. Further developments in sales and profitability will depend on the extent to which AND succeeds in consolidating its ties with other parties. AND regards the contract concluded with the large US onliner as a confirmation of its strategy and is convinced that other parties in the market will now also opt in favour of AND. AND expects that it will be possible for the designated strategy to be financed out of the company's own resources.

Rotterdam, 20 April 2009

Board of Directors:

w.s. M.P. Oldenhof

Declaration by Board of Directors

Report pursuant to article 5:25c of the Financial Markets Supervision Act in the Netherlands
In the opinion of the Board of Directors, the 2008 financial statements of AND International Publishers N.V. give a true and fair view of the assets, liabilities, the financial position, and the profit of AND International Publishers N.V. and its consolidated companies and the 2008 annual report gives a true and fair view of the financial position as per 31 December 2008, and the course of events during 2008 of AND International Publishers N.V. and its consolidated companies, whose details are included in the financial statements. The significant risks AND International Publishers N.V. faces are described in this annual report.

Rotterdam, 20 April 2009
w.s. M.P. Oldenhof

Corporate Governance

AND has the impression that the details of the Tabaksblat Code of corporate governance do not always take into account the size of the company, but endorses the principles and associated best practice provisions in the Code. An overview setting out the differences is provided in the appendix. As no new insights arose in 2008, the notes have remained unchanged in relation to 2007.

Governance
AND does not have a code of conduct as part of its internal risk management and control systems or any whistleblower regulations. Given the size of the company this would not be a useful addition. AND has not made any personal loans/guarantees to the Board of Directors and has no intentions of doing so in the future. The Board of Directors also does not trade actively in shares. The remuneration of the Board of Directors is shown in the notes to the financial statements.

Supervisory Board
The Supervisory Board consists of two members. The remuneration, term of office and background of the members of the Supervisory Board are set out in the notes to the financial statements. Given the size of the Supervisory Board (fewer than five members – III.5 of the Code) there are no separate committees and there is no secretary.

General Meeting of Shareholders
The general meeting of shareholders is able to make a binding recommendation for the appointment or dismissal of the Board of Directors and/or Supervisory Board member. This requires a majority of at least two thirds of the votes cast, representing over half the issued capital. Given the shareholder structure this is in the interests of the company's continuity. AND does not have any plans at present to introduce remote voting: personal attendance at AND meetings of shareholders is required. Given the size of the company, few if any presentations are made to third parties. The external auditor is appointed by the Board of Directors of AND after consultation with the Supervisory Board.

Consolidated financial statements 2008

Consolidated profit and loss account for 2008

(x € 1,000) after appropriation of result

	Note	2008	2007
Net sales	3a	3,600	4,680
Maps and sources	3b	(545)	(285)
Personnel expenses	4	(3,649)	(2,749)
Depreciation	12	(120)	(113)
Share-based compensation	17	582	(611)
Other operating expenses	6	(1,193)	(1,564)
Total operating expenses		**(4,925)**	**(5,322)**
Capitalised development costs	11	2,763	1,469
Net operating expenses		**(2,162)**	**(3,853)**
Operating result		**1,438**	**827**
Financing income		33	27
Result from ordinary activities before tax		**1.471**	**854**
Tax on profit from ordinary activities	9	(139)	365
Result from ordinary activities		**1,332**	**1.219**
(in euros)			
Basic earnings per share	10	0.41	0.39
Diluted earnings per share	10	0.40	0.36

Consolidated balance sheet at 31 December 2008

(x € 1,000)

	Note	2008	2007
Fixed assets			
Intangible fixed assets	11	11,766	9,003
Tangible fixed assets	12	165	220
Deferred tax receivables	13	4,757	4,752
		16,688	**13,975**
Current assets			
Trade and other receivables	14	1,155	1,211
Cash and cash equivalents	15	765	1,713
		1,920	**2,924**
TOTAL ASSETS		**18,608**	**16,899**
Shareholders' equity			
Issued and paid-up capital	16	16,245	16,022
Share premium reserve	20	20,042	19,946
Legal reserve	21	11,766	9,003
Exchange rate differences reserve	22	(139)	(32)
Stock compensation reserve	17	29	29
Other reserves	18	(33,262)	(31,831)
		14,681	**13,137**
Non-current liabilities			
Deferred tax liabilities	24	1,541	1,420
Defined benefit plans		22	-
Provisions	25	100	100
		1,663	**1,520**
Current liabilities			
Trade and other liabilities	26	2,264	2,242
		2,264	**2,242**
TOTAL EQUITY AND LIABILITIES		**18,608**	**16,899**

Consolidated statement of changes in shareholders' equity

(x € 1,000)

	Issued and paid-up capital	Share premium reserve	Legal reserve	Exchange rate differences reserve	Other reserves	Stock compensation reserve	Total
Note	16	20	21	22	18	17	
1 January 2007	**15,306**	**19,956**	**7,534**	**(38)**	**31,581**	**-**	**11,177**
Exchange result on participations	-	-	-	6	-	-	6
Addition to legal reserve	-	-	1,469	-	(1,469)	-	-
Direct changes in capital	-	-	1,469	6	(1,469)	-	6
Result for financial year	-	-	-	-	1,219	-	1,219
Stock compensation reserve	-	-	-	-	-	29	29
Exercise of warrants	691	(10)	-	-	-	-	681
Exercise of options	25	-	-	-	-	-	25
31 December 2007	**16,022**	**19,946**	**9,003**	**(32)**	**(31,831)**	**29**	**13,137**
Exchange result on participations	-	-	-	(107)	-	-	(107)
Addition legal reserve	-	-	2,763		(2,763)	-	-
Direct changes in capital	-	-	2,763	(107)	(2,763)	-	(107)
Result for financial year	-	-	-	-	1,332	-	1,332
Exercise of warrants	223	96	-	-	-	-	319
31 December 2008	**16,245**	**20,042**	**11,766**	**(139)**	**(33,262)**	**29**	**14,681**

Consolidated cash flow statement for 2008

(x € 1,000)

		2008	2007
Cash flow from operating activities			
Operating result		1,438	827
Depreciation	12	120	113
Stock compensation reserve	17	-	29
Changes in working capital:			
Movements in receivables		56	421
Movements in liabilities and provisions		43	174
Financing income		33	27
Cash flow from operating activities		**1,690**	**1,591**
Income tax paid		(25)	-
Net cash flow from operating activities		**1,665**	**1,591**
Cash flow from investment activities			
Capitalised development costs	11	(2,763)	(1,469)
Investments in tangible fixed assets	12	(86)	(96)
Cash flow from investment activities		**(2,849)**	**(1,565)**
Cash flow from financing activities			
Share issue	16	319	706
Cash flow from financing activities		**319**	**706**
Movements		(865)	732
Opening balance cash and cash equivalents		**1,713**	**977**
		848	1,709
Effect of exchange rate differences in foreign currencies		(83)	4
Closing balance cash and cash equivalents	15	**765**	**1,713**

Notes to the consolidated financial statements

1) General

AND International Publishers N.V. was incorporated on 18 March 1998 as a public limited liability company under Dutch law and heads the AND Group. The company's registered office is located in Rotterdam, the Netherlands and the company has been listed on the Stock Exchange of NYSE Euronext in Amsterdam since 15 May 1998. AND is the provider of digital mapping data used for location-based-services around the world. AND focuses on the development of digital maps of Western Europe. The digital maps are used in Online Services, PND and 'in-car' navigation, internet-based mapping, fleet management and more.
The consolidated financial statements have been approved for publication pursuant to the decision by the Board of Directors of 20 April 2009.

2.1 Accounting policies

2.1.1. Principles

The consolidated financial statements of AND International Publishers NV have been drawn up in compliance with the International Financial Reporting Standards (IFRS) as adopted within the European Union.

The financial statements are presented in euros, rounded to the nearest thousand. The financial statements have been drawn up on the basis of historical cost, with the exception of share-based compensation, which is valued at fair value.

2.1.2 Consolidation principles

The consolidated financial statements of AND International Publishers N.V. comprise the financial details of the company together with those subsidiaries in which it directly or indirectly holds over 50% of the voting rights or over which it is able to exercise a decisive influence. The financial figures of the subsidiaries are fully consolidated.

Subsidiaries are included in the consolidated financial statements from the point at which the aforementioned criteria apply and will be fully consolidated until the point at which this no longer applies.

The assets, liabilities and results of the consolidated companies have been fully consolidated. Inter-company transactions are fully eliminated in the consolidation.

2.1.3 Participations (direct and indirect)

AND International Publishers Plc (dormant)	Oxford, UK	100%
AND Holding B.V. (dormant)	Rotterdam, Netherlands	100%
AND Products B.V.	Rotterdam, Netherlands	100%
AND Publishers B.V. (dormant)	Rotterdam, Netherlands	100%
AND Data India Pvt. Ltd.	Pune, India	100%

2.1.4 New accounting standards

As of 1 January 2008 no new IFRS standards or changes to existing standards applied. The following interpretations apply to the reporting period from 1 January 2008 onwards but have no consequences for the group:

- IFRIC 11 – IFRS 2: 'Group and Treasury Share Transactions'
- IFRIC 12 'Service Concession Arrangements'
- IFRIC 14 – IAS 19 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'

The following standards and interpretations have been published, but not applied in anticipation by AND:

- Amendment IAS 1 'Presentation of Financial Statements'
- Amendment IAS 23 – 'Borrowing costs'

- IAS 27 'Consolidated and Separate Financial Statements'
- IAS 32 'Financial Instruments – Presentation' and IAS 1 'Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation'
- IFRS 2 'Share-based Payment (Revised)'
- Amendment IFRS 3 'Business Combinations'
- IFRS 8 'Operating Segments'
- IFRIC13 'Customer Loyalty Programs'
- Amendment IAS 38 'Intangible Assets'

AND is investigating the impact of these new standards and interpretations but does not expect will have any negative impact on shareholders' equity and the result.

2.1.5 Adjustments

The following adjustments have been made to the 2008 financial statements compared to 2007:

- the profit and loss account in the 2007 financial statements has features of both the model classified by function and that classified by nature; the 2008 profit and loss account has been brought into line with the latter model;
- the required notes pursuant to the Implementation of Takeover Directive (Art. 10) Decree are provided in section 2.2 of the notes;
- in respect of the impairment test, as explained in section 11 of the notes last year, capital expenditure on the database was included in the calculation of the net realisable value, but should have been excluded according to IAS 36; in the 2008 impairment tests capital expenditure was not included and the notes in section 11 have been adjusted accordingly;
- in 2008 it was determined that the pension scheme for the Indian employees contained features of a defined benefit plan, for which purpose a pension liability was raised that was charged to the result; given the limited, non-material size of that liability as at 31 December 2007, this has been fully reflected in the 2008 result;
- section 10 of the 2007 financial statements did not provide a breakdown into the various categories of instruments leading to dilution in the summary of the (diluted) earnings per share; this breakdown has been provided in section 10 on page 14;
- in section 9 of the notes the summaries have been brought into line with the requirements of IAS 12.

The aforementioned adjustments do not have any impact on the result for 2007 or the balance sheet total as at 31 December 2007.

2.1.6 Important judgments and estimates

In preparing the financial statements, the Board of Directors has made certain assumptions and estimates that affect the amounts included in the consolidated financial statements. The most important estimates relate to the determination of potential impairments, provisions and the deferred tax receivables, share-based compensation, and to pension liabilities. The actual results may differ from these estimates. The Board of Directors considers the estimates and assumptions to be well-founded and that they provide the best possible reflection of AND's prospects.

2.2 Takeover Directive

In accordance with the Implementation of Takeover Directive (Art. 10) Decree, the annual report is required to provide certain explanations. The explanations required under the Decree are provided below.

Disclosure of major holdings

Under the Disclosure of Major Holdings in Listed Companies Act, the following major shareholders in AND shares are known (position: 31 December 2008):

Roosland Beheer B.V.	33.97%
NimAND Holding B.V.	33.57%
QuaeroQ cvba	6.21%

Appointment and dismissal of members of the Supervisory Board and Board of Directors
The number of members of the Supervisory Board and the Board of Directors is determined by the Supervisory Board. The latter must have at least two members.

Members of the Supervisory Board and Board of Directors are appointed and dismissed by the General Meeting Shareholders on the basis of a binding recommendation well in advance (i.e. within three months) by at least two members of the Supervisory Board. The General Meeting of Shareholders may overturn the binding nature of such recommendation in the case of a resolution taken by a majority of at least two thirds of the votes cast representing more than half the issued capital.

Amendment of the Articles of Association
Resolutions to amend the Articles of Association may only be taken by the General Meeting of Shareholders on proposal by the Supervisory Board and Board of Directors jointly.

Authorities of the Board of Directors
At its meeting on 17 May 2005, the General Meeting of Shareholders issued the management with a mandate to issue shares for a period of five years. The issue of shares has been maximised up to the authorised share capital of 5,000,000 shares.

Benefit upon termination of employment pursuant to a public offer
Under certain conditions, members of the Board of Directors qualify in the event of termination of employment pursuant to a public offer for a benefit equal to two years' annual salary. A similar scheme applies to three other employees. In the case of one of these employees, the benefit amounts to two years' annual salary, while for the other two employees a payment applies of one year's annual salary.

2.3 Financial reporting principles

2.3.1 Foreign currency translation

Monetary assets and liabilities expressed in foreign currency are converted at the rates applicable on the balance sheet date. Transactions in foreign currency are converted against the rates applicable at the time of the transaction; the resulting exchange rate differences are taken to the result.

For the benefit of determining the net asset value, the financial statements of the foreign interests are converted into euros. Assets and liabilities are converted at the rates applicable on the balance sheet date, and the profit and loss account is converted at the average rate for the year. Exchange rate differences are reported under equity under the heading “exchange rate differences reserve” and are not payable unless the relevant interest has been sold or liquidated. If the “exchange rate differences reserve” shows a deficit, the payments from the other reserves are limited by the same amount.

2.3.2 Tangible fixed assets

Property, plant and equipment are valued at purchase price less accumulated depreciation and impairments. Depreciation takes place on the estimated residual value in accordance with the straight-line method based on the estimated useful economic life.

2.3.3 Intangible fixed assets

Valuation of the database takes place at purchase or production price less straight-line depreciation. The production price consists of all direct (wage) costs and indirect costs that can reasonably and consistently be attributed to production. Maintenance costs not directly attributable to the database are charged directly to the result in the year these costs were incurred. Database expansion costs are capitalised at production price.

The database expansion costs have been capitalised at production price. Extensions are taken as including the addition of new countries and/or the expansion of the road network in existing countries at a more detailed level. Expansions are capitalised in so far as:

- they meet the definition of an intangible asset;
- they are likely to generate future benefits;
- the cost price can be reliably determined.

The database has (once again) been determined at year-end to have an indefinite useful life. The following factors have been taken into account with regard to the indefinite nature of the useful life of the database:

- the many years of experience with the development of a geographical database and the techniques developed and applied in that process provide AND with a substantial advantage and create an entry barrier for potential competitors;
- the market for digital maps is still in full swing and is extending to other areas of application (e.g. mobile telephony and location based services);
- AND differs in particular from the two biggest players in the market in terms of the cost-efficiency of its production; this means that the development costs and database maintenance costs are substantially lower than those among its competitors;
- there is no active market from which the useful life of the database could be derived.

Since the useful life of the database is indeterminate it is not amortised. The useful life of the database is assessed annually. This includes an evaluation as to whether there is still justification for an indefinite useful life. If that is not the case the useful life will be converted from indefinite to definite.

The Board of Directors evaluates the capitalised costs for the database every year in order to establish whether the book value can be covered by future income (impairment test). If this is not the case, there will be an impairment.

2.3.4 Impairments

An assessment will be made each year on the balance sheet date as to whether there has been an indication for an impairment of assets (impairment test). If this is the case an estimate is made of the realisable value of the asset in question. The realisable value is the higher of the fair value after deduction of selling costs or the value in use. Since there is no active market for the database no use can be made of fair value. For this reason AND works on the basis of value in use. If the book value is higher than the realisable value the asset is written down to the lower realisable value.

In addition an assessment is made as to whether a previously recognised impairment loss no longer exists or has been reduced. If that is the case the previously recognised loss is reversed and the book value of the asset is increased to the realisable value.

Further details and assumptions in relation to the impairment test on the database are provided in section 11 of the notes.

2.3.5 Financial fixed assets

Participations are valued at net asset value as determined according to the valuation principles of the financial statements of the parent company where there is a material influence on financial and business policy. Other financial fixed assets are valued at purchase price or permanently lower value.

Interests that no longer form a strategic part of the group and are only being kept in order to be divested are valued in accordance with the aforementioned valuation or at expected sales value if lower.

2.3.6 Deferred tax receivables

Deferred tax receivables are calculated on the basis of the tax rates applicable at the end of the reporting year or at rates applicable during the coming years, to the extent that these have already been decreed by law. Deferred tax receivables resulting from carry-forward of losses are valued if it is reasonable to assume that they will be realised. Deferred tax receivables are valued at nominal value.

The Board of Directors will reassess and review the deferred tax receivable annually on the basis of a planning period, in which profit forecasts based on the most recent budgets play an important role in this process.

2.3.7 Trade and other receivables

Receivables and accrued income are valued at first recognition at fair value plus any directly attributable transaction costs. After initial recognition, trade and other receivables are valued at amortised cost, in so far as necessary after deduction of provisions deemed necessary for uncollectability (impairment losses). The maximum term is one year.

2.3.8 Cash and cash equivalents

Cash and cash equivalents are valued at nominal value and consist of cash and bank balances and other deposits on call.

2.3.9 Deferred tax liabilities

The deferred tax liability concerns a provision for the difference between the valuation of the database for commercial and tax purposes respectively. The provision has been valued at the applicable nominal tax rate at the end of the year or at the rates applying in the coming years, insofar as these have already been determined by law.

2.3.10 Trade and other liabilities

Liabilities with a term of more than one year are presented as long-term liabilities. Trade and other liabilities are valued at amortised cost. The initial recognition is at fair value less attributable transaction costs.

2.3.11 Financial instruments

The group's financial instruments comprise cash, debtors and other receivables, creditors and other liabilities. AND's present policy is not to make use of derivatives in order to hedge potential risks in relation to the financial instruments.

Risk-control

The use of financial instruments arises from the group's operational activities. The group's financial instruments comprise cash, debtors and other receivables, creditors and other liabilities. AND's present policy is not to make use of derivatives in order to hedge potential risks in relation to these financial instruments. As a result of the use of these instruments AND is exposed to the following risks:

- credit risk
- liquidity risk
- currency risk
- interest rate risk

Credit risk
The credit risk arises primarily from debtors. The group has a debtor portfolio of creditworthy customers spread over various regions. The majority of the sales concern solid, creditworthy customers. In relation to sales the write-downs on debtors in recent years have been minimal. The group therefore considers the credit risk to be adequately managed, e.g. by means of adequate credit management.

Liquidity risk
At the end of the year the group held total cash balances of € 765,000. In addition it has a credit facility at the HBU (see note 15). The availability of these cash balances is sufficient to discharge the current liabilities. In addition a total of 512,000 warrants are outstanding at balance sheet date (see note 19). Past experience has indicated that the group has always been able to obtain sufficient (additional) financing for its operations.

Currency risk
Company policy is aimed at concluding sales contracts in euros wherever possible. A certain part of the sales are however realised from contracts in foreign currency. In 2008 this figure was approximately 26% of sales. Apart from the currency risk from sales contracts in foreign currency the company is exposed to a currency risk on the activities in India, since the reporting currency is the Indian rupee.

Interest risk
The group does not have any interest-bearing loans and the interest risk is therefore limited to fluctuations in the interest rates on deposits and other bank balances. Surplus cash is invested in short-term deposits at a variable rate of interest.

2.3.12 Determination of sales and the reporting of income

Sales are recognised in so far as it is probable that the economic benefits will accrue to the company and the amount of the proceeds can be reliably determined.

AND’s sales are generated by the granting of licences for the use of geographical data derived from the database. AND concludes agreements under which fixed amounts are charged for a fixed period or a minimal amount is charged, to be offset by royalties where these exceed the minimum amount.

In the case of licence agreements under which a fixed amount or a minimum amount for a fixed period is charged, the sales are assigned in proportion to the term of the agreement. If no fixed and/or minimum amounts apply, the sales are assigned to the period to which the reported royalties relate.

2.3.13 Costs

Costs are determined on an historical basis and are attributed to the reporting year in which they were incurred.

2.3.14 Pensions

a. Defined contribution schemes
A defined contribution scheme is a plan under which the Group, makes fixed contributions to a separate entity and has no legal or constructive obligation to make further contributions. Contributions to defined contribution schemes are charged to the profit and loss account when those contributions fall due. The employees in the Dutch companies have a defined contribution scheme.

b. Defined benefit schemes
A defined benefit pension scheme is a plan under which an employee obtains a defined benefit amount upon retirement, generally dependent on factors such as age, years of service and remuneration. A pension plan

with characteristics of a defined benefit scheme applies to the employees of the Indian company. Given the limited, non-material size of the pension obligation, no information on it has been provided in the notes.

2.3.15 Taxes

Tax on the result is calculated on the result before tax in the profit and loss account, after deducting tax-deductible losses from previous financial years and exempt profit components, and after adding non-deductible costs, taking account of movements in the deferred tax receivable and deferred tax liability. The tax on profits is calculated on the basis of the applicable tax rate in the financial year.

2.3.16 Share-based compensation

AND awards share options that qualify as share-based compensation. Options are settled either in own equity instruments or in cash. The fair value of options settled in shares is carried as a charge in the profit and loss account, with a corresponding increase in shareholders' equity. The fair value is determined at the moment the options are granted and is apportioned over the period until the moment at which the options become unconditional. When options have no vesting period, the fair value of these options is recognised in the income statement on grant date.

For options that are settled in cash the fair value is recognised as a charge, with a corresponding increase in a liability. The fair value is determined at the date of award and is apportioned over the period up to the moment at which the options become unconditional. The valuation and the liability are redetermined at each balance sheet date, and also on the settlement date.

The fair value is determined by using the Black & Scholes model. Further details are provided in section 17 of the notes.

2.3.17 Research and development costs

Research costs are charged to the profit and loss account. Development costs are capitalised if these comply with the relevant criteria set out in note 2.3.3, ‘Intangible fixed assets’.

2.3.18 Grants

Grants received from the government are distributed as a reimbursement for costs incurred. The grants received are matched against the costs they are designed to offset.

2.3.19 Consolidated cash flow statement

The consolidated cash flow statement is prepared on the basis of the indirect method. The determination of the movement in cash is based on the operating results according to the consolidated profit and loss account. The cash flows are broken down into cash flows from operating activities, investing activities and financing activities. Translation differences in foreign currencies are not separately presented in the cash flow statement but are shown under the ‘foreign currency exchange rate changes’ item in the reconciliation of the opening and closing cash balances.

3a. Net sales

The sales may be analysed geographically as follows:

	2008	2007
The Netherlands	39%	22%
Germany	7%	12%
United Kingdom	13%	10%
Other EU countries	12%	15%
United States	29%	41%
	100%	**100%**

Sales consist of licenses and royalties from geographical data.

The above summary of sales does not concern any segmentation. Since the goods and services provided within AND are comparable to one another and no distinction is drawn between various segments in the internal financial reporting, no segmentation in accordance with IAS 14 can be provided.

3b. Maps and sources

Maps and sources concern the procurement of geographical sources such as maps, satellite images and house number ranges. In 2008 € 464,000 was capitalised as development costs (2007: € 108,000).

4. Personnel expenses

	2008	2007
Salaries	2,252	2,005
Social security contribution	198	161
Contributions to defined contribution schemes	84	86
Costs relating to defined benefit schemes	28	-
Total salary costs	2,562	2,252
Outsourced work	908	337
Temporary personnel	116	63
WBSO (subsidy)	(64)	(32)
Other	127	129
	3,649	**2,749**

In 2008 € 2,299,000 was capitalised as development costs (2007: € 1,361,000).

5. Personnel

The average number of full-time members of staff employed by the group was geographically distributed as follows:

	2008	2007
Netherlands	26.6	24.2
India	268.0	230.6
	294.6	**254.8**

The average salary cost per employee amount to:

	2008	2007
Netherlands	63.6	65.2
India	3.2	2.9

6. Other operating expenses

	2008	2007
Accommodation, office, ICT	511	620
Marketing, PR and IR	105	237
Travel and company cars	319	375
Legal, accounting and audit	142	179
Provision for doubtful debtors	63	31
Other	53	122
	1,193	**1,564**

Total operating lease expenses amount to € 96,000 (2007: € 94,000). The operating expenses related to the car fleet. The total rental expenditure amounts to € 274,000 (2007: € 273,000). The total exchange rate difference on foreign currencies amounted to € 59,000 positive (2007: € 30,000 negative).

7. Remuneration of the Board of Directors

	2008	2007
Short-term employee benefits:		
M.P. Oldenhof	202	201
Share-based compensation (options):		
M.P. Oldenhof	(470)	486
Shares held (number):		
M.P. Oldenhof	35,297	35,297

Share-based compensation (options)

Year of grant	Granted options	Exercise price in €	Outstanding as per 31 December 2008	Outstanding as per 31 December 2007	Vestingdate	Exercisable before
2002	50,000	5.00	50,000	50,000	1 December 2004	1 May 2009
2004	25,000	5.00	25,000	25,000	1 December 2004	1 May 2009
2007	25,000	7.50	-	25,000	Forfeited	Forfeited
2007	25,000	7.50	-	25,000	Forfeited	Forfeited
			75,000	125,000		

The conditionally granted options from 2002 and 2004 became unconditional as at 1 December 2004 and are fully exercisable. The granted options from 2002 qualify as ‘equity settled’ and the options from 2004 and 2007 as ‘cash settled’ and will be settled in cash.

The term of the options granted in 2002 and 2004 was extended in November 2008 until 1 May 2009. The conditionally granted options from 2007 lapsed at the end of 2008 as the relevant conditions had not been satisfied.

Termination benefits

The termination benefit for Mr. Oldenhof amounts under certain conditions to a maximum of two years’ salary.
No loans, advances or guarantees have been granted to the members of the Board of Directors.

8. Remuneration of the Supervisory Board

	2008	2007
Short-term employee benefits:		
F.A.M. Faas	8	10
P.W. Middelhoven	8	10
E.T. van Dijk	-	10
	16	**30**
Share-based compensation (options):		
F.A.M. Faas	-	10
P.W. Middelhoven	-	4
	-	**14**
Shares held (number):		
E.T. van Dijk	n/a	7,000

Share-based compensation (options)

	Year of grant	Granted options	Exercise price in €	Outstanding as per 31 December 2008	Outstanding as per 31 December 2007	Exercisable before
Mr. Faas	2002	5,000	8.40	5,000	5,000	28 June 2010
Mr. Middelhoven	2002	5,000	5.00	5,000	5,000	28 November 2010

The options of Messrs Faas and Middelhoven are unconditional and fully exercisable. No vesting date consequently applies.

No loans, advances or guarantees have been granted to the members of the Supervisory Board.

9. Taxation

	2008	2007
Current tax expenses/tax income:		
current financial year	(84)	(295)
Deferred tax expenses/tax income:		
income from recognised tax losses	29	738
temporary valuation differences for tangible fixed assets	18	4
temporary valuation differences for intangible fixed assets	(121)	(82)
temporary differences for personnel-related remuneration	19	-
	(139)	**365**

The effective tax burden, based on the pre-tax result, amounts to -9.5% (2007: +42.7%). The effective tax burden is specified as follows:

		2008		2007
Pre-tax profit		1,470		854
Rate of tax on profits based on local tax rate	25.5%	375	25.5%	218
Effect of foreign tax rates	-1.5%	(22)	-0.1%	(1)
Share-based payments	-10.1%	(148)	18.3%	156
Effect of valuation of tax losses	-1.9%	(29)	-86.4%	(738)
Other temporary valuation differences	-2.5%	(37)	-	-
	9.5%	**139**	**-42.7%**	**(365)**

10. Earnings per share

The ordinary earnings per share have been calculated by dividing the net profit attributable to the holders of ordinary shares in the parent company by the weighted average number of ordinary shares issued during the year.

The diluted earnings per share have been calculated by dividing the net profit attributable to the holders of ordinary shares in the parent company by the sum of the weighted average number of ordinary shares issued during the year and the weighted average number of ordinary shares that would have been issued upon the conversion into ordinary shares of all potential ordinary shares that could lead to dilution.

The earnings per share were calculated as follows:

	2008	**2007**
Weighted average number of shares issued	3,244,786	3,148,639
Effect of options	22,182	30,477
Effect of warrants	74,516	183,965
	3,341,482	**3,363,081**
Result for financial year	1,332,000	1,219,000
Basic earnings per share	0.41	0.39
Diluted earnings per share	0.40	0.36

11. Intangible fixed assets

	Database
Book value at 1 January 2007	**7,534**
Investments – internal development	1,469
Book value at 31 December 2007	**9,003**
Investments – internal development	2,763
Book value at 31 December 2008	**11,766**

The economic life of the database has been determined as indefinite. Details on the factors taken into account in assessing the definite/indefinite nature of the economic life are provided in section 2.2.3 of the notes.

As at the balance sheet date an impairment test was performed, on the basis of which there are no indications to suggest that the database is subject to any impairment. The determination of the realisable value has been based on the value in use, since the fair value cannot be determined in the absence of an active market for the database. The value in use has been determined on the basis of the present value of the anticipated future cash flows over a period of five years and a terminal value for the subsequent period. A growth rate of zero has been assumed for the cash flows after the five-year period. The cash flows have been discounted using a weighted average cost of capital of 11.8%. The most important assumptions on which the cash flow projections are based are:

- the first three years are based on the budgets approved by the Supervisory Board; for the subsequent period the growth in the first three years has been extrapolated for the succeeding years;
- within these budgets the sales are based on historical data and external market expectations with regard to market growth (especially of the navigation market); account has been taken of a certain growth in AND's market share within these markets;
- for the costs and expenses account has been taken of the plans for the maintenance of the database and also of the expected growth in sales and associated costs.

Research and development costs amount in total € 3,050,000 (2007: € 1,565,000). The development costs are equal to the capitalised development costs of € 2,763,000 (2007: € 1,469,000) plus € 287,000 (2007: € 96,000) for the hours qualifying for WBSO subsidy.

12. Tangible fixed assets

	Computer equipment	Office equipment and furniture	Vehicles	Total
Cost	519	317	17	853
Accumulated depreciation	(367)	(234)	(17)	(618)
Book value at 31 December 2006	**152**	**83**	**-**	**235**
Investments	78	18	-	96
Exchange rate difference investments	(59)	2	-	(57)
Exchange rate difference depreciation	60	(1)	-	59
Depreciation	(90)	(23)	-	(113)
Changes in financial year	**(11)**	**(4)**	**-**	**(15)**
Cost	538	337	17	892
Accumulated depreciation	(397)	(258)	(17)	(672)
Book value at 31 December 2007	**141**	**79**	**-**	**220**
Investments	70	16	-	86
Exchange rate difference investments	(65)	(44)	(3)	(112)
Exchange rate difference depreciation	53	35	3	91
Depreciation	(95)	(25)	-	(120)
Changes in financial year	**(37)**	**(18)**	**-**	**55**
Cost	543	309	14	866
Accumulated depreciation	(439)	(248)	(14)	(701)
Book value at 31 December 2008	**104**	**61**	**-**	**165**

The estimated economic life of the assets is as follows:

	2008	2007
Computer equipment	3 years	3 years
Office equipment and furniture	3 - 10 years	3 - 10 years
Vehicles	5 years	5 years

As from 2007 the tax department has set the permitted depreciation period for certain tangible fixed assets at a minimum of five years. The difference has consequently arisen between the depreciation of tangible fixed assets for commercial and tax purposes respectively. For this purpose a deferred tax receivable has been recognized. Further details may be found in section 13 of the notes.

13. Deferred tax receivables

	2008	2007
Valuation of tax losses:		
Position at 1 January	4,748	4,305
Withdrawal of taxable result for financial year	(62)	(295)
Addition / (withdrawal) of tax losses	29	738
Position at 31 December	**4,715**	**4,748**
Valuation difference tangible fixed assets		
Position at 1 January	4	-
Addition / (withdrawal) difference fiscal depreciation	18	4
Position at 31 December	**22**	**4**

Temporary difference for personnel-related remuneration:		
Position at 1 January	-	-
Addition / (withdrawal) of difference in fiscal depreciation	19	-
Position at 31 December	**19**	**-**
Total deferred tax receivables	**4,756**	**4,752**

The deferred tax receivable concerns the tax credit arising from the tax losses of the Dutch companies totaling approximately €18.4 million (2007: € 18.6 million). This sum has been determined on the basis of a planning period, in which the profit forecasts based on the most recent budgets are of key importance. The actual outcomes will probably differ from the forecasts since the assumed events will generally not work out as expected. The resultant discrepancies could be of material significance.

The liquidations of AND USA and AND Software GmbH were formally completed in 2006 and recognized in the 2006 tax return. This resulted in an increase in the tax losses of approximately € 9 million. At the end of 2008 the tax losses amounted to € 37.0 million, of which € 18.6 has not been valued.

As from 2007 tax losses can be carried forward for a maximum of nine years. The timetable for offsetting the tax losses is as follows:
up to and including 2011: € 13.4 million
up to and including 2012: € 14.9 million, cumulative € 28.3 million
up to and including 2015: € 8.7 million, cumulative € 37.0 million

In addition a deferred tax receivable has been recognized since there is a difference from 1 January 2007 onwards between the depreciation of tangible fixed assets for tax and commercial purposes respectively.

The deferred tax receivable in relation to personnel-related remuneration concerned is a temporary difference between the treatment of personnel-related remuneration in India for commercial and tax purposes respectively.

14. Trade and other receivables

	2008	**2007**
Debtors	723	643
Provisions for doubtful debtors	(60)	(31)
Prepaid expenses	55	50
Royalties yet to be received	275	429
Other prepayments	162	120
	1,155	**1,211**

15. Cash and cash equivalents

	2008	**2007**
Cash at bank and in hand	240	168
Deposits	525	1,545
	765	**1,713**

The cash and cash equivalents are at the free disposal of the company.
At the end of 2008, a total of € 40,206 in bank guarantees was issued (2007: € 40,206).
Following the share issue of 30 June 2003 a line of credit based on the trade receivables was arranged with HBU. This financing arrangement is subject to a limit of € 750,000. The borrower – AND International Publishers N.V. and AND Products B.V. (both jointly and severally) – can make use of the facility up to a maximum of 70% of the total amount of the receivables pledged and acceptable to the credit provider.

The following security has been provided:
- joint and several liability of the borrower
- pledge of AND Products B.V. receivables
- pledge of intellectual property rights of AND International Publishers N.V.

Agreement has also been reached with the credit-provider that with a view to the continuity of the company, the following ratios must be satisfied:
- the consolidated shareholders' equity of AND International Publishers N.V. must at all times amount to at least € 7 million;
- the interest coverage ratio must at all times be at least 3;
- the total debt/EBITDA ratio should be no more than 2.5.

The above ratios must be calculated in accordance with the definitions as included in the credit agreement.
All the set ratios were complied with during the 2008 financial year.

16. Issued share capital

Authorized capital (x € 1,000)	**2008**	**2007**
5,000,000 ordinary shares of € 5.00 per share	25,000	25,000

Capital issued and fully paid	**Units**	**€ 1,000**
1 January 2007	3,061,266	15,306
Exercise of warrants	138,192	691
Exercise of options	5,000	25
1 January 2008	**3,204,458**	**16,022**
Exercise of warrants	44,592	223
31 December 2008	**3,249,050**	**16,245**

On 16 May 2007 a total of 138,192 shares had been delivered pursuant to the exercise of warrants. The exercise price of these warrants amounted € 5.00. On 12 November 2007 a total of 5,000 shares had been delivered pursuant to the exercise of options by Mr. Westermann. On 4 February 2008, 44,592 shares had been delivered pursuant to the exercise of warrants. The exercise price of these warrants amounted to € 7.17.
The market price at 31 December 2008 was € 2.90 (31 December 2007: € 16.00).

17. Share-based compensation
The following table summarises the outstanding options as at 31 December 2007:

Year of grant	**Number of options**	**Exercise price in €**	**Weighted average remaining life**	**Number exercisable**	**Weighted average exercise price in €**
2002	60,000	5.00 – 8.40	0.55	60,000	5.28
2004	25,000	5.00	0.33	25,000	5.00
	85,000			85,000	5.20

The options granted in 2002 qualify as 'equity settled' and those granted in 2004 as 'cash settled'. All these options are unconditional and fully exercisable.

With the transition to IFRS the exemption provided for in IFRS 1.25B and 2.53 has been applied in respect of the options granted in 2002 and 2004. Because the contractual conditions of these options were changed in 2006 (the term of the options was extended), IFRS 2 continues to be applied to these options in accordance with IFRS 2.57. This has resulted in the creation of a reserve in 2007 for the options granted in 2002 of € 29,000. In 2007 a liability has been created for the cash settled options totaling € 582,000. A charge totaling € 611,000 has consequently been recognised in the profit and loss account under share-based compensation.

The term of 50,000 options from 2002 and all options from 2004 was extended in 2008 (see note 7). In the case of the equity settled options, this resulted in an additional charge of € 158 (being the incremental increase in value of the options). The options granted in 2007 have all lapsed as the relevant conditions were not satisfied. This has resulted in a gain of € 387,000. The gain from the options granted in 2004 amounts to € 195,000. On balance the income for 2008 totals € 582,000.

The changes in 2007 and 2008 may be summarized as follows:

	2008	Weighted average exercise price in €	2007	Weighted average exercise price in €
Outstanding at the beginning of the year	160,000	6.28	90,000	5.18
Granted	-		75,000	7.50
Exercised	-		(5,000)	5.10
Forfeited	(75,000)	7.50	-	
Outstanding at the end of the year	**85,000**	**5.20**	**160,000**	**6.28**

The share price of the exercised options in 2007 amounted €18.24 at the date of exercising.

The fair value of the outstanding options has been determined using the Black & Scholas model. The following variables have been used:

	2008	2007
Weighted average share price (€)	3.45	13.11
Weighted average exercise price (€)	5.20	6.28
Weighted average volatility (%)	36.9%	22.4%
Weighted average risk free interest rate (%)	2.30%	3.54%
Weighted average expected life (year)	0.9	2.0
Expected dividends (%)	0	0

The average expected volatility is based on the historical volatility of the AND share taking account of the expected term of the options.

18. Other reserves

The movements in the other reserves may be found in the consolidated statement of movements in shareholders' equity.

19. Warrants

As at balance sheet date AND had the following outstanding warrants:

Year of issue	Number	Exercise price in €	Duration
2006	512,000	7.17	16 February 2006 – 15 February 2009

The movements in 2007 and 2008 may be summarised as follows:

	2008	Weighted average exercise price in €	2007	Weighted average exercise price in €
Outstanding at the beginning of the year	556,592	7.17	694,784	6.74
Granted	-	-	-	-
Exercised	(44,592)	7.17	(138,192)	5.00
Forfeited	-	-	-	-
Outstanding at the end of the year	**512,000**	**7.17**	**556,592**	**7.17**

The outstanding warrants as at 1 January 2008 were issued in respect of a private issue in 2006. These warrants qualify under IAS 32.16b as own equity instrument. Under IAS 32.22, the premium received in 2006 for the warrants has been credited to shareholders' equity (i.e. the share premium reserve).

In 2007 all warrants issued on 17 May 2004 in the private issue were exercised by all parties at the exercise price of € 5. On 4 February 2008 a total of 44,592 warrants had been exercised at an exercise price of € 7.17.

20. Share premium reserve

After deduction of costs, the private issue has increased the share premium by € 96,000 (2007: € 10,000 negative). The costs relating to the issue amounted for 2008 and 2007 respectively to € 10,000 and € 10,000.

21. Legal reserve

A legal reserve is held for the capitalised development costs for the database.

22. Exchange differences reserve

The exchange differences reserve consists of the exchange differences arising from the translation of the financial statements of foreign participations. The build-up of this reserve commenced on 1 January 2004. For the time being no statutory reserve for the negative balance has been formed on account of its limited importance.

23. Financial instruments

The book value of the financial assets represents the maximum risk to which the group is exposed and amounted at balance sheet date to:

	2008	**2007**
Trade and other receivables	1,155	1,211
Cash and cash equivalents	765	1,713
Total	**1,920**	**2,924**

The age structure of the trade receivables as at the balance sheet date is as follows:

		2008		**2007**
	gross	foreseen	gross	foreseen
Not overdue	468	-	307	-
1 – 60 days overdue	206	11	199	-
61 – 180 days overdue	17	17	26	-
181 days to one year overdue	6	6	53	-
More than one year overdue	26	26	57	31
Total	**723**	**60**	**643**	**31**

24. Deferred tax liabilities

	2008	**2007**
Database valuation difference		
Position at 1 January	1,420	1,338
Allocation in respect of fiscal amortization	121	82
Position at 31 December	**1,541**	**1,420**

The valuation of the database for commercial purposes differs from that for tax purposes. A deferred tax liability charged to the result was formed for this purpose in 2005. The provision is long-term in nature.

25. Provisions

	2008	2007
Position at 1 January	100	100
Addition/ (Withdrawal)	-	-
Position at 31 December	**100**	**100**

The company and its consolidated subsidiaries are involved in a legal dispute. Given the uncertainty concerning the settlement of this dispute no reliable statement can be made about the term of this provision.

26. Trade and other liabilities

	2008	2007
Creditors	254	368
Taxes and social security premiums	97	58
Pensions	-	3
Sales invoiced in advance	830	921
Share-based compensation	-	582
Other debts	1,083	310
	2,264	**2,242**

The liability in respect of share-based compensation relates to options settled in cash; see section 17 of the notes. Of the sales invoiced in advance, € 46,000 had a term of more than one year at the end of 2008.

27. Related parties

The parties affiliated to the group, of which AND International Publishers N.V. is the parent company, may be divided into: group companies, members of the Supervisory Board and members of the Board of Directors. A list of the group companies may be found in section 2.1.3 of the notes. Transactions among group companies are eliminated in the consolidation and no further notes are provided on them here. For the remuneration paid to the members of the Board of Directors and the Supervisory Board reference is made to in sections 7 and 8 of the notes.

28. Contingencies and liabilities

The annual liabilities arising from rental and operational lease agreements in relation to the car fleet and housing amount to:

	2008	2007
Less than 1 year	342	360
Between 1 and 5 years	840	499
More than 5 years	111	-
	1,293	**859**

As from 2007 it has been elected to carry the rental obligation in India as a conditional liability. The total rental commitment for the entire period for India amounts to € 323,000 and may be terminated unilaterally by AND at any moment during the rental period.

The note included in the 2007 annual report in relation to ThinkEquity has been left out since this contract does not qualify as a contingent liability.

29. Subsequent events

Subsequent events are covered under other information on page 37 of the financial statements.

Company financial statements 2008

Company profit and loss account for 2008

	Note	2008	2007
Result from participations after tax	33	1,556	1,592
Other results after tax		(224)	(373)
Net profit		**1,332**	**1,219**

Company balance sheet as at 31 December 2008

(after appropriation of profit)

	Note	2008	2007
Fixed assets			
Intangible fixed assets	32	11,766	9,003
Financial fixed assets	33	5,649	4,200
Deferred tax receivables	34	4,692	4,748
		22,107	**17,951**
Current assets			
Receivables and accrued assets	35	11	11
Cash and cash equivalents		-	-
		11	**11**
TOTAL ASSETS		**22,118**	**17,962**
Shareholders' equity			
Issued and paid-up capital	37	16,245	16,022
Share premium reserve	38	20,042	19,946
Legal reserve	39	11,766	9,003
Exchange differences reserve	40	(139)	(32)
Stock compensation reserve	41	29	29
Other reserves	42	(33,262)	(31,831)
	36	**14,681**	**13,137**
Long term liabilities			
Deferred tax liabilities	43	1,541	1,420
Current liabilities			
Trade and other liabilities	44	5,896	3,405
TOTAL EQUITY AND LIABILITIES		**22,118**	**17,962**

Notes to the company financial statements

30. General

The company financial statements form part of the financial statements 2008 of AND International Publishers N.V. With respect to the company profit and loss account of the AND International Publishers N.V. use has been made of the exemption under Article 2:402 of Book 2 of the Netherlands Civil Code.

31. Principles for the valuation of assets and liabilities and the determination of the result

In order to determine the accounting policies for its company financial statements, AND International Publishers N.V. makes use of the option offered in Article 2:362 (8) of the Netherlands Civil Code. This means that the principles for the valuation of assets and liabilities and the determination of the result of the company financial statements of AND International Publishers N.V. are equal to those of the consolidated financial statements. Under these principles, participations over which significant influence is exerted are valued according to the net asset value method. This means that both the consolidated and the company financial statements have been drawn up in conformity with the International Financial Reporting Standards (IFRS) as adopted within the European Union. A description of those principles may be found in the notes to the consolidated financial statements.

32. Intangible fixed assets

	Database
Book value at 1 January 2007	**7,534**
Investments – internal development	1,469
Book value at 31 December 2007	**9,003**
Investments – internal development	2,763
Book value at 31 December 2008	**11,766**

It has been established that the life of the database is indefinite. As at the balance sheet date there are no indications to suggest that the database is subject to any impairment.

33. Financial fixed assets

	2008	**2007**
Participations:		
Book value 1 January	4,200	2,602
Exchange result from translation of foreign participations	(107)	6
Result for financial year	1,556	1,592
Book value 31 December	**5,649**	**4,200**

At the end of 2008, AND International Publishers NV held the following direct participations:

AND International Publishers Plc (dormant)	Oxford, UK	100%
AND Data India Pvt. Ltd.	Pune, India	100%
AND Products B.V.	Rotterdam, Netherlands	100%

The liquidations of AND USA Inc and AND Software GmbH were completed in 2006.

34. Deferred tax receivables

	2008	2007
Valuation of tax losses:		
Position at 1 January	4,748	4,305
Withdrawal of taxable result for financial year	(62)	(295)
Addition (withdrawal) of tax losses	6	738
Position at 31 December	**4,692**	**4,748**

Notes on the deferred tax receivables may be found in section 13 of the notes to the consolidated financial statements.

35. Trade and other receivables

	2008	2007
Costs paid in advance	11	11
	11	**11**

36. Shareholders' equity

	Issued and paid-up capital	Share premium reserve	Legal reserve	Exchange rate differences reserve	Other reserves	Stock compensation reserve	Total
Note	16	20	21	22	18	17	
1 January 2007	**15,306**	**19,956**	**7,534**	**(38)**	**31,581**	**-**	**11,177**
Exchange result on participations	-	-	-	6	-	-	6
Addition to legal reserve	-	-	1,469	-	(1,469)	-	-
Direct changes in capital	-	-	1,469	6	(1,469)	-	6
Result for financial year					1,219		1,219
Stock compensation reserve	-	-	-	-	-	29	29
Exercise of warrants	691	(10)	-	-	-	-	681
Exercise of options	25	-	-	-	-	-	25
31 December 2007	**16,022**	**19,946**	**9,003**	**(32)**	**(31,831)**	**29**	**13,137**
Exchange result on participations	-	-	-	(107)	-	-	(107)
Addition legal reserve	-	-	2,763		(2,763)	-	-
Direct changes in capital	-	-	2,763	(107)	(2,763)	-	(107)
Result for financial year	-	-	-	-	1,332	-	1,332
Exercise of warrants	223	96	-	-	-	-	319
31 December 2008	**16,245**	**20,042**	**11,766**	**(139)**	**(33,262)**	**29**	**14,681**

37. Issued and paid-up share capital

Notes on the issued share capital may be found in section 16 of the notes to the consolidated financial statements.

38. Share premium reserve

Notes on the share premium reserve may be found in section 20 of the notes to the consolidated financial statements.

39. Legal reserve

Notes on the legal reserve may be found in section 21 of the notes to the consolidated financial statements.

40. Exchange rate differences reserve

For the exchange rate differences reserve reference is made to section 22 of the notes to the consolidated financial statements.

41. Stock compensation reserve and warrants

Notes on the share options and warrants are provided in sections 17 and 18 of the notes to the consolidated financial statements.

42. Other reserves

The movement of the other reserves is discussed in section 7 of the notes.

43. Deferred tax liability

Notes on the deferred tax liability may be found in section 22 of the notes to the consolidated financial statements.

44. Trade and other liabilities

	2008	**2007**
Creditors	2	62
Group companies	5,802	2,719
Share-based compensation	-	582
Other debts	92	42
	5,896	**3,405**

45. Personnel

During the reporting year, the company employed one member of staff (2007: 1). At the time of signing the financial statements, the company had one director and two supervisory directors.

46. Tax entity

AND International Publishers N.V. forms a fiscal entity for corporation tax purposes with all the Dutch companies and AND International Publishers Plc. In accordance with the standard conditions for a fiscal unity, the participating companies are jointly and severally liable for the payment of taxes. In addition AND International Publishers N.V. forms a fiscal entity with AND Products B.V. for VAT purposes. These two companies are also jointly and severally liable for the payment of any taxes in respect of VAT.

47. Remuneration of the Board of Directors and Supervisory Board

Notes on the remuneration including optionrights of the Board of Directors and Supervisory Board may be found in sections 7 and 8 of the notes.

48. Credit facility

AND International Publishers N.V. is jointly and severally liable for the credit facility taken out with HBU, in which regard it has pledged its intellectual property rights. Further details may be found in section 15 of the notes.

Rotterdam, 20 April 2009

Board of Directors

w.s. M.P. Oldenhof

Supervisory Board

w.s. F.A.M. Faas
w.s. P.W. Middelhoven

Other information

Statutory provisions concerning the appropriation of the result

Article 30 of the company's Articles of Association lays down that the Board of Directors may propose adding a proportion of the profits for the year to the other reserve subject to approval by the Supervisory Board. The remainder of the result is at the disposal of the shareholders.

Profit appropriation

The Board of Directors proposes to the general meeting of shareholders that the profit be added to the other reserves. This proposal has already been incorporated in the financial statements.

Post-balance sheet events

A substantial contract has been concluded with a large US onliner. This contract will lead to a sharp increase in sales and profits.

To the Shareholders of
AND International Publishers N.V.

Auditor’s report

Report on the financial statements

We have audited the accompanying 2008 financial statements of AND International Publishers N.V., Rotterdam. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2008, the consolidated profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The company financial statements comprise the company balance sheet as at 31 December 2008, the company profit and loss account for the year then ended and the notes.

Board of Directors’ responsibility

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Report of the Board of Directors in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of AND International Publishers N.V. as at 31 December 2008, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of AND International Publishers N.V. as at 31 December 2008 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the report of the Board of Directors is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, 20 April 2009

Mazars Paardekooper Hoffman Accountants N.V.

w.s. drs. J.J.W. Galas RA

Personal details and Addresses

Personal details of members of the Supervisory Board:

P.W. Middelhoven (8 June 1946), chairman (male)
First appointment: 28 November 2002
End of current term: 28 November 2010
Position: private business owner
Nationality: Dutch
Membership of supervisory boards/subsidiary positions: member of Supervisory Board of Jan Reek Beheer BV, Waagmeester BV and Perk Holding BV; chairman, Supervisory Council of Parteon Housing Corporation, Zaanstad

F.A.M. Faas (9 September 1956), vice-chairman (male)
First appointment: 28 June 2002
End of current term: 28 June 2010
Position: managing director of Recalcico investment fund
Nationality: Dutch
Membership of supervisory boards/subsidiary positions: Chairman of Supervisory Board of Alanheri N.V.

Personal details of members of Board of Directors:

M.P. Oldenhof (16 June 1961) (male)
First appointment: 1 December 2002
End of current term: 1 May 2009
Position: member of Board of Directors
Nationality: Dutch

Addresses:

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Netherlands

AND Data India Pvt. Ltd
Lunkad Towers SR NO 204-206
Off Nagar Road
Viman Nagar
Pune 411014
India

Appendix I – Deviations from the Tabaksblat Code for corporate governance

II. The management	
1	*Responsibilities and working methods*
1.2	On competition grounds, AND has not included all the information from this provision in the annual report.
1.3	AND uses risk analyses of the operational and financial objectives and a code of conduct as instruments of the internal risk management and control system, but these have not been formally laid down.
1.4	AND considers that sufficient internal risk management and control systems are in place. Since these have not been formally laid down, they are not referred to in the Annual Report.
1.6	AND endorses this best practice provision, but has not formalised this in the form of whistleblower regulations to ensure that employees are able to report suspected irregularities to the Board of Directors and the chairman of the Supervisory Board
2	*Remuneration*
2.2	The unconditional options awarded to the Board of Directors are not subject to any performance criteria and the exercise period is not set at three years after allocation.
2.6	The Board of Directors of AND does not trade actively in securities and does not therefore make quarterly disclosure of changes in the ownership of securities in Dutch listed companies. The Supervisory Board has therefore not drawn up any regulations laying down rules with respect to the ownership of and transactions in securities by members of the Board of Directors other than as issued by the company itself.
2.7	The member of the Board of Directors has a fixed-term contract. No formal rules have therefore been drawn up laying down limits on the maximum compensation payable in the event of the involuntary dismissal of a member of the Board Directors.
2.8	AND endorses this best practice provision but has not formally laid down rules in this regard.
2.9 2.10 2.12 2.13	The annual accounts show the remuneration paid to the Board of Directors. Given the size of the Board of Directors the annual accounts provide sufficient insight into the remuneration policy. No remuneration report has therefore been drawn up by the Supervisory Board.
2.14	The numbers, exercise price and term of the options awarded to the Board of Directors and the personnel are stated in the notes to the annual accounts.
3	*Conflicts of interest*
3.1 – 3.4	The best practice provisions referred to in the code in respect of conflicts of interest on the part of members of the Board of Directors are endorsed, but have not been formally laid down in regulations for the Board.
III. Supervisory Board	
1	*Responsibilities and working methods of the Supervisory Board*
1.1 1.4 1.9	The Articles of Association do not contain any provisions concerning the responsibilities and working methods of the Supervisory Board. No regulations have therefore been drawn up by the Supervisory Board.
1.8	See comments on provision II.1.4.
3	*Expertise*
3.1	No profile has been drawn up concerning the size and composition of the Supervisory Board and this has not therefore been placed on the website.
4	*Role of the chairman of the Supervisory Board and secretary of the company*
4.3	Given the size of the company no secretary of the company has been appointed.
5	*Composition and role of three core committees of the Supervisory Board*

5.9	The Supervisory Board does not meet once a year with the external auditor in the absence of the Board of Directors.
5.10	See comments on provision II.2.9.
6	*Conflicts of interest*
6.5	AND endorses this best practice provision, but no Supervisory Board regulations have been drawn up laying down formal rules with respect to the handling of conflicts of interest in respect of members of the Board of Directors and the Supervisory Board and the external auditor.
7	*Remuneration*
7.2	AND has drawn up compliance rules stating that shares purchased in AND may not be sold within six months of purchase. There is no measure to guarantee that the ownership of shares by a member of the company's Supervisory Board is a long-term investment.
7.3	Given the scale of AND, the Supervisory Board considers it superfluous to draw up regulations containing rules with respect to the ownership of and transactions in securities by members of the Supervisory Board other than those issued by the company itself. The members of the Supervisory Board of AND do not therefore make quarterly disclosure of changes in the ownership of securities in Dutch listed companies.
7.4	AND endorses this best practice provision but has not formally laid down rules in this regard.
8	*One-tier management structure*
8.1 – 8.4	In view of the size of the management (a single Board member) application of these provisions is not possible.
IV. General Meetings of Shareholders	
4	*Responsibility of institutional investors*
4.1 – 4.3	AND is not an institutional investor. The best practice provisions do not therefore apply.
V. The audit of the financial reporting and the position of the internal audit function and of the external auditor	
2	*Role, appointment, remuneration and assessment of the activities of the external auditor*
2.2	The appointment of the external auditor is submitted to and approved by the Supervisory Board.
3	*Internal audit function*
3.1	In view of the size of AND there is no internal audit function.