Transics International NV

(a limited liability company incorporated under Belgian law with its registered office in Ieper, Belgium)

Offering of up to EUR 40 million consisting of up to EUR 14 million existing shares and up to EUR 26 million newly issued shares with VVPR strips

The offered shares and VVPR strips are offered to retail investors in Belgium and pursuant to a private placement to institutional investors in Belgium and elsewhere in Europe

ING in name of and for the account of the lead managers will be granted an over-allotment option, exercisable as of the listing date until 30 calendar days thereafter, for a number of shares up to 15% of the shares offered in the main offering at the final offering price, for the sole purpose of allowing the lead managers to cover over-allotments, if any. The shares covered by the over-allotment option will all be existing shares of Transics International NV. The offering and distribution of this prospectus are subject to certain restrictions. See "Certain restrictions on the offering and the distribution of this prospectus", beginning on page 37.

Investing in the shares of Transics International NV that are offered and that are described in this prospectus involves substantial risks. Before making an investment in the shares, prospective investors should carefully read the entire prospectus and should give particular attention to the risk factors set forth in the section "Risk Factors", starting on page 28. Recent acquisitions have resulted in an important increase in debt financing which amounted kEUR 41,990 on 15 April 2007, corresponding to a gearing ratio of 84.74% and a net financial debt/EBITDA (pro forma 2006, incl. DIS) ratio of 3.5, part of which will be reimbursed with the proceeds of the offering. An additional number of shares up to a maximum of 1,087,560 will be issued simultaneously with the offering as a result of the exercise of existing warrants at EUR 1. The minimum and maximum number of shares that will be issued following the exercise of the existing warrants will be published together with the price range.

Listing on the Eurolist by Euronext Brussels of all existing shares, the new shares, the shares issued following the exercise of the existing warrants, as well as all VVPR strips in Transics International NV

Joint lead managers and Bookrunners

Co-manager

Prospectus dated 22 May 2007

THE COMPANY

Transics International NV
Ter Waarde 91
8900 Ieper
Belgium

LEGAL ADVISOR TO THE COMPANY

Stibbe

Central Plaza
Loksumstraat 25
1000 Brussels
Belgium

STATUTORY AUDITOR OF THE COMPANY

BDO ATRIO Bedrijfsrevisoren - BDO ATRIO Réviseurs d'Entreprises CVBA/SCRL

Guldensporenpark 14 (Blok B)
9820 Merelbeke (Gent)
Belgium

LEAD MANAGERS

Fortis Bank NV/SA

Warandeberg 3
1000 Brussels
Belgium

ING Belgium NV/SA

Marnixlaan 24
1000 Brussels
Belgium

LEGAL ADVISOR TO THE LEAD MANAGERS

Freshfields Bruckhaus Deringer

Bastion Tower
Marsveldplein 5
1050 Brussels
Belgium

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SUMMARY

This summary does not purport to be complete and should be read as an introduction to the prospectus. It contains selected information about Transics, its business and the offering. It does not include all the information that may be important to investors. This summary should be read together with the more detailed information and the consolidated financial statements and notes thereto included elsewhere in the prospectus. It should also be read together with the matters set forth under "Risk Factors". Any decision to invest in the shares offered herein should be based on consideration of the prospectus as a whole and not solely on this summary. No civil liability will attach to the Company or its board of directors with respect to this summary, including any translation thereof, except if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under the applicable national legislation, have to bear the costs of translating the prospectus before the legal proceedings are initiated.

CERTAIN DEFINITIONS AND EXPRESSIONS

Throughout this summary and elsewhere in the prospectus, certain terms and expressions are used. Unless the context in which these terms and expressions does not so permit, or unless these terms or expressions are defined differently, they should be read and understood as follows:

- a reference to the "Company" or "Transics International" should be read as a reference to Transics International, a limited liability company (*naamloze vennootschap – NV*) organised and existing under the laws of Belgium, with registered office at Ter Waarde 91, 8900 Ieper, Belgium, and registered with the register of legal entities (*rechtspersonenregister – RPR*) (Ieper) under company number 0881.300.923;
- a reference to "Transics" should be read as a reference to the Company and its subsidiaries;
- a reference to the "shares" should be read as a reference to the shares in the Company;
- a reference to the "board of directors" should be read as a reference to the board of directors of the Company;
- a reference to the "statutory auditor" should be read as a reference to the statutory auditor of the Company.

BUSINESS SUMMARY

<u>*General description*</u>

Transics develops, designs and markets software, hardware and services bundled in an integrated end-to-end fleet management system for the road transportation industry. The competition in the transportation industry is intense. In recent years, the cost structure of road transport companies has been negatively affected by a number of economic and regulatory factors: the rising price of oil, the social legislation regarding rest and driving hours, the introduction of digital tachographs in the EU and the introduction of road tolling in a number of EU countries. In this context, fleet management solutions represent one of the few tools available to road transport companies to achieve cost savings and efficiency gains and to offer a better service thereby differentiating their offering.

Since the incorporation of Transics NV in 1990, Transics has been using advanced technology platforms to develop and commercialise ICT solutions specifically adapted to the needs of road transport companies. Fleet management systems ("FMS"), as these tools are more generally referred to, allow transport companies to better manage, monitor and control their mobile resources, assets and information flows. FMS solutions allow customers to optimise operational efficiency, to reduce operational costs and to improve profits and customer satisfaction.

Transics' fleet management systems include software, hardware and services. These fleet management systems are built around on-board computers ("OBCs"), which are installed in the cabins of the trucks and serve as a communication gateway. All the data collected from or about the truck, the driver, and the trailer (e.g., location, fuel consumption, rest and driving hours, activity report) is processed by the computer in the vehicle, transferred via a wireless connection to Transics' hosted application servers and/or directly to the company's back office. The transport company is then able to use and interpret this data using Transics' management information tools. This data is also fed into other third party software applications such as, amongst others, planning, billing, invoicing, and payroll software. The on-board computer serves as a hub that can be connected with other devices (for example the analogue or digital tachograph, bar code reader, temperature control unit, trailer recognition unit, FMS interface of the CANbus[1]). It also serves as a communication platform that enables the transport company to send information to and receive information from the truck and the driver on the current status of the transport assignment, the location of the vehicle. The on-board computer can also host other integrated applications such as navigation or expense management software for the driver.

Buy-out 2006

In May 2006 The Carlyle Group, together with Messrs. Ludwig Lemenu and Walter Mastelinck, bought out the stakes of the six venture capitalists that had funded the initial phase of growth of Transics between 1998 and 2003. This was done through the incorporation of Transics International NV which subsequently acquired the shares of Transics NV (see section 5.16). The aggregate purchase price (excluding fees), in the amount of EUR 40.1 million, was financed by a combination of share capital (in the amount of EUR 5,512,536), shareholders' loans (in the amount of EUR 18,787,464) and financial debt (in the amount of EUR 18,000,000). CETP Transics had fully subscribed to the Company's share capital and has subsequently sold 543,780 shares at EUR 1 each to each of Messrs. Ludwig Lemenu and Walter Mastelinck on 18 May 2006. In order to incentivise the management of the company, Messrs. Walter Mastelinck and Ludwig Lemenu were granted warrants exercisable at a price of EUR 1 per newly issued share, *i.e.*, at a value equal to the fractional value of the shares of the Company issued at the same date. These warrants are exercisable upon a sale of the Company by CETP Transics or a listing of the Company's shares. The number of warrants exercisable is dependent on the aggregate value of CETP Transics' investment (including both Transics' shares and the shareholders' loans) made by CETP Transics. Upon the offering, CETP Transics will sell part of its shares up to a maximum value of EUR 14 million, excluding the over-allotment option. The over-allotment option consists of the sale of up to maximum EUR 6 million of existing shares by CETP Transics, Walter Mastelinck and Ludwig Lemenu. Part of the proceeds of the capital increase will be used to reimburse the outstanding shareholders' loans, up to an aggregate maximum amount of EUR 10,300,000. The existing financial debt of the Company is further described in section 2.3.

Acquisition DIS

On 2 April 2007, Transics International NV acquired Delta Industrie Service SA ("DIS" - see also section 5.16), a French company that provides hardware and software solutions for the retrieval, archiving and processing of data from analogue and digital tachographs. These solutions are sold to the road transport industry and to control authorities; they are complementary to the FMS solutions developed by Transics.

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1 CANbus (Controller Area Network bus) is a rugged serial bus that was first introduced by Bosch in 1986 for in-vehicle networks in cars and since has become an industry standard throughout the automotive industry providing an interface between the vehicle electronics and other electronic devices.

Competitive strengths

Transics believes that its historical financial performance is the result of the following competitive strengths:

- **Strong market position and geographical expansion**: Transics is a leading FMS solution provider to the road transportation industry in the Benelux and France. Furthermore Transics has over the last five years started activities in Spain, Germany, Scandinavia and Central and Eastern Europe.

- **Thorough market knowledge and understanding of the market needs**: Transics has been focussing on the ICT needs of the road transport industry for the last 17 years. The Company has pioneered this industry and has an in-depth knowledge of market dynamics and customer needs in terms of fleet management systems.

- **Proven reliable, and constantly upgraded products**: Transics' solutions currently equip over 35,000 trucks. The rapid growth of this installed base together with the high proportion of repeat sales to existing customers are testament to the fact that Transics offers solutions that are robust and reliable. Transics' first products were developed and installed in 1991. Since then, it has continuously developed and enriched its products, which are currently in their fourth generation.

- **One-stop–shop solution for high end FMS solutions**: Transics offers a complete FMS solution (see 5.3.2. below for a more detailed description of the components of a complete FMS offering). In addition to featuring high performance hardware platforms and having a developed software feature-set, Transics' FMS solution includes all related services under one roof: telecommunication gateway hosting, application hosting, hardware and software helpdesk and support services. The Company also provides consulting services and training to its customers on the use and benefits of its products. Road transport customers typically do not have a substantial in-house information technology department and value both the one-stop-shop approach and the consulting and project management capabilities of Transics.

- **Open technology platform and experienced R&D team**: Transics' software and hardware technology platform is based on open standards which ensure compatibility with the latest available technologies and enable an easy integration with third party software and/ or hardware. Although Transics uses external technical consultants from time to time, full product ownership is always kept by Transics. Almost all hardware and software is developed in-house by the Company's experienced R&D team, which is presently composed of 34 people. The Company believes that it has one of the larger R&D teams in Europe exclusively dedicated to FMS solutions for the road transport industry.

- **Loyal customer base and recurring sales**: Transics' solution resides at the heart of the operations of its customers and involves substantial upfront investments, which contribute to high switching costs and customer loyalty. Building on its strong focus on customer satisfaction, Transics has been able to develop solid relationships with its clients. Transics' solutions have been implemented with over 800 customers. Approximately 40% of the OBCs sold in 2006 were sold to existing customers. In addition, Transics offers service packages on a flat-fee basis, which can include maintenance services, telecommunication services, or navigation. These services generate recurring revenues, which in 2006 (pro forma consolidated accounts, excluding DIS) amounted to EUR 5 million, representing 19.3% of total sales.

- **Fully controlled sales channel**: Given the specific nature of its products and services, Transics relies on a direct sales force which gives it full control over its distribution and helps build a close relationship with the end customer.

- **Experienced management**: Transics' management team has a proven track record within the industry. They have a deep understanding of the market and have delivered strong operational performance over the last years evidenced by the growth in both revenues and profits.

Purpose of the offering

The principal purposes of the offering are to reinforce the financial structure of the Company, to support the Company's growth, to increase the Company's capitalisation and financial flexibility, to provide a public market for the Company's shares, to facilitate access to public equity capital markets and to refund the existing shareholders' loan up to a maximum of EUR 10,300,000. Furthermore, the selling shareholders will receive the net proceeds of the existing shares that are sold in the offering.

CORPORATE GOVERNANCE

At the closing date, the board of directors of the Company will consist of eight (8) members (see section 4.2.1).

The statutory auditor of the Company is BDO ATRIO Bedrijfsrevisoren - BDO ATRIO Réviseurs d'Entreprises CVBA/SCRL, represented by Veerle Catry.

The Company will adopt a corporate governance charter in accordance with the recommendations set out in the Belgian Code on Corporate Governance (the "Code") issued on 9 December 2004 by the Belgian Corporate Governance Committee. The Company's board of directors intends to comply with the Belgian Code on Corporate Governance, but believes that certain deviations are justified in view of the Company's particular situation. These deviations will include, but are not limited to, the following:

- The remuneration of the CEO will not be disclosed on an individual basis, but only as part of the disclosure of the aggregate executive remuneration: the Company does not consider it appropriate nor useful to disclose the remuneration of the CEO on an individual basis but believes that its stakeholders are sufficiently informed with the disclosure of the aggregate executive remuneration;
- The Company will not install a management committee in accordance with article 524bis of the Belgian Companies Code: the size of the Company and the size and quality of its board of directors does not necessitate the installation of a separate management committee in accordance with article 524bis of the Belgian Companies Code;
- In its criteria used to assess whether a director can be considered independent, the Company is allowed to assess on a case by case basis whether a director that has had a significant business relation with the Company within the last year can still be considered independent. The Company believes that such requirement may otherwise cause highly valued candidates to be technically excluded and trusts that its nomination committee will not support any candidates which cannot genuinely be considered to be independent; and
- Meetings of the remuneration committee and the nomination committee will only occur on an *ad hoc*-basis: Taking into account the size of the Company and the size and quality of its board of directors, the Company does not consider it appropriate to require its remuneration committee and nomination committee to meet on a regular basis, although such committees will meet when and if appropriate.

The board of directors of the Company will review its corporate governance charter from time to time and make such changes as it deems necessary and appropriate.

OFFERING SUMMARY

Company	Transics International, a limited liability company (naamloze vennootschap – NV) organised and existing under the laws of Belgium, with registered office at Ter Waarde 91, 8900 Ieper, Belgium, and registered with the register of legal entities (rechtspersonenregister – RPR) (Ieper) under company number 0881.300.923.
Lead managers	ING Belgium NV/SA, with registered office at Marnixlaan 24, 1000 Brussels, Belgium, and Fortis Bank NV/SA, with registered office at Warandeberg 3, 1000 Brussels, Belgium.
Co-manager	Dexia Bank Belgium NV/SA, with registered office at Pachecolaan 44, 1000 Brussels, Belgium.
Underwriters	ING Belgium NV/SA - Fortis Bank NV/SA - Dexia Bank Belgium NV/SA.
Syndicate members	ING Belgium NV/SA - Fortis Bank NV/SA - Dexia Bank Belgium NV/SA.
Financial service	The financial service in Belgium will be provided by ING and Fortis.
Offering	The offering consists of shares for an amount of up to EUR 40 million, consisting of newly issued shares for an amount of up to EUR 26 million and of existing shares for an amount of up to EUR 14 million. All newly issued shares are offered with VVPR strips. In case the offering is not subscribed in full, the number of newly issued shares and existing shares allocated in the offering shall be decreased on a pro rata basis. The offering is divided into two tranches. A first tranche of up to 15% of the offered shares shall be reserved for allocation to retail investors in Belgium, subject to claw back. The balance of the shares shall be reserved for allocation to institutional investors in Belgium and elsewhere in Europe, subject to claw back. The lead managers may over-allot a limited number of shares at the final offering price. The total amount of over-allotted shares shall never exceed 15% of the shares offered in the main offering.
VVPR Strips	The newly issued shares are offered with a VVPR strip. VVPR strips entitle certain of their holders to a reduced rate of Belgian withholding tax (15% rather than 25%) on dividends. The VVPR strips will be separately tradable. In allocating the offered shares, the lead managers will use reasonable efforts to deliver shares with VVPR strips to individual persons residing in Belgium and to investors subject to Belgian tax on legal entities (rechtspersonenbelasting / impôt des personnes morales), in this order of priority.

Over-allotment option	ING in name of and for the account of the lead managers will be granted an option exercisable as of the listing date until 30 calendar days thereafter, at the final offering price, to subscribe to a maximum number of existing shares equal to 15% of the shares offered in the main offering. The existing shares covered by the overallotment option will not have a separate VVPR strip. This option consists of the right to acquire existing shares. The lead managers shall only be entitled to acquire these shares for the purpose of covering over-allotments, if any. The potential exercise of all or part of the over-allotment option will be published in the financial press in Belgium within three banking days after such exercise.
Offered shares	All offered shares will have the same rights and benefits attached to them as the Company's existing shares, taking into account, however, that only the newly issued shares will have VVPR strips attached. The offered shares will be entitled to share in the profits of the Company as of 1 January 2007 and are therefore entitled to a dividend, if any, for the entire financial year closed on 31 December 2007 and for the following financial years.
Offering period	The offering period will begin on 4 June 2007 and will be closed on 15 June 2007. The Company, in consultation with the lead managers, reserves the right to close the offering period at an earlier date and time. Any early closure of the offering period will be announced in the financial press in Belgium. The offering period will in any event be open for at least 6 banking days as of the availability of the prospectus.
Offering price	The final offering price will be a single price in Euro that will apply to all investors, whether retail or institutional. The price range within which the final offering price will be determined will be published in the financial press in Belgium on or about 2 June 2007. The final offering price of the offered shares will be determined within the price range by the Company and the selling shareholders upon the advice of the lead managers on the basis of a book-building procedure in which only institutional investors can participate. The final offering price will be determined as soon as possible after the closing of the offering period, which is expected to take place on 15 June 2007, and will most likely be published in the financial press in Belgium on 16 June 2007 or on the first banking day following the determination of the offering price. The final offering price will in no event exceed the upper-end of the price range.
Allocation date	The results of the offering and the allocation key for the retail investors will be published in the financial press in Belgium on the allocation date, which is expected to be on 16 June 2007. See section 2.4.5.

Payment, settlement and delivery	The shares must be paid up in full by the investor in Euro upon subscription. It is expected that the shares and VVPR strips will be delivered to the subscribers on or about 21 June 2007. All offered shares will be delivered through the book-entry facilities of the Belgian central securities depositories, as well as through Euroclear Bank SA/NV, as operator of the Euroclear System (Euroclear) all in accordance with their normal settlement procedures applicable to equity securities.
Closing date	The closing date, i.e., the date on which the realisation of the offering (including the subscription to the offered shares) will be established by (the representatives of) the board of directors of the Company in a notarial deed, is expected to be 21 June 2007, being the fourth banking day following the allocation date. This date will be published in the financial press in Belgium together with the announcement of the final offering price and the results of the offering.
Lock-up and standstill arrangements	Prior to the start of the offering all existing shareholders have entered into a lock-up arrangement with the lead managers for a period of 6 months from the first day of trading of the Company's shares. Under the terms of this arrangement, none of these shareholders can transfer the shares which it held at the first listing date or the shares which it subscribed to following the exercise of warrants it held prior to the first listing date without the prior approval of the lead managers. This arrangement, which will not apply to existing shares which will be sold in the offering, to existing shares which will be sold to cover any over-allotments, and to the lending of shares to the lead managers to cover any over-allotments, is further described in section 2.8.2. In addition, the Company has entered into a standstill arrangement with the lead managers for a period of 6 months from the first day of trading of the Company's shares. This arrangement is further described in section 2.8.2.
Use of proceeds	The Company intends to use the net proceeds of the offering for debt repayment of existing shareholders' loans up to a maximum amount of EUR 10,300,000, acquisitions if and when they present themselves, geographical expansion of sales and marketing, development engineering, and other general corporate purposes, as set forth in more detail in section 2.2.3. The selling shareholders will receive the net proceeds of the sale of existing shares in the offering up to a maximum amount of EUR 14 million and the exercise of the over-allotment option up to a maximum amount of EUR 6 million.

Costs and remuneration of intermediaries	The aggregate costs of the offering are estimated to be approximately 6.5% of the amount of the offering (including the discretionary fee referred to below, assuming that the over-allotment option is exercised in full). These costs include legal publications, cost of advisors, legal, administrative, audit and other costs (EUR 900,000), remuneration of the CBFA (EUR 15,690), management, underwriting and selling fees (3.5% or EUR 1.6 million, not including a discretionary fee of up to 1%) and the initial fees payable to Euronext Brussels (EUR 25,000). The selling fees are to a certain extent divided among all financial intermediaries who register subscriptions in relation to the offering. All these costs will be borne by the Company except the fees related to the sale of the existing shares, which will be borne by the selling shareholders.
Listing	An application has been made for the admission of all shares and VVPR strips of the Company to listing on the Eurolist by Euronext Brussels. The Company expects trading to commence on or about 18 June 2007, being before the closing date of the offering when the offered shares and VVPR strips are delivered to the subscribers. Prior to the delivery of the offered shares and VVPR strips these will be traded on an "as-if-and-when-issued" basis. Prior to the listing of the shares and VVPR strips, no public market existed for the shares and VVPR strips issued by the Company.
Security codes – shares	ISIN: BE0003869865 on Euronext Brussels Security Code: 3869.86 (Belgium) Euronext Symbol: TRAN on Euronext Brussels
Security codes – VVPR strips	ISIN: BE0005613840 on Euronext Brussels Security Code: 5613.84 (Belgium) Euronext Symbol: TRANS on Euronext Brussels

Timetable	The following dates are all envisaged dates, barring any unforeseen circumstances:
2 June 2007	Expected publication date of price range
4 June 2007	Expected start of offering period
15 June 2007	Expected end of offering period
15 June 2007	Expected allocation date
16 June 2007	Expected publication date of offering price and of allocation
18 June 2007	Expected listing date (admission to listing and start of trading)
21 June 2007	Expected closing date (payment, settlement and delivery)
	If the offering were to close early, the following timetable is expected to apply :
2 June 2007	Expected publication date of price range
4 June 2007	Expected start of offering period
T*	End of offering period
T	Expected allocation date
T + 1**	Expected publication date of offering price and of allocation
T + 1	Expected listing date (admission to listing and start of trading)
T + 4	Expected closing date (payment, settlement and delivery)

* *Trading days*

** *If publication occurs on a saturday, then listing will take place the following trading day*

SELECTED FINANCIAL INFORMATION AND MD&A

The tables hereunder outline the selected financial information which is based on the consolidated financial statements and should be read in conjunction with the consolidated financial statements prepared in accordance with IFRS included elsewhere in this prospectus (see chapter 7) and with "*Management's discussion and analysis of financial condition and result of operations*" (see chapter 6).

Since the Company has only been incorporated on 10 May 2006, the consolidated financial statements for each of the financial years ended 31 December 2005 and 2004 are not consolidated financial statements of the Company. The following consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) :

- Consolidated balance sheet, equity statement and notes of Transics NV as of 31 December 2004.
- Consolidated income statement, cash flow statement and notes of Transics NV from 1 January 2004 till 31 December 2004.

- Consolidated balance sheet, equity statement and notes of Transics NV as of 31 December 2005.
- Consolidated income statement, cash flow statement and notes of Transics NV from 1 January 2005 till 31 December 2005.
- Consolidated balance sheet, equity statement and notes of Transics International NV as of 31 December 2006.
- Consolidated income statement, cash flow statement and notes of Transics International NV from 10 May 2006 till 31 December 2006.
- Pro forma consolidated balance sheet of Transics International NV as of 31 December 2006.
- Pro forma consolidated income statement and cash flow statement of Transics International NV from 1 January 2006 till 31 December 2006.
- Pro forma consolidated balance sheet of Transics International NV as of 31 December 2006 including the acquisition of DIS as of 31 March 2007.
- Pro forma consolidated income statement and cash flow statement of Transics International NV from 1 January 2006 till 31 December 2006, including the results of DIS from 1 April 2006 to 31 March 2007.

The consolidated financial statements prepared in accordance with IFRS as at and for each of the financial years ended 31 December 2006, 2005 and 2004 were audited by the statutory auditor of the Company who provided an unqualified opinion.

Historically, Transics NV published consolidated financial statements in accordance with Belgian GAAP as of and for the year ending 31 December 2005 (in 2004 Transics NV did not yet meet the consolidation criteria). These consolidated financial statements in accordance with Belgian GAAP have been used as a basis to prepare the consolidated financial statements in accordance with IFRS. Transics International NV will publish consolidated financial statements in accordance with IFRS as of and for the year ending 31 December 2006.

INCOME STATEMENT DATA ACCORDING TO IFRS

Transics International NV In kEUR	**31/12/2006 Conso incl. DIS 12 months Pro forma**	**31/12/2006 Consolidated 7.5 months**	**31/12/2006 Consolidated 12 months Pro forma**	**31/12/2005 Consolidated 12 months**	**31/12/2004 Consolidated 12 months**
Gross Profit	**22,259**	**12,394**	**17,691**	**12,297**	**8,410**
margin	*72.9%*	*70.1%*	*70.0%*	*66.2%*	*64.5%*
Revenue	30,531	17,692	25,258	18,567	13,042
Cost of sales (-)	(8,272)	(5,298)	(7,567)	(6,270)	(4,632)
Operating Expenses	**(14,202)**	**(8,159)**	**(12,470)**	**(8,627)**	**(7,903)**
Research and development expenses	(1,655)	(754)	(1,101)	(1,200)	(1,095)
Sales and marketing expenses	(8,661)	(5,136)	(7,923)	(5,913)	(5,134)
General and administration expenses	(3,886)	(2,269)	(3,446)	(1,514)	(1,674)
Other Operating Income/(expenses)	**(145)**	**(68)**	**(93)**	**(96)**	**(714)**
OPERATING RESULT	**7,912**	**4,167**	**5,128**	**3,574**	**(207)**

Transics International NV In kEUR	31/12/2006 Conso incl. DIS 12 months Pro forma	31/12/2006 Consolidated 7.5 months	31/12/2006 Consolidated 12 months Pro forma	31/12/2005 Consolidated 12 months	31/12/2004 Consolidated 12 months
margin	*25.9%*	*23.6%*	*20.3%*	*19.2%*	*(1.6%)*
Finance income/(expenses)	**(3,323)**	**(1,738)**	**(2,825)**	**(190)**	**(339)**
RESULT BEFORE TAX	**4,589**	**(2,429)**	**2,303**	**3,384**	**(546)**
Income tax expense (income)	**2,715**	**1,442**	**1,786**	**1,294**	**(102)**
NET RESULT	**1,874**	**987**	**517**	**2,090**	**(444)**
margin	*6.1%*	*5.6%*	*2.0%*	*11.3%*	*(3.4%)*
EBITDA	**10,207**	**5,472**	**7,218**	**4,735**	**840**
margin	*33.4%*	*30.9%*	*28.6%*	*25.5%*	*6.4%*

Revenue

On 2 April 2007, Transics International NV acquired DIS. The pro forma consolidated revenues including DIS for 2006 were kEUR 30,531.

Excluding DIS, Transics' revenues grew at a compounded average annual growth rate ("CAGR") of 39% between 2004 and 2006. This organic growth results from exogenous and Company-specific factors. Transics has benefited from the overall growth in the adoption of FMS solutions by road transport companies. Transics' revenue growth has also resulted from Company-specific elements such as: the launch of a new generation of OBC in 2004 (Quattro Plus), the penetration of new territories, the take-up of services generating subscription fees, and the repeat sales resulting from the growth of Transics' clients.

Operating result

Including DIS, operating result in pro forma consolidated accounts amounted to kEUR 7,912 in 2006 or 25.9% of revenue.

Excluding DIS, operating result in pro forma consolidated accounts for 2006 stood at kEUR 5,128 representing 20.3% of revenues, compared to (1.6%) in 2004. The growth in operating result between 2004 and 2005 is testament to Transics' operational leverage (a better absorption of fixed costs). The further increase in 2006 is related to the increased gross margin. The operating margin in 2006 is influenced by an extra depreciation of EUR 1,000,000 related to the amortisation of the customer list.

Net result

Including DIS, net profit in the pro forma consolidated accounts amounted to kEUR 1,874 in 2006 or 6.1% of revenue.

Excluding DIS, net profit margin stood at 2% in 2006, as compared to 11% in 2005 and (3%) in 2004. The financial charges associated with the buy-out of May 2006 have had a negative impact on the financial result for that year (for an overview of the borrowed amounts and interest rates applied, see section 7.4.28). In the pro forma consolidated accounts (excluding DIS) for the year to December 2006, financial expenses are assumed to be incurred over the whole year. A substantial portion of these financial expenses (kEUR 2,607) are non cash charges as the interests on the shareholders' loans are capitalised and the initial interests on the bank debt only become payable in May 2007.

The high effective tax rate in the 2006 pro forma consolidated (excluding DIS) accounts of 77.6% is a result of the tax treatment of the transaction fees and financial expenses related to the acquisition of Transics NV by Transics International NV in 2006.

There is no tax consolidation at Transics group level. Consequently, losses incurred by Transics International NV have not been deducted from the taxable income of Transics NV. Furthermore the Company did not recognise a deferred tax asset resulting from these losses in 2006. The Company is currently exploring ways to optimise its group structure in order to be able to use all or part of these potential deferred tax assets but had not completed this exercise as of 31 December 2006.

The Company benefited in 2005 and 2006 from losses carried forward which were recognised in the balance sheet as a deferred tax asset, decreasing from kEUR 3,109 at the end of 2004 to kEUR 95 at the end of 2006. As a result, the Company effectively paid no income tax in 2005 and a marginal amount of kEUR 253 in 2006.

BALANCE SHEET DATA ACCORDING TO IFRS

Transics International NV **In kEUR**	**31/12/2006** **Conso incl. DIS** **12 months** **Pro forma**	**31/12/2006** **Consolidated** **7.5 months**	**31/12/2006** **Consolidated** **12 months** **Pro forma**	**31/12/2005** **Consolidated** **12 months**	**31/12/2004** **Consolidated** **12 months**
Non Current Assets	**44,828**	**35,031**	**35,496**	**6,588**	**7,357**
Goodwill	34,336	25,188	26,028	137	137
Intangible assets	7,437	7,052	6,677	2,089	2,081
Property, plant and equipment	2,896	2,640	2,640	2,555	1,919
Investments	4	0	0	0	0
Deferred tax assets	99	95	95	1,807	3,109
Receivables	56	56	56	0	111
Current Assets	**23,955**	**19,305**	**19,305**	**10,466**	**10,086**
Inventories	1,851	1,627	1,627	1,977	1,856
Tax receivables	149	149	149	257	280
Trade receivables	9,712	8,836	8,836	5,880	6,473
Other receivables	33	0	0	0	166
Prepayments	79	79	79	97	82
Cash and cash equivalents	12,061	8,548	8,548	2,195	1,177
Other current assets	70	66	66	60	52
TOTAL ASSETS	**68,783**	**54,336**	**54,801**	**17,054**	**17,443**
Shareholders' Equity	**7,379**	**6,492**	**6,022**	**9,392**	**7,303**
Share capital	5,505	5,505	5,505	8,007	8,008
Reserves	0	0	0	(705)	(261)
Result of the year	1,874	987	517	2,090	(444)
TOTAL EQUITY	**7,379**	**6,492**	**6,022**	**9,392**	**7,303**

Transics International NV In kEUR	31/12/2006 Conso incl. DIS 12 months Pro forma	31/12/2006 Consolidated 7.5 months	31/12/2006 Consolidated 12 months Pro forma	31/12/2005 Consolidated 12 months	31/12/2004 Consolidated 12 months
Non Current Liabilities	**38,263**	**37,137**	**37,618**	**1,373**	**1,083**
Bank borrowings	15,672	15,278	15,337	258	0
Finance leases	1,067	1,011	1,011	1,115	1,034
Other loans	19,749	19,199	19,749	0	42
Deferred tax liabilities	1,775	1,649	1,521	0	7
Current liabilities	**23,141**	**10,707**	**11,161**	**6,289**	**9,057**
Current interest-bearing borrowings	12,057	2,285	2,285	364	1,657
Bank overdrafts	0	0	0	0	1,947
Deferred income	762	762	762	717	654
Provisions	54	22	22	43	7
Tax payables	1,352	686	686	438	555
Trade payables	4,987	4,683	4,683	3,496	2,729
Other payables	3,735	2,075	2,529	1,073	1,412
Other current liabilities	194	194	194	158	96
TOTAL EQUITY AND LIABILITIES	**68,783**	**54,336**	**54,801**	**17,054**	**17,443**

Non current assets

In 2004 and 2005, goodwill stood at kEUR 137 and resulted from the acquisition of the transport business unit of ICS Computers in 2000. In 2006, additional goodwill was booked for kEUR 25,891 following the acquisition of Transics NV by Transics International NV. Including DIS, additional goodwill was booked for kEUR 8,308 following the acquisition of DIS by Transics International NV.

As of 31 December 2006, intangible assets amounted to kEUR 6,677, up from kEUR 2,089 in 2005. They consist of kEUR 2,677 of capitalised internal development costs, external (bought-in) development costs and software licenses, and kEUR 4,000 that relate to the value of the customer list that has been recognised as an intangible asset following the acquisition of Transics NV by Transics International NV. The customer list has been valued at kEUR 5,000 and is amortised over 5 years. Including DIS, the intangible assets in 2006 also include the fair value of the DIS customer list, which is estimated on the basis of the DIS recurrent revenue, and has been valued at kEUR 950 (also amortised over 5 years).

The amount of property, plant and equipment of kEUR 2,640 as of 31 December 2006 mainly relates to the leasing rights of the headquarter building, IT equipment and office improvements.

Deferred tax assets decreased from kEUR 3,109 to kEUR 1,807, which is mainly due to the offsetting of taxable profit. In 2006, deferred tax assets further decreased to kEUR 95 for the same reason.

Current assets

Inventories have remained stable between 2004 and 2006 whilst revenue grew by almost 40% annually, which implies that the Company has been able to considerably reduce the number of days inventory outstanding (related to cost of goods sold): from 144 days in 2004 to 77 days in 2006. Transics has the policy to restrict the inventory of finished goods to a limited buffer level, the subcontractors assuming the majority of inventory risk.

Trade receivables decreased from kEUR 6,473 in 2004 to kEUR 5,880 in 2005 and increased to kEUR 8,836 in 2006, which implies a decrease in days sales outstanding from 179 in 2004 to 114 in 2005, and an increase to 126 in 2006. The increase in 2006 can be explained by the strong sales activity observed during the last months of that year. The overall positive trend demonstrates the efficiency of Transics' credit control policy. This policy entails intense monitoring and follow-up of receivables and the use of credit insurance for all trade receivables, covered to a level of approximately 85%.

The cash position amounted to kEUR 8,548 as of 31 December 2006, up from kEUR 2,195 as of 31 December 2005. This increase is mainly due to the operating cash flow generated by the Company's activity. Another contributor was the kEUR 2,113 capital increase resulting from an exercise of warrants that took place concurrently with the acquisition of Transics NV by Transics International NV (for more information regarding these warrant schemes, we refer to 7.4.26-27).

Shareholders' equity

The shareholders' equity in 2006 should not be compared to previous years as the share capital of that year (kEUR 5,505) reflects the amount of equity that was contributed for the acquisition of Transics NV in May 2006. In 2005, the equity increased to kEUR 9,392 from kEUR 7,303 as a result of the increase of accumulated profits. The Company has not declared any dividends in the past.

Non Current Liabilities

The acquisition of Transics NV by the Company in May 2006 was partly financed with kEUR 18,000 of senior debt, which is categorised under bank borrowings. The bank borrowings are stated net of transaction costs incurred (kEUR 898), the latter being recognised on a straight line basis in the income statement over the period of the borrowings. Per 31 December 2006, the non current portion of this debt amounted to kEUR 15,337.

Other loans relate to the kEUR 18,787 of shareholders' loans which were raised to finance part of the MBO in May 2006. These other loans are stated net of transaction costs incurred (kEUR 602), the latter being recognised on a straight line basis in the income statement over the period of the loans. Other loans amounted to kEUR 19,749 as of 31 December 2006, and included kEUR 1,503 of capitalised interests.

Non current liabilities as of 31 December 2006 also included an outstanding financial lease of kEUR 1,011 related to the financing of the land and building, and deferred tax liabilities of kEUR 1,521. Deferred tax liabilities mainly relate to the recognition of the customer list.

Current Liabilities

Current interest-bearing borrowings have increased in 2006, due to the acquisition of Transics NV by Transics International NV. As of 31 December 2006, kEUR 2,194 related to bank borrowings and kEUR 91 to the financial lease. The current interest bearing borrowings in 2004 consisted of the financial lease, bank borrowings, a debt towards supplier Myla and a bond loan. Including DIS, the current interest-bearing borrowings stood at kEUR 12,057 in 2006, which includes kEUR 9,749 of straight loan debt, which was considered to be used for the financing of the acquisition of DIS by the Transics group as from 1 April 2006 till 31 March 2007.
Trade payables amounted to kEUR 4,683 as of 31 December 2006, compared to kEUR 3,496 a year earlier and kEUR 2,729 in 2004, implying the following number of days trade payables (related to COGS and outside services) 129 in 2004 and 2005 and 131 in 2006.

Accrued senior debt interest costs resulting from the acquisition of Transics NV account for kEUR 1,104 of other payables as of 31 December 2006. These accrued interests explain most of the increase in other payables compared to 2005 and 2004. Other items in other payables relate to taxes on employment, social security, provisions for holiday pay, remuneration, bonuses and other. The increase of these other items in 2006 was broadly proportionate to the headcount growth of the Company.

The financing structure has changed since the closing balance sheet of 31 December 2006, following the refinancing of the outstanding senior debt and part of the shareholders' loan under a kEUR 31,000 facility and the acquisition of DIS (see section 6.4). On 15 April 2007, the Company had a net financial debt of kEUR 36,057, corresponding to a debt position of kEUR 41,990 and a cash position of kEUR 5,933, corresponding to a gearing ratio of 84.74% (see section 2.2.2).

CASH FLOW STATEMENT DATA ACCORDING TO IFRS

Transics International NV **In kEUR**	**31/12/2006** **Conso incl. DIS** **12 months** **Pro forma**	**31/12/2006** **Consoli-dated** **7.5 months**	**31/12/2006** **Consoli-dated** **12 months** **Pro forma**	**31/12/2005** **Consoli-dated** **12 months**	**31/12/2004** **Consoli-dated** **12 months**
Cash and cash equivalents, beginning balance	**0**	**0**	**0**	**1,177**	**317**
Cash flows relating to operations	**8,584**	**3,631**	**6,382**	**5,813**	**683**
Profit (loss) from operations	*7,912*	*4,167*	*5,128*	*3,574*	*(207)*
Profit of the year	1,874	987	517	2,090	(444)
Interest expense	3,465	1,816	2,913	198	341
Interest income (-)	(142)	(78)	(88)	(8)	(2)
Income tax expense (income)	2,715	1,442	1,786	1,294	(102)
Non cash adjustments	*2,249*	*1,284*	*2,069*	*1,197*	*1,010*
Depreciation and amortization	2,403	1,413	2,198	1,107	983
Write off inventory	(108)	(108)	(108)	54	64
Increase (decrease) in provisions	(46)	(21)	(21)	36	(37)
Decrease (increase) in working capital	*(1,155)*	*(1,784)*	*(766)*	*1,042*	*(120)*
Decrease (increase) in inventories	391	348	458	(175)	(184)
Decrease (increase) in trade and other receivables	(2,698)	(2,460)	(2,892)	717	(178)
Increase (decrease) trade and other payables	1,152	328	1,668	500	242
Income tax (paid)/refunded	*(422)*	*(36)*	*(49)*	*0*	*0*
Cash flows relating to investing activities	**(46,713)**	**(35,681)**	**(38,173)**	**(1,429)**	**(805)**
Acquisitions	(44,956)	(34,594)	(36,388)	(103)	0
Internally developed R&D	(1,175)	(734)	(1,175)	(841)	(817)
Purchases of other intangibles	(248)	(155)	(248)	(44)	(8)
Purchases of property, plant and equipment	(491)	(291)	(465)	(612)	(70)
Disposals	15	15	15	1	0
Government grants received	0	0	0	162	89
Interest received	142	78	88	8	1

Transics International NV In kEUR	31/12/2006 Conso incl. DIS 12 months Pro forma	31/12/2006 Consolidated 7.5 months	31/12/2006 Consolidated 12 months Pro forma	31/12/2005 Consolidated 12 months	31/12/2004 Consolidated 12 months
Cash flows relating to financing activities	**50,190**	**40,598**	**40,339**	**(3,366)**	**982**
Capital increase	5,512	5,512	5,512	0	0
New loans	45,177	35,288	35,288	385	616
Repayment of finance leases (-)	(142)	(52)	(130)	(100)	(109)
Repayment of loans (-)	(255)	(87)	(234)	(1,441)	(496)
Bank overdrafts increased (decreased)	0	0	0	(1,947)	1,247
Interest paid (-)	(102)	(63)	(97)	(263)	(276)
Net increase in cash and cash equivalents	**12,061**	**8,548**	**8,548**	**1,018**	**860**
Cash and cash equivalents, ending balance	**12,061**	**8,548**	**8,548**	**2,195**	**1,177**

Including DIS, net cash generated from operations in the pro forma consolidated accounts amounted to kEUR 8,584 in 2006, representing a 47.7% increase over 2005.

Excluding the effect of the DIS acquisition, net cash generated from operations increased in 2006 to kEUR 6,382 from kEUR 5,813 in 2005 due to a higher profit from operations and higher non cash adjustments partly compensated by an increase in working capital.

Cash used in investing activities in 2006 was strongly influenced by the acquisition of Transics NV which resulted in a net cash investment of kEUR 36,388. Including DIS, the net purchase price of acquisitions amounted to kEUR 44,956. The net cash consideration paid for FLC in December 2005 amounted to kEUR 103 (see section 7.4.41).

The majority of capital expenditures relates to R&D, which represents an important cornerstone in the Company's strategy. The salaries of the R&D team (with the exception of employees within the R&D team focussing on quality control and the internal IT infrastructure) are capitalised and amortised over a period of 4 (short cycle development) or 8 years (long cycle development). The increase in investments in R&D is related to the increase in headcount in 2006 and reflects managements' strong focus on R&D. R&D activities are driven by market analysis and knowledge of customer needs. R&D seeks to continuously reduce the bill of materials of the products and screens the market for new technologies and applications, which can be included in the FMS solution to respond to market needs.

Purchases of other intangibles mostly relate to software licenses and external R&D fees.

As Transics has outsourced its production and does not own real estate, purchases of property, plant and equipment remain limited to IT equipment and office improvements. Net cash provided by financing activities in 2006 stood at kEUR 40,339. It mostly relates to the equity and debt financing raised for the acquisition of Transics NV. In addition, the transaction triggered the exercise of warrants that led to a kEUR 2,113 capital increase of Transics NV.

Including DIS, the new loans in 2006 amounted to kEUR 45,177 which includes the straight loan considered to be used for the financing of the acquisition of DIS by the Transics Group as from 1 April 2006 till 31 March 2007.

OUTLOOK FOR 2007 AND BEYOND

Transics International NV partially refinanced the debt used for the acquisition of Transics NV in order to reduce its borrowing costs (see section 7.4.28). Approximately half of the aggregate of the shareholders' loans, *i.e.,* kEUR 10,000, and the entire senior acquisition debt were refinanced on 26 March 2007, for a total amount of kEUR 28,000.

On 2 April 2007, Transics acquired the French company DIS. The total consideration for this acquisition consists of (i) an up-front amount of kEUR 9,307 that was paid at closing and (ii) an earn-out of maximum kEUR 8,000 that could become due in the course of 2009 (see section 5.16). The acquisition of DIS can therefore lead to the payment of a maximum aggregate consideration of kEUR 17,307 to DIS' former shareholders.

It is the Company's intention to use part of the proceeds of the offering to reduce its net financial debt position in order to have higher flexibility to finance its future growth. More specifically, it is the Company's intention to reimburse the remainder of the shareholders' loans, which carries an annual paid in kind ("PIK") interest of 8%.

On the back of strong market fundamentals and the good competitive positioning of the Company (further enhanced by the acquisition of DIS), Transics' business strategy is to concentrate on finding additional opportunities for sustainable profitable growth by (i) maintaining its product leadership in FMS and other ICT solutions through the continuous incorporation of the latest available technology, (ii) expanding the range of applications, functionalities and services of its FMS solutions, (iii) expanding its commercial reach into new countries, notably in Central and Eastern Europe and by growing its direct sales force, and (iv) identifying and acquiring companies that offer synergies with its business.

It is Transics' aim to further build on the revenue momentum developed over the last years to outperform overall market growth in the coming years. In terms of revenue mix, the share of recurring revenue in total revenue is expected to increase further.

The Company's organic growth will be complemented by the revenues and profits generated by the sale of DIS products. It should be noted that Transics will only consolidate 9 months of DIS activity in its full year 2007 accounts.

With regard to profitability, the gross profit and EBITDA margins are expected to remain relatively stable on a stand-alone basis in the foreseeable future. EBITDA margin is expected to benefit from the operational leverage effect of Transics' scalable business model but will also be affected by costs related to the investments in R&D and its commercial presence in the development markets.

The net margin in 2007 will be negatively influenced by one-off charges related to the debt refinancing. The offering will however allow the Company to reduce its net debt position and therefore to lower its financial costs in the future.

RISK FACTORS

Transics' business is subject to several risks including, but not limited to, the following ones:

- Risk related to debt financing: Transics International NV acquired Transics NV in 2006 and DIS in 2007. This resulted in important increase in debt financing which amounted to kEUR 41,990, corresponding to a gearing ratio of 84.74% on 15 April 2007;
- Risk related to acquisitions: Acquisitions are part of the Company's strategy. Despite the fact that Transics carefully investigates every acquisition, the integration risk remains;
- Risk related to the business environment, being characterised by a constant and fast evolution of technologies: Evolving technological conditions require Transics to continuously modify its products or develop new products;
- Risk related to product concentration: Transics revenues are largely derived from solutions

centered on a single hardware product, the Quattro, and a substantial part of its revenues and cash flows are derived from this product package;

- Risk related to competition: Transics is active in a competitive market with several global and local competitors;
- Risk related to intellectual property: to the extent that the Company's innovations and products are not protected by patents and not always by copyrights or other intellectual property rights in any of its key markets, third parties may be able to commercialise its innovations or products or use its know-how; and
- Risk related to attracting and retaining good staff: Transics is dependent on highly trained staff with in-depth technological and market knowledge. The success of the Company will continue to depend in part on the management team and other key personnel.

These and other risks related to Transics' business and relating to the offering are described in the section "Risk Factors".

DILUTION

The following table gives an overview of the existing shareholders' structure on a fully-diluted basis immediately prior to the offering and the dilution as a result of the offering, assuming that both the offering and the over-allotment option will be fully subscribed to and that the warrants are exercised in accordance with section 2.3.

	Total securities[1] before the IPO		**Total securities after the IPO**					
			Offering price of EUR 13.0		**Offering price of EUR 15.0**		**Offering price of EUR18.0**	
	Number	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
Existing Shareholders								
CETP Transics:	4,380,876	66.38%	3,073,184	37.06%	3,247,543	39.40%	3,436,432	42.72%
shares	4,380,876	79.47%	3,073,184	37.06%	3,247,543	39.40%	3,436,432	42.72%
shares[2]			*3,073,184*	*40.91%*	*3,247,543*	*44.82%*	*3,436,432*	*49.40%*
warrants	0		0		0		0	
Walter Mastelinck	1,082,048	16.39%	813,182	9.81%	936,239	11.36%	998,715	12.41%
shares	538,268	9.76%	813,182	9.81%	936,239	11.36%	998,715	12.41%
shares[2]			*422,883*	*5.63%*	*438,268*	*6.05%*	*454,935*	*6.54%*
warrants	543,780		0		0		0	
Ludwig Lemenu	1,082,048	16.39%	813,182	9.81%	936,239	11.36%	998,715	12.41%
shares	538,268	9.76%	813,182	9.81%	936,239	11.36%	998,715	12.41%
shares[2]			*422,883*	*5.63%*	*438,268*	*6.05%*	*454,935*	*6.54%*
warrants	543,780		0		0		0	
Management	55,124	0.84%	55,124	0.66%	55,124	0.67%	55,124	0.69%
shares	55,124	1.00%	55,124	0.66%	55,124	0.67%	55,124	0.69%
shares[2]			*55,124*	*0.73%*	*55,124*	*0.76%*	*55,124*	*0.79%*
warrants	0		0		0		0	
Subtotal	**6,600,096**	**100%**	**4,754,671**	**57.33%**	**5,175,143**	**62.79%**	**5,488,984**	**68.23%**
shares	**5,512,536**	**100%**	**4,754,671**	**57.33%**	**5,175,143**	**62.79%**	**5,488,984**	**68.23%**
shares[2]			***3,974,074***	*52.90%*	***4,179,202***	*57.68%*	***4,401,424***	*63.27%*
warrants	**1,087,560**		**0**		**0**		**0**	

	Total securities[1] before the IPO		Total securities after the IPO					
			Offering price of EUR 13.0		Offering price of EUR 15.0		Offering price of EUR18.0	
	Number	%	Number	%	Number	%	Number	%
Free Float								
Offering								
shares	-	0,00%	3,076,923	37.10%	2,666,667	32.36%	2,222,222	27.62%
shares[2]			3,076,923	*40.96%*	2,666,667	*36.80%*	2,222,222	*31.94%*
Over-allotment option								
shares	-	0,00%	461,538	5.57%	400,000	4.85%	333,333	4.14%
shares[2]			461,538	*6.14%*	400,000	*5.52%*	333,333	*4.79%*
Subtotal	**-**	**0.00%**	**3,538,462**	**42.67%**	**3,066,667**	**37.21%**	**2,555,556**	**31.77%**
Subtotal[2]			***3,538,462***	*47.10%*	***3,066,667***	*42.32%*	***2,555,556***	*36.73%*
Total	**6,600,096**	**100%**	**8,293,133**	**100%**	**8,241,810**	**100%**	**8,044,540**	**100%**
Total[2]			***7,512,536***	***100.00%***	***7,245,869***	***100.00%***	***6,956,980***	***100.00%***

Notes
1. *The calculation relating to the number of warrants that will be exercised upon listing is set out in section 2.3; there will be no warrants outstanding post IPO.*
2. *Shareholding as if no warrants are exercised and all outstanding warrants expired*

The issuance of new shares resulting from the offering and from the exercise of warrants has no impact on the fraction of the registered capital represented by one share[2] , remaining at 1 EUR per share.

At an offering price of EUR 13, the net equity (registered share capital and issuance premium) represented by one share increases by 289.40%. When disregarding the exercise of warrants the net equity (registered share capital and issuance premium) represented by one share increases by 319.47%.

At an offering price of EUR 15, the net equity (registered share capital and issuance premium) represented by one share increases by 294.43%. When disregarding the exercise of warrants the net equity (registered share capital and issuance premium) represented by one share increases by 334.90%.

At an offering price of EUR 18, the net equity (registered share capital and issuance premium) represented by one share increases by 305.24%. When disregarding the exercise of warrants the net equity (registered share capital and issuance premium) represented by one share increases by 352.96%.

ADDITIONAL INFORMATION

Share Capital

Prior to the offering and before the exercise of any outstanding warrants, the Company's share capital amounted to EUR 5,512,536 represented by 5,512,536 registered common shares without nominal value. The capital is fully paid up.

2 Assuming that for the (i) exercised warrants the exercise price of EUR 1 is recorded as capital and (ii) for the newly issued shares EUR 1 is recorded as capital and the excess is recorded as issuance premium.

Articles of Association

The restated articles of association of the Company will enter into force upon the successful closing of the offering. They will provide amongst others for specific rules relating to the management of the Company, its shareholders' meeting (including rules with respect to the right to attend and to vote at the shareholders' meeting) and the Company's liquidation (see section 3.4). The entering into force of certain provisions of the Company's articles of association is subject to the completion of the offering of the shares and the admission to listing of the Company's shares (e.g., the provisions with respect to the authorised capital).

Information available to the public

Documents disclosed in accordance with applicable laws are available for consultation at the registered office of the Company and/or on the Company's website: www.transics.com.

RISK FACTORS

Any investment in the offered shares in this prospectus involves substantial risks. Before deciding to purchase shares in the offering, prospective investors should carefully review and consider the following risk factors and the other information contained in this prospectus. The occurrence of one or more of the risks described below may have a material adverse effect on the Company's cash flows, result of operations and financial condition and endanger the Company's ability to continue as a going concern. Moreover, the Company's share price could fall significantly if any of these risks were to materialise, in which case investors could lose all or part of their investment. Any prospective investor should note that the risks discussed below are not the only risks to which the Company is exposed. Additional risks and uncertainties, which are not currently known to Transics or which the Company currently believes to be immaterial, could likewise impair its business operations or have an adverse effect on the Company's cash flows, results of operations, financial condition, the Company's ability to continue as a going concern or the price of its shares. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company's cash flows, results of operations and financial condition, the Company's ability to continue as a going concern or the price of its shares. This prospectus also contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this prospectus. Investors should consider carefully whether an investment in the offered shares is suitable for them in light of the information contained in this prospectus and their personal circumstances.

RISKS RELATED TO TRANSICS' BUSINESS

Risk related to growth

The Company has grown rapidly over the last few years. Transics achieved an average sales growth rate of 39% between 2004 and 2006 and anticipates to grow further in the future (see section 6.4.3). The future development and success of the Company's business depend in large part on the future general level of demand for Fleet Management Systems ("FMS") solutions. The FMS market for the road transport industry is still developing, and it is difficult to predict both the future growth of the market and the size of the Company's future customer base. Demand for FMS solutions generally, or for the Company's products and services specifically, may fail to grow at anticipated rates. Investors should expect that Transics may face declining rates of revenue growth going forward. If demand for FMS solutions or for the Company's products and services does not grow as anticipated, Transics' business, results of operations or financial condition may be materially adversely affected.

Transics' rapid growth in a relatively short period of time has placed, and may continue to place, significant demands and strains on its resources, systems, internal controls and senior management. The increasing sales have required an increase in the size of sales and marketing, customer care and administrative staffs. The Company expects to continue to expand its staff, its financial and management controls and information technology systems, but if Transics is unable to successfully integrate new personnel or systems, or if it fails to successfully manage its growth, the results of operations or financial condition could be materially adversely affected.

Risk related to product concentration

Transics' revenues are largely derived from solutions centered on a single hardware product, the Quattro, and a substantial portion of its revenues and cash flow is derived from this product package. The sales of Quattro Plus and related software and services accounted for approximately

73% of the total pro-forma revenues in 2006. The Company is implementing a strategy aimed at mitigating this risk by developing new products and services and by expanding its product offering through acquisitions. With the recent acquisition of Delta Industrie Service SA in France, the proportion of revenues associated with the Quattro has been brought down to 56% of the pro forma group revenues. Any attempt of the Company to further diversify its products and services may not be successful and affect the Company's operations.

Risk related to debt financing

The Company acquired Transics NV in 2006 and DIS in 2007. This resulted in an important increase in debt financing which amounted to EUR 41,990, corresponding to a gearing ratio of 84.74% on 15 April 2007. Although the Company trusts its financing structure to be adequately tailored to its needs (*i.e.,* only part of the debt is to be repaid in semi-annual instalments, whereas the remainder consists of bullet repayments upon maturity) and although the shareholders' debt will be repaid with the proceeds of the offering, the Company has to generate sufficient cash flows to repay its debt. The facility agreement also provides in a partial early repayment obligation when CETP Transics ceases to own directly or indirectly more than 25% of the voting shares of the Company. At such occasion, the Company will have to repay part of its outstanding debt under the facility so as to ensure that following such repayment, the gross leverage ratio (debt /EBITDA) does not exceed 2.5.

Risk related to acquisitions

Acquisitions are part of the Company's growth strategy and, as a consequence, intangible assets, including goodwill, could account for a larger part of the balance sheet total than is currently the case (existing goodwill is due to the acquisition of Transics NV by Transics International NV in May 2006). Despite the fact that Transics carefully investigates every acquisition, the risk remains, amongst others, that corporate cultures do not match, expected synergies do not fully realise, restructurings prove to be more costly than initially anticipated and acquired companies prove to be more difficult to integrate than foreseen.

Risk related to brand awareness

An important part of Transics' strategy is to continue to establish a clear and consistent brand identity in all of its markets. Establishing and strengthening its brand will depend on the success in providing high quality products and services that are favourably received by its customers. The strength of its brand is also dependent in part on being a technology leader in the field of FMS and ICT solutions for the road transport industry, and the Company can not be certain that its development will continue to be successful in this regard.

If the Company fails to increase awareness of its brand and to strengthen its reputation for providing high quality products and services, or if any other factor negatively affects its reputation or its brand image, its business, results of operations or financial condition could be materially adversely affected.

Risk related to third party contract manufacturers

The production of the hardware sold by Transics is outsourced to third parties who work as contract manufacturers: Protronic is a subsidiary of Picanol and Connectronics is a subsidiary of IPTE.

Although Transics is following a dual sourcing strategy, whereby assemblers are interchangeable and supply can be switched from one supplier to another, any disruption or the termination of the relationship with any of the contract manufacturers or disruption in their ability to manufacture the Company's products could have a material adverse effect on the business, results of operations or financial condition of the Company.

Risk related to reliance on third party technology partners

Transics depends on the quality and reliability of the technologies provided by its technology partners, such as telecom providers, database providers and navigation and other software providers and the availability thereof on a timely basis and on acceptable commercial terms. The Company can not guarantee that the technologies currently used in its FMS solutions will continue to be available. If the relationship with any one of these partners is disrupted or terminated for any reason, Transics may be unable to enter into a relationship with another provider of the same technology on a timely basis or on acceptable terms or at all, which could materially adversely affect the Company's business, results of operations or financial condition.

Risk related to client access and client retention

Transics focuses on high level FMS and other ICT solutions for the road transport industry. The Company does not offer a basic FMS solution (see section 5.3.3). The absence of such a product offering could limit Transics' market potential and could limit Transics' ability to capture new clients.

Due to the nature of its target market, Transics has a large and fragmented customer portfolio and no single customer contributed more than 4% to the total sales of 2006 (pro forma consolidated accounts, excluding DIS) and no single customer contributed more than 8% to the total sales of 2005. The 5 largest customers accounted for 9% and 17% of total sales in 2006 (pro forma consolidated accounts, excluding DIS) and 2005 respectively.

Despite the fact that Transics benefits from long term customer relationships that lead to important repeat sales and recurring revenues, and despite the fact that the very nature of the FMS solution implies substantial upfront investments and high switching costs for customers, there is a risk that the Company will lose clients to competitors.

Risk related to the integration of products and technologies

Transics' solutions integrate various products and technologies (hardware and/or software), which may contain hidden manufacturing defects or programming bugs. The producers of these various products and technologies may object to the integration thereof in Transics' solution. As the solutions of Transics, which incorporate these products and technologies represent substantial investments and are used by customers at the heart of their business operations, serious defects or errors could harm Transics' reputation and potentially necessitate expensive and time-consuming repairs. Such manufacturing or functional defects could also cause losses to customers, in which case customers could attempt to seek compensation from Transics. These claims could be time-consuming and costly to defend and generate unfavourable publicity, causing Transics to lose customers. Transics dedicates substantial resources to quality control and has a dedicated department focussed on ensuring that every product sold is quality-tested, there can however be no assurance that incidents of the nature described above will not occur.

Risk related to attracting and retaining qualified staff

Given the complexity and high degree of specialisation of its activities, Transics needs highly trained staff with in-depth technological and market knowledge. Transics operates in a competitive employment market. Transics' success will continue to depend in part on the management team and other key personnel.

Although Transics believes that it will continue to be able to attract and retain skilled and experienced personnel, there can be no assurance that it will be able to do so.

Risk related to intellectual property

Transics relies on a combination of trademarks, trade names, confidentiality and non-disclosure clauses and agreements and copyrights to define and protect its rights to the intellectual property in its products. Other than certain trade names and copyrights, the Company does not have any patents nor any other intellectual property rights in respect of its technology.

To the extent the Company's innovations and products are not always protected by intellectual property rights in any of its key markets, third parties (including competitors) may be able to commercialise its innovations or products or use its know-how.

Trade secrets

Much of the Company's technology and many of its processes depend upon the knowledge, experience and skills of its personnel. To protect rights to its proprietary know-how and technology, Transics generally requires all employees, contractors, consultants and advisors to enter into confidentiality agreements that prohibit the disclosure of confidential information. These agreements may not effectively prevent disclosure of confidential information or provide meaningful protection for the Company's confidential information.

Copyright

In principle, the software code used in the Company's products should be protected by copyright law. The EU has issued a directive on the legal protection of computer programs (Council directive 91/250/EEC), pursuant to which a computer program will be given copyright protection when the "form of expression" (*i.e.,* the source or object code) is "original", in that it is the author's own intellectual creation. This protection does not, however, extend to the ideas or principles underlying the program. Moreover, while the directive has been or should have been implemented in the national copyright laws of EU member states, differences may exist in the extent of the protection available under these national laws.

Certain products and services of the Company are partly based on intellectual property developed by third parties. When the rights to such intellectual property are clearly identifiable and established, the Company tries to obtain rights to the third party's intellectual property. If any of its products or services is found to infringe the patents or other intellectual property rights of others, the development, manufacture and sale of such products could be severely restricted or prohibited.

If the Company is able to obtain rights to the third party's intellectual property, these rights may be non-exclusive, thereby allowing the third party to grant similar rights on the intellectual property to the Company's competitors. Ultimately, it may incur significant additional costs or be unable to develop and market some of its products or services or may have to cease some of the business operations as a result of patent or other intellectual property rights infringement claims, which could severely harm the Company.

Trademarks

Because much of the technology used in its products is not protected by intellectual property rights, Transics must build a strong brand image which will be protected primarily under trademark law. The Company holds registered trademarks, which currently comprise a significant portion of its intellectual property protection, or has trademark applications pending in all the key countries in which it operates for its company logo and several other distinctive names and images. The Company can not give any assurance whether it will be able to use its trademarks and logos in any countries in which they are not registered.

Risk related to disruptions to the infrastructure systems

Transics' information technology, telecommunications and other infrastructure systems, including the servers through which the hosting services are provided to the customers, the mobile telecommunications networks for data transfers and the GPS satellite transmission, face the risk of failure which could seriously disrupt the operations. Some of Transics' hosting servers are managed and owned by a third party contractor (LCP NV) and the facilities where the servers are located were audited by an external consultant. Although disaster recovery plans and redundant back-up systems are in place, the Company's operations and information technology, telecommunications and other infrastructure systems, including the hosting servers, are vulnerable to damage and interruption.

A significant disruption in the availability of the information technology, telecommunications or other infrastructure systems, including the hosting servers, the mobile telecommunications networks for data transfers and the GPS satellite transmission, could cause interruptions in the service to customers, loss of or delays in research and development work and product shipments or affect customer relationships.

Risk related to Transics' international activities

Transics has substantial international operations and is therefore subject to certain risks, which may include general economic conditions, unfavourable political, regulatory, trade, currency-exchange, labour and/or tax conditions in other countries. Accordingly, there is a risk related to the differing legal and regulatory requirements and the social, political and economic conditions of many jurisdictions.

Although 100% of Transics' sales are currently realised in the European Union ("EU"), there can be no assurance that this risk will not have an adverse effect on future operating results.

Risk related to Transics' clients' credit risk

Transics' clients are companies operating in the road transport industry. The road transport industry displays higher than average insolvency ratios. Transics does however target its products at solvent companies and also maintains credit insurance to cover against default payments.

RISKS RELATED TO THE INDUSTRY

Risk related to rapid technological evolution

Transics' business environment is characterised by a constant and fast evolution and convergence of technologies, complexity and intense competition. The industry is based on the usage of wireless communications, which can be based on existing technologies (e.g., GSM, GPRS) but can in the future also rely on technologies that are currently only in the development stage (e.g., WiMax, Zigbee) or even not discovered yet. Transics currently uses some of the existing technologies and continuously investigates the potential benefits and drawbacks of existing and emerging technologies. Evolving technological conditions require Transics to continuously modify its products and develop new products to remain competitive, attract new customers and maintain its market reputation. Transics must continue to assess the projected development of the market for FMS and to develop its product and service offerings accordingly. There is no assurance that Transics will have the financial or other resources required to successfully modify its existing products and services or develop new products or services in a timely manner, or that any products or services it does introduce will gain market acceptance. If it is unable to keep pace with technological change and introduce new products on a timely basis or to remain competitive within its markets, its business, results of operations or financial condition could be materially adversely affected.

Risk related to competition

Transics needs to cope with the complexity of the business environment by reacting to opportunities and threats that occur. This includes a complex and ever changing competitive landscape. Despite the barriers to entry that exist in this market, competition is expected to increase as new companies target this market in response to the perceived potential for growth. Transics competes with other companies (global players and local players) based on several factors, including knowledge of existing and new technologies, knowledge of the transport market, completeness of product offering, reputation, geographic presence, service delivery capabilities and pricing. Transics' success depends on its ability to establish a competitive position with respect to the market in which it is active.

There can be no assurance that Transics' competitors will not succeed in developing solutions that are less costly or more effective than Transics' or that customers will not prefer solutions, technologies or products offered by Transics' competitors. A number of current and potential future competitors for the Company's products and services are large, well-known companies with greater financial, technical and human resources than its own and with strong brand names.

As the specific market in which Transics is active is attractive and currently has a low penetration rate (according to Frost & Sullivan[3], the penetration of FMS solutions stood at 11.5% in the regions primarily targeted by Transics, being Western Europe, the Czech Republic and Poland), there is a risk that the market attracts companies with well-known brands and large financial means active in adjacent markets that wish to enter the FMS market for the road transport industry.

Risk related to regulation

Although Transics does not believe governmental regulation has had a material adverse effect on its business and operations to date, it is possible that it will experience the effects of increased or modified regulation in the future. For instance, road safety initiatives may result in restrictions being placed on the on-board usage of telematics products.

Policies favouring local companies and other regulatory initiatives may result in export control laws, increased customs duties and other restrictions placed on the Company's ability to conduct operations in various countries throughout the world. Any of these occurrences could materially adversely affect the Company's ability to complete, improve, license or distribute its products, which could result in a competitive disadvantage and the possible loss of customers and revenue.

RISKS RELATED TO THE OFFERING

Risk related to the absence of a liquid public market

Prior to the offering, there has been no public market for the Company's shares and VVPR strips and an active public market for the shares and VVPR strips may not develop or be sustained after the offering. The final offering price of the offered shares will be determined within the price range by the Company and the selling shareholders upon the advice of the lead managers on the basis of a book-building procedure in which only institutional investors can participate. The final offering price may not be indicative of future market prices, which may fall below the final offering price.

[3] See section Industry data, market share, ranking and other data.

Factors that may be relevant in the book-building procedure may include but are not limited to:

- Market conditions in effect at the time of the offering;
- The number of shares requested, the size of the orders received, the quality of the investors submitting such orders and the prices at which the orders were made;
- Transics' future prospects and its industry's future prospects;
- Transics' sales, earnings and other financial and operating information in recent periods; and
- The market prices of securities and financial and operating information of companies engaged in similar activities.

Risk related to the use of proceeds

The Company will have significant flexibility and broad discretion to allocate and use the net proceeds of this offering. If the proceeds are not wisely allocated it could harm the Company's ability to carry out its business plan. The Company intends to use the net proceeds of the offering for debt repayment of up to EUR 10,300,000, acquisitions if and when they present themselves, investment in sales and marketing (notably targeted at expanding into new territories), research and development, and other general corporate purposes. The Company's board of directors and management will determine, in their sole discretion and without the need for shareholders' approval, the amounts and timing of the Company's actual expenditures which will depend upon numerous factors, including the status of the Company's product development and commercialisation efforts, if at all, the amount of proceeds actually raised in the offering. The Company constantly evaluates opportunities to acquire businesses and technologies that it believes are complementary to its business activities. The amounts it plans to spend on each of its key projects and the timing of these expenditures will evolve over time and has not been definitively determined by the Company.

Risk related to future dilution

The Company may decide to raise capital in the future through public or private convertible debt or equity securities, or rights to acquire these securities, and exclude or limit the preferential subscription rights pertaining to the then outstanding securities. If the Company raises significant amounts of capital by these or other means, it could cause dilution for its holders of securities.**Risk related to future sales of shares by the Company's shareholders**

If shareholders sell substantial amounts of the Company's shares, the market price of the shares may fall, even if the business is doing well. These sales might also make it more difficult for the Company to issue or sell equity or equity-related securities in the future with a timing and at a price that the Company deems appropriate. See also section 2.8.2 "*Lock-up and standstill arrangements*".

Risk related to the volatility of the share price

Numerous factors, in addition to other risk factors described in this prospectus, may have a significant positive or negative impact on the market price and volatility of the shares, including:

- The financial results of Transics;
- Announcements of technological innovations or new commercial products or collaborations by Transics' competitors or Transics itself;
- Publicity regarding actual or potential results relating to products under development by Transics' competitors or Transics itself;
- Litigation; or
- Economic, monetary and other external factors.

These factors will also have an impact on the market price of the VPPR strips, which will in addition be influenced by the fact that VVPR strips have no intrinsic value for institutional investors which may affect the supply of VVPR strips.

Risk related to significant shareholders

Following the completion of the offering and listing of the Company's shares, the CETP Transics Sàrl, Messrs. Walter Mastelinck and Ludwig Lemenu shall act in concertation in accordance with the shareholders' agreement described in section 2.8.3. For an overview of the Company's significant shareholders before and after completion of the offering, reference is made to section 3.7.

The Company was informed that CETP Transics Sàrl, Messrs. Walter Mastelinck and Ludwig Lemenu have entered into a shareholders' agreement with respect to the exercise of their voting rights in the Company after the completion of the offering set forth in section 2.8.3 in respect to a number of decisions. Depending on how broad the Company's other shares are held these shareholders may have the ability to elect or dismiss directors, approve certain other shareholders' decisions that require more than 50% or 75% of the Company's outstanding votes that are present or represented at shareholders' meetings where such items are submitted to voting by the shareholders. On the other hand, to the extent that these shareholders have insufficient votes to impose certain shareholders' resolutions, they could have the ability to block proposed shareholders' resolutions that require more than 50% or 75% of the Company's outstanding votes that are present or represented at shareholders' meetings where such items are submitted to voting by the shareholders. Any such voting by these significant shareholders may not be in the interest of the Company or the other shareholders of the Company.

Therefore, the ability of other shareholders to influence certain shareholders' decisions may be limited.

Risk related to takeover provisions in the national law

Under Belgian law, public takeover bids on all the voting securities issued by the Company are subject to the supervision of the CBFA. If the latter determines that a takeover violates Belgian law, it may lead to suspension of the exercise of the rights attached to any shares that were acquired in connection with the envisaged takeover. Furthermore, in the event that an individual or a company intends to acquire the joint or exclusive control of the Company through one or several transactions and the price of the contemplated transfer includes a control premium, the acquirer must offer to all other shareholders the opportunity to sell their shares at the highest price offered by the acquirer for shares during the 12 months preceding the acquisition of control of the Company. The acquirer must give the other shareholders this opportunity within 30 days after its acquisition of control either (i) in the form of a public takeover bid or (ii) pursuant to an undertaking to maintain the stock price.

The European Directive 2004/25/EC of 21 April 2004 on takeover bids (the "Thirteenth Company Law Directive") provides that if a person acquires a certain percentage – to be determined by each of the EU member states - of the voting rights in a company giving him control of that company and regardless of the price paid, such person will be required to make a bid addressed to all holders of securities in that company at an equitable price. The Directive has been partly implemented in Belgium by the Belgian Act on public takeover bids (*Wet op de openbare overnamebiedingen*) of 1 April 2007 and published in the Belgian Official Gazette of 26 April 2007. The Belgian Act on public takeover bids provides that a mandatory bid will be triggered if a person holds more than 30% of the voting securities in the target company. The Belgian Act on public takeover bids further provides that another or an additional threshold percentage of voting securities can be determined by Royal Decree to take into account evolutions on the financial markets or, as the case may be, to take transitional measures. The Belgian Act on public takeover bids contains a transitional provision granting an exemption from the mandatory bid to persons who individually or acting in concert hold at least 30% of the voting securities on the date the new mandatory bid provision enters into force, provided that the shareholding was duly notified to the CBFA within 120 business days as of the entering into effect of the new mandatory bid provision.

All these measures and provisions may have the effect of substantially discouraging a takeover bid by a third party.

Risk related to research and analyst reports

The trading market for the shares will be influenced by the research and reports that industry or securities analysts publish about the Company or its industry. If one or more of the analysts who cover the Company, or its industry, downgrade the shares, the market price of the shares would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which in turn could cause the market price of the shares or trading volume to decline.

Risk related to increased expenses as a result of being a public company

As a public company, the Company will incur significant additional legal, accounting and other expenses that it did not incur as a private company. For example, as a result of its anticipating becoming a public company, the Company has recently appointed independent directors, created board committees and adopted policies regarding corporate governance and internal controls and procedures. In addition, the Company will incur increased costs associated with investor relations and public company reporting requirements in Belgium, and listing costs.

The Company also expects these new rules and regulations to make it more difficult and expensive for the Company to obtain or maintain director and officer liability insurance, and it may be required to accept low policy limits and coverage or incur substantial costs to obtain adequate coverage.

Risk related to listing and trading on a "as-if-and-when-issued" basis

As of the listing date until the envisaged closing date, the shares will be listed and traded on the Eurolist by Euronext Brussels on an "as-if-and-when-issued" basis. Investors that wish to enter into transactions in the shares prior to the envisaged closing date, whether such transactions are effected on the Eurolist by Euronext Brussels or otherwise, should be aware that the closing date may not take place on 21 June 2007, or not at all, if certain conditions or events are not satisfied or waived or do not occur on or prior to such date. Such conditions include the receipt of officers' certificates and legal opinions and such events include the suspension of trading on the Eurolist by Euronext Brussels or a material adverse change in Transics' financial condition or business affairs or in the financial markets. Euronext Brussels has indicated that it will annul all transactions effected in the shares if the offered shares are not issued on the envisaged closing date and that it cannot be held liable for any damage arising from the listing and trading on an "as-if-and-when-issued" basis as of the listing date until the envisaged closing date.

No minimum amount for the offering

The Company has the right to proceed with a capital increase in a reduced amount. No minimum number of shares in the offering has been set. The actual number of offered shares will be confirmed in the financial press in Belgium together with the final offering price. Should only a reduced number of shares be offered, (i) liquidity would be limited and (ii) the Company's financial means in view of the use of proceeds as described in section 2.2.3 would be reduced. In case of a capital increase in a reduced amount part of the shareholders' loans may not be refunded and the Company might therefore reduce its level of investment or have to look for further external funding.

DISCLAIMERS AND NOTICES

NO REPRESENTATION

No dealer, sales person or other person has been authorised to give any information or to make any representation in connection with the offering of the shares and listing that is not contained in this prospectus and, if given or made, such information or representation must not be relied upon as having been authorised or acknowledged by Transics or by the lead managers.

Statements made in this prospectus are valid on the date set forth on the cover page of this prospectus. The delivery of this prospectus or the completion of the offering and listing will not imply under any circumstance that there have been no changes in the affairs or financial situation of Transics since the date of this prospectus, or that material information contained in this document is correct after the date of this prospectus. In accordance with Belgian law, if a significant new factor, material mistake or inaccuracy relating to the information included in this prospectus which is capable of affecting the investors' assessment of the offered shares arises or is noted between the date of this prospectus and the listing, this new factor, material mistake or inaccuracy will need to be mentioned in an addendum to this prospectus. The addendum shall be subject to approval by the Belgian Banking, Finance and Insurance Commission (*Commissie voor het Bank-, Financie- en Assurantiewezen / Commission Bancaire, Financière et des Assurances*, hereinafter the "CBFA") in the same manner as the prospectus and shall be made public as shall be determined by the CBFA. In the event an addendum to the prospectus were to be published prior to the listing of the shares, the investors shall have the right to withdraw their subscriptions made prior to the publication of the addendum. Such withdrawal must be done within the time limits set forth in the addendum (which shall not be shorter than two banking days after publication of the addendum).

DECISION TO INVEST

In making an investment decision regarding the shares offered herein, potential investors must rely on their own examination of Transics and the terms of the offering, including the risks and merits involved as described in the prospectus. Any summary or description set forth in this prospectus of legal provisions, corporate structurings or contractual relationships is for information purposes only and should not be construed as legal or tax advice as to the interpretation or enforceability of such provisions or relationships. In case of any doubt relating to the contents or the meaning of the information contained in this document, prospective investors should consult an authorised or professional person specialised in advice on the acquisition of financial instruments. The shares have not been recommended by any federal or state securities commission or regulatory authority in Belgium or elsewhere.

CERTAIN RESTRICTIONS ON THE OFFERING AND THE DISTRIBUTION OF THIS PROSPECTUS

The offering and the distribution of this prospectus may be restricted by law in certain jurisdictions outside Belgium. Transics does not represent that this prospectus may be lawfully distributed in jurisdictions outside Belgium or that the shares may be lawfully offered in compliance with any applicable registration or other requirements in jurisdictions outside Belgium, or pursuant to any exemption available thereunder. Transics does not assume any responsibility for such distribution or offering. Accordingly, the offered shares may not be offered or sold, directly or indirectly, and neither this prospectus nor any advertising or other offering materials may be distributed or published in any jurisdiction outside Belgium, except in circumstances that will result in compliance with any applicable laws and regulations. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the shares of Transics to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. Persons in whose possession this prospectus or any of the shares come, must inform themselves about, and observe any such restrictions.

It is the responsibility of any person not resident in Belgium who wishes to take part in this offering to ascertain that the legislation applicable in his or her country of residence is complied with, and that all other formalities that may be required are fulfilled, including the payment of all costs and levies.

United States

The offered shares have not been and will not be registered under the Securities Act of the United States of America. Subject to certain exceptions, the offered shares may not be offered, sold or delivered in the US, or to, for the account or benefit of, US persons, except in certain transactions exempt from the registration requirements of the Securities Act. The terms used in this paragraph have the meanings given to them by Regulation S. The offered shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offered shares or the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offence in the US.

Member States of the European Economic Area

The shares have not been or will not be offered to the public in any Member State of the European Economic Area (each, a "Member State") other than in Belgium, except that the offer may be made in any Member State under one of the following exemptions set out in the EU Directive 2003/71/EC (the "Prospectus Directive", such expression including any relevant implementing measure in each Member State), assuming such exemptions have been implemented in that Member State:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
(b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than EUR 43,000,000 and (iii) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;
(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer in any Member State shall result in a requirement for the publication by Transics of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offered shares in any Member State means the communication in any form and by any means of information on the terms of the offering, the shares to be offered so as to enable an investor to decide to subscribe for any shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

Each subscriber for offered shares in the offer located within a member state of the European Economic Area other than Belgium will be deemed to have represented, acknowledged and agreed that:

(a) it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive; and
(b) either (i) the offered shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer of resale to, persons in any relevant member state other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the lead managers has been given to the offer or resale; or (ii) any acquisition of offered shares by it under the offer on behalf of other persons will be deemed to have been made as a qualified investor because such offered shares are acquired by it on a discretionary basis.

Transics, the lead managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement, and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the lead managers of such fact in writing may, with the consent of the lead managers, be permitted to subscribe for or purchase offered shares in the offer.

France

Neither this document nor any other offering material relating to the Transics shares has been prepared in the context of a public offer of securities in the Republic of France within the meaning of Article L.411-1 of the French Code monétaire et financier and articles 211-1 et seq. of the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the "AMF") and has therefore not been and will not be submitted to the clearance procedures of the AMF in the Republic of France.

The shares have not been offered, sold or otherwise transferred and will not be offered, sold or otherwise transferred, directly or indirectly, to the public in the Republic of France. Neither this document nor any other offering material relating to the shares of Transics has been or will be (i) released, issued, distributed or caused to be released, issued or distributed to the public in the Republic of France or (ii) used in connection with any offer for subscription or sale of the shares of Transics in the Republic of France.

Any offers, sales or other transfers of the shares of Transics in the Republic of France will be made in accordance with Article L.411-2 of the French *Code monétaire et financier* only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 to D-411-3 of the French *Code monétaire et financier*.

Switzerland

No offer relating to the new shares has been or shall be made to the public in Switzerland, within the meaning of Article 652a paragraph II of the Swiss Code of Obligations.

United Kingdom

Transics and the lead managers have not authorised any offer of the shares to the public in the United Kingdom within the meaning of the Financial Services and Markets Act 2000 ("FSMA"), such that an approved prospectus would be required to be made available under Section 85 of the FSMA. The offered shares may not be offered or sold to persons in the United Kingdom, except to persons who fall within the definition of "qualified investors" as that term is defined in Section 86(7) of the FSMA or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom in respect of which an approved prospectus would be required to be made available under Section 85 of FSMA.

Each lead manager has represented warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any shares in circumstances in which Section 21(1) of the FSMA does not apply to the issuer; and
(b) it has complied with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

FORWARD-LOOKING INFORMATION

This prospectus contains forward-looking statements and estimates made by the Company with respect to the anticipated future performance of Transics and the market in which it operates. Such statements, forecasts and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors, which were deemed reasonable when made but may or may not prove to be correct. Therefore, actual results, the financial condition, performance or achievements of Transics, or industry results, may turn out to be materially different from any future results, performance or achievements expressed or implied by such statements, forecasts and estimates. Factors that might cause such a difference include, but are not limited to those discussed in the section "Risk Factors". Given these uncertainties, no representations are made as to the accuracy or fairness of such forward-looking statements, forecasts and estimates. Furthermore, forward-looking statements, forecasts and estimates only speak as of the date of the prospectus.

INDUSTRY DATA, MARKET SHARE, RANKING AND OTHER DATA

Unless otherwise indicated in this prospectus, industry data, market size/share data and other data provided in this prospectus are derived from independent publications by leading organisations, from reports by market research firms and from other independent sources or from Transics' management own estimates, believed by management to be reasonable. In particular, Transics has commissioned Frost & Sullivan to conduct an expert analysis of the medium and heavy commercial vehicle telematics (over 3.5 tonnes) market in the following countries: Benelux, France, Germany, UK, Iberia, Italy, Scandinavia, Poland and the Czech Republic. When information has been derived from third parties (such as Frost & Sullivan), the prospectus refers to such third parties.

The information provided by third parties has been accurately reproduced and as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company and the lead managers and their respective advisors have not independently verified any of the abovementioned information. Furthermore, market information is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of primary data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent to any statistical survey of market information. As a result, prospective investors should be aware that market share, ranking and other similar data in this prospectus, and estimates and beliefs based on such data, may not be reliable.

ROUNDING OF FINANCIAL AND STATISTICAL INFORMATION

Certain financial and statistical information in this prospectus have been subject to rounding adjustments and currency conversion adjustments. Accordingly, the sum of certain data may not be equal to the expressed total.

1. GENERAL INFORMATION AND INFORMATION CONCERNING RESPONSIBILITY FOR THE PROSPECTUS AND FOR AUDITING THE ACCOUNTS

1.1. RESPONSIBILITY FOR THE CONTENT OF THE PROSPECTUS

The Company, represented by its board of directors, assumes responsibility for the content of this prospectus. The Company declares that, having taken all reasonable care to ensure that such is the case, the information contained in this prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The lead managers make no representation or warranty, express or implied, as to the accuracy or completeness of the information in this prospectus, and nothing in this prospectus is, or shall be relied upon as, a promise or representation by the lead managers.

This prospectus is intended to provide information to potential investors in the context of and for the sole purpose of evaluating a possible investment in the offered shares. It contains selected and summarised information, does not express any commitment or acknowledgement or waiver and does not create any right expressed or implied towards anyone other than a potential investor. It cannot be used except in connection with the offering. The content of this prospectus is not to be construed as an interpretation of the rights and obligations of Transics, of the market practices or of contracts entered into by Transics.

1.2. RESPONSIBILITY FOR AUDITING THE ACCOUNTS

BDO ATRIO Bedrijfsrevisoren - BDO ATRIO Réviseurs d'Entreprises CVBA/SCRL, a civil company, having the form of a cooperative company with limited liability (*coöperatieve vennootschap met beperkte aansprakelijkheid*) organised and existing under the laws of Belgium, with registered office at 9820 Merelbeke, Axxes Business Park, Guldensporenpark 14 (Blok B), Belgium, represented by Veerle Catry ("BDO ATRIO"), has been appointed as statutory auditor of the Company on 18 May 2006 for a term of 3 years. BDO ATRIO Bedrijfsrevisoren - BDO ATRIO Réviseurs d'Entreprises CVBA/SCRL is a member of the Institute of Certified Auditors (*Instituut der Bedrijfsrevisoren*) (membership number B - 00023 - 1986).

As the Company was incorporated on 10 May 2006, no financial statements exist for the preceding years. The statutory financial statements, in accordance with Belgian GAAP, and the consolidated financial statements, in accordance with IFRS, of Transics International NV for the year 2006 have been audited by BDO ATRIO, who delivered an unqualified opinion thereon.

The consolidated pro forma balance sheet, income statement and cash flow statement of the Company for the period from 1 January 2006 to 31 December 2006 and the consolidated pro forma balance sheet, income statement and cash flow statement of the Company for the period from 1 January 2006 to 31 December 2006 including the acquisition of Delta Industrie Service SA, both in accordance with IFRS, have been subject to certain audit procedures by BDO ATRIO, who delivered a report thereon.

The consolidated financial statements, in accordance with IFRS, of the Company's direct subsidiary, Transics NV, for the year 2005 and 2004 have been audited by BDO ATRIO, who delivered an unqualified opinion thereon.

The statutory financial statements, in accordance with Belgian GAAP, of the Company's direct subsidiary, Transics NV for the year 2005 have been audited by BDO ATRIO, who delivered an unqualified opinion thereon.

The statutory financial statements, in accordance with Belgian GAAP, of the Company's direct subsidiary, Transics NV, for the year 2004 have been audited by Deloitte & Touche Bedrijfsrevisoren CVBA, represented by Dirk De Keyser, who delivered an unqualified opinion, with an explanatory paragraph related to the significant losses suffered by the group, thereon

1.3. APPROVAL AND NOTIFICATION OF THE PROSPECTUS

On 22 May 2007 the CBFA approved this prospectus written in English for the purposes of the public offering in Belgium and the listing of the Company's shares on the Eurolist by Euronext Brussels in accordance with Article 23 of the Belgian Act of 16 June 2006 on the public offerings of securities and the admission of securities to trading on a regulated market (*Wet betreffende de openbare aanbiedingen van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt*). The CBFA's approval does not imply any judgement on the merits or the quality of the offering, the offered shares or the Company.

This prospectus has only been prepared in Dutch and in English. In accordance with Article 31 of the aforementioned Belgian Act of 16 June 2006, the summary has been translated into French. The Company is responsible for verifying the consistency between the Dutch and English versions of the prospectus and between the French, Dutch and English versions of the summary of the prospectus. In connection with the public offering in Belgium, both the English and Dutch versions of the prospectus are legally binding.

The offering and this prospectus have not been submitted for approval to any supervisory body or governmental authority outside Belgium.

1.4. AVAILABLE INFORMATION

1.4.1. Prospectus

The prospectus is available in Dutch and in English. The summary of the prospectus is available in Dutch, English and French. The prospectus, including the summary, will be made available to investors at no cost at the registered office of the Company, Ter Waarde 91, 8900 Ieper, Belgium. In Belgium, the prospectus and the summary will also be made available to investors at no cost at the counters of ING Belgium NV/SA, Marnixlaan 24, 1000 Brussels, telephone numbers +32 (0)2 464 60 01 (Dutch), +32 (0)2 464 60 02 (French) or +32 (0)2 464 60 03 (English), at the counters of Fortis Bank NV/SA, Warandeberg 3, 1000 Brussels, telephone number +32 (0)800 90 301 (Dutch, French and English), and at the counters of Dexia Bank Belgium NV/SA, Pachecolaan 44, 1000 Brussels, telephone number +32 (0)800 922 00 (Dutch, French and English). Subject to certain conditions, this prospectus and the summary are also available on the internet at the following websites: www.transics.com, www.ing.be, www.dexia.be, www.fortisbanking.be/sparenenbeleggen, www.fortisbanking.be/epargneretplacer, and on the websites of Euronext.

Posting this prospectus and the summary on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the shares to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution. This prospectus is only valid in its original printed version circulated in Belgium in compliance with applicable laws. Other information on the website of the Company or any other website does not form part of the prospectus.

1.4.2. Company documents and other information

The Company must file its (restated and amended) articles of association and all other deeds that are to be published in the annexes to the Belgian Official Gazette with the clerk's office of the Commercial Court of Ieper (Belgium), where they are available to the public. A copy of the most recently restated articles of association and the corporate governance charter will also be available on the Company's website after completion of the offering.

In accordance with Belgian law, the Company must also prepare annual audited statutory and consolidated financial statements. The annual statutory and consolidated financial statements and the reports of the board of directors and statutory auditor relating thereto are filed with the Belgian National Bank, where they are available to the public. Furthermore, as a listed company, the Company will have to publish summaries of its annual and semi-annual financial statements as well as a report including the annual financial statements, the auditor's statutory report and the report of the board of directors of the Company. These summaries will generally be made publicly available in the financial press in Belgium in the form of a press release. Copies thereof will also be available on the Company's website.

The Company will also have to disclose price sensitive information, information about its shareholders' structure, and certain other information to the public. In accordance with the Belgian Royal Decree of 31 March 2003 (as amended) relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market (*Koninklijk besluit betreffende de verplichtingen van emittenten van financiële instrumenten die zijn toegelaten tot de verhandeling op een Belgische gereglementeerde markt*), such information and documentation will be made available through press releases, the financial press in Belgium, the Company's website (provided the conditions set forth in Article 14 of the Belgian Royal Decree of 31 March 2003 have been complied with), the communication channels of Euronext Brussels or a combination of these media.

The Company's website can be found at www.transics.com.

2. GENERAL INFORMATION RELATING TO THE OFFERING AND ADMISSION TO LISTING ON THE EUROLIST BY EURONEXT BRUSSELS

2.1. INFORMATION RELATED TO THE CAPITAL INCREASE

At its meeting held on 15 May 2007, the extraordinary shareholders' meeting of the Company decided to increase the Company's share capital up to a maximum amount (including issuance premiums) of EUR 26 million by way of a contribution in cash through the issuance of new shares. All new shares are offered within the framework of the present offering.

The final offering price of the offered shares will be determined within the price range by the Company and the selling shareholders upon the advice of the lead managers on the basis of a book-building procedure in which only institutional investors can participate and taking into account various relevant qualitative and quantitative elements. The number of new shares to be issued shall be determined by dividing the amount of EUR 26 million (assuming the offering is fully subscribed to) by the final offering price. The capital increase and the issuance of the new shares are subject to the completion of the offering of the shares and the admission to listing of the Company's shares.

If the offering is not fully subscribed to, the board of directors has the right, but not the obligation to cancel or to proceed with the offering for a reduced amount.

In connection with the issuance of the above shares, the existing shareholders individually waived their preferential subscription rights.

For an overview of some of the other resolutions passed at the extraordinary shareholders' meeting of 15 May 2007, reference is made to section 3.1.

In addition to the offering of new shares as described above, existing shares will be offered by the existing shareholders.

2.2. KEY INFORMATION

2.2.1. Working capital statement

As at the date of this prospectus, the Company and its board of directors are of the opinion that the Company has sufficient working capital for the Company's present requirements for the period from the date of the Prospectus until at least 12 months from the listing date.

Transics International NV In kEUR	**31/12/2006 Consolidated 7.5 months IFRS**	**31/12/2005 Consolidated 12 months IFRS**	**31/12/2004 Consolidated 12 months IFRS**
Current assets	19,305	10,466	10,086
Current liabilities	(10,707)	(6,289)	(9,057)
Working capital	**8,598**	**4,177**	**1,029**

2.2.2. Capitalisation and indebtedness

Transics International NV In kEUR	15/04/2007 Consolidated 3.5 months IFRS	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Shareholders' Equity	**6,492**	**6,492**	**9,392**	**7,303**
Share capital	5,505	5,505	8,007	8,008
Reserves	0	0	(705)	(261)
Result of the year	987 (1)	987	2,090	(444)
Total Equity	**6,492**	**6,492**	**9,392**	**7,303**
Financial debt	**41,990**	**37,773**	**1,737**	**2,733**
Bank borrowings and finance leases - non current	25,413	16,289	1,373	1,034
Secured	*25,413*	*16,289*	*1,373*	*1,034*
Other loans - non current	9,839	19,199	0	42
Unguaranteed/unsecured	*9,839*	*19,199*	*0*	*42*
Bank borrowings and finance leases - current	6,738	2,285	274	229
Guaranteed	*3,000*	*2,143*	*130*	*129*
Secured	*3,738*	*142*	*144*	*100*
Other loans – current	0	0	90	1,428
Unguaranteed/unsecured	*0*	*0*	*90*	*1,428*
Cash and cash equivalents	**5,933**	**8,548**	**2,195**	**1,177**
Total net financial debt (cash)	**36,057**	**29,225**	**(458)**	**1,556**
Total invested capital	**42,549**	**35,717**	**8,934**	**8,859**
Gearing ratio (Total net financial debt / total invested capital)	**84.74%**	**81.82%**	**(5.13%)**	**17.56%**

(1) Not taking into account the profit and loss over the period from 1 January 2007 to 15 April 2007

The decrease in gearing, in 2005 is related to the operating cash generation. The increase in gearing in 2006 relates to the acquisition of Transics NV by Transics International NV, which was mainly financed through debt financing. The 15 April 2007 figures include the impact on capitalisation and indebtedness of the refinancing operation (see section 7.4.42) and the acquisition of DIS (see section 5.16).

The other loans relate to the shareholders' loan. These other loans are not secured nor guaranteed. As of 26 March 2007, an amount of kEUR 10,000 has been repaid by the Company to the shareholders (see events after balance sheet date in section 7.4.42) and the interests and transaction costs (total of kEUR 640) over the period 1 January 2007 till 15 April 2007 were capitalised.

The secured bank borrowings relate to the credit facility agreement and the other bank borrowings. On 26 March 2007 a new credit facility agreement of kEUR 31,000 has been signed, arranged by Fortis Bank NV and ING Belgium NV, replacing the credit facility agreement the Company had with Dexia Bank NV for a total amount of kEUR 18,000 (see also section 7.4.42).

The guarantees relate to a floating charge of kEUR 1,124. The securities in 2007 relate to 100% of the shares of Transics NV and the leased assets. The securities in 2006 relate to 80% of the shares of Transics NV and the leased assets (see section 7.4.39).

The Company has a contingent indebtedness related to the acquisition of DIS. An additional earn-out of maximum kEUR 8,000 could become due in 2009, depending on the gross margin realised between 1 April 2007 and 31 December 2008 (see section 7.4.42).

2.2.3. Background of the offering and use of proceeds

The principal purposes of the offering are to reinforce the financial structure of the Company, to support the Company's growth, to increase the Company's capitalisation and financial flexibility, to provide a public market for the Company's shares and to facilitate access to public equity capital markets.

Offering of new shares

If the offering is fully subscribed, the net proceeds from the issue of the new shares are estimated to be mEUR 24.1, which will be allocated to the Company. For further information on the costs and expenses of the offering, see section 2.9.

The Company intends to use the net proceeds of the offering (*i.e.*, after commissions and offering expenses payable by the Company have been deducted) to:

- reinforce the financial structure of the Company in general and in this context to repay immediately after the offering the outstanding amount of shareholders' loans, including accrued interests, which is estimated to amount to no more than EUR 10,300,000;
- make selective acquisitions, if and when they present themselves;
- continue to invest in the geographical expansion of sales and marketing;
- continue to invest in the development of new products and services; and
- other general corporate purposes.

More specifically, the Company intends to use part of the net proceeds of the offering in repayment of all outstanding amounts under the loans granted to the Company by the Company's shareholders on 18 May 2006, expected to be about EUR 10,183,805. Under the terms of a EUR 31 million facility agreement entered into between (*inter alia*) the Company as borrower and ING Belgium NV/SA and Fortis Bank NV/SA as Lenders on 26 March 2007, the Company is allowed to repay up to EUR 10,300,000 of the existing shareholders' loans from any IPO proceeds. The board of directors has applied article 523 of the Belgian Companies Code in respect to a possible use of part of the proceeds to reimburse the shareholders' loans upon the approval of the prospectus.

The Company also constantly evaluates opportunities to acquire businesses and technologies that it believes may be beneficial to its business.

The amounts and timing of the Company's actual expenditures will depend upon numerous factors, including trends and opportunities in the FMS market, the status of the Company's product development and commercialisation efforts, the amount of proceeds actually raised in the offering, etc. The Company has not determined the amounts it plans to spend on any of the areas listed above or the timing of these expenditures, except for the contemplated repayment of part of the outstanding debt. The Company's board of directors and management will have significant flexibility to allocate the net proceeds from the offering.

The Company intends to hold the proceeds it receives in connection with the offering at banks and in short-term, interest-bearing, investment grade securities, including governmental obligations and other money market instruments, until the Company will use them.

Offering of existing shares

CETP Transics intends to offer up to EUR 14 million existing shares in the aggregate, but reserves the right to offer less. In addition, the existing shareholders will grant an over-allotment option to ING, acting in name of and for the account of the lead managers, on a number of shares equal to 15% of the offered shares (*i.e.,* the aggregate of the new shares and the existing shares in the offering or equal to EUR 6 million in case the offering is fully subscribed), for the sole purpose of allowing the lead managers to cover over-allotments, if any. In particular, the lead managers will be granted an over-allotment option by the following shareholders indicated in the table hereunder:

Shareholder	**Number of shares granted under the over-allotment option**
CETP Transics	7.5% of the shares offered in the main offering
Walter Mastelinck	3.75% of the shares offered in the main offering
Ludwig Lemenu	3.75% of the shares offered in the main offering
Total over-allotment option	15% of the shares offered in the main offering

The Company will not receive any of the proceeds from the sale of the existing shares or from the sale of the shares option in connection with the exercise of the over-allotment option. The selling shareholders will receive the net proceeds of the sale of the existing shares.

CETP Acentic Sàrl was set up on 17 February 2006 as a private limited liability company (Sàrl) under the laws of the Grand-Duchy of Luxembourg. The registered office of the company is 30 boulevard Royal, L-2449 Luxembourg. The object of the company is the holding of participations, in any form whatsoever, in Luxembourg or other foreign companies, the control, the management, as well as the development of these participations. The company was renamed into "CETP Transics S.à r.l." on 13 April 2007. The company's share capital is currently held by CETP Participations S.à r.l. SICAR and CETP Co-Investment S.à r.l. SICAR. CETP Participations S.à r.l. SICAR is owned by two U.K. limited partnerships (Carlyle Europe Technology Partners, L.P. and CETP Co-Investment, L.P.). CETP Co-Investment S.à r.l. SICAR is 100% owned by CETP LP Co-Investment, L.P., a U.K. limited partnership. All three of Carlyle Europe Technology Partners, L.P., CETP Co-Investment, L.P and CETP LP Co-Investment, L.P. have the same general partner, CETP GP, L.P. that is ultimately controlled by Carlyle Offshore Partners II, Limited, collectively with its affiliates doing business as "The Carlyle Group."

2.3. INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFERING

2.3.1. CETP Transics

CETP Transics holds 4,380,876 shares in the Company, representing 79.47% of all the issued and outstanding shares in the Company prior to the offering (see also section 3.7.1).

CETP Transics will offer up to EUR 14 million existing shares in the main offering. In addition CETP Transics will grant an over-allotment option to ING, acting in name of and for the account of the lead managers to offer an additional number of shares up to 7.5% of the shares offered in the main offering, for the sole purpose of allowing the lead managers to cover over-allotments, if any, as indicated in section 2.2.3 above. The shares held by CETP Transics which are not being offered will, as of listing, be subject to the lock-up arrangement, as further described in section 2.8.2.

The final offering price of the offered shares will be determined within the price range by the Company and the selling shareholders upon the advice of the lead managers on the basis of a book-building procedure in which only institutional investors can participate. The directors, who are under a conflict of interest, will be subject to the application of article 523 of the Belgian Companies Code on conflicts of interests.

CETP Transics has also granted a bond loan to the Company for a principal amount of EUR 17,699,904, with a maturity date set on 18 May 2016 and an interest rate of 8% (which interest shall be capitalised at the end of each interest period and become payable at maturity date).

The said bond loan, together with the Company's share capital and its then bank debt, served to fund the acquisition by the Company of the stakes of the six venture capitalists that had funded the initial phase of growth of Transics NV between 1998 and 2003.

The said shareholders' loan was repaid up to an amount of EUR 9,500,000 (being EUR 8,890,114 in principal and EUR 609,889 of interests) under a EUR 31 million facility agreement entered into between (inter alia) the Company as borrower and ING Belgium NV/SA and Fortis Bank NV/SA as lenders on 26 March 2007, thus enabling the Company to benefit from lower interest rates.

The remainder of the loan (EUR 9,514,573 of which EUR 8,809,790 in principal and EUR 704,783 in interest) will be repaid by the Company using the net proceeds of the offering.

2.3.2. Walter Mastelinck and Ludwig Lemenu

On 18 May 2006, being shortly after the incorporation of the Company, CETP Transics on the one hand and Walter Mastelinck and Ludwig Lemenu on the other hand entered into a share transfer agreement with respect to 1,087,560 shares at a price equal to the fractional value of the shares, *i.e.,* EUR 1. As a result each of Walter Mastelinck and Ludwig Lemenu currently hold 543,780 shares in the Company, which together with the 55,142 shares held by other members of Transics' management, represent 20.53% of all the issued and outstanding shares in the Company prior to closing (see also section 3.7).

Walter Mastelinck and Ludwig Lemenu will grant an over-allotment option to ING, acting in name of and for the account of the lead managers to offer each a number of shares up to 3.75% of the shares offered in the main offering, for the sole purpose of allowing the lead managers to cover over-allotments, if any, as indicated in section 2.2.3 above. The shares held by Walter Mastelinck and Ludwig Lemenu which are not being offered will, as of listing, be subject to the lock-up arrangement, as further described in section 2.8.2.

Each of Walter Mastelinck and Ludwig Lemenu further hold 543,780 warrants which must be exercised upon the closing of the offering and which entitle them to subscribe to newly issued shares of the Company. The number of warrants that is exercisable will be dependent on the final offering price (and the multiple of investment CETP Transics realises on the aggregate amount of all the funds (debt as well as equity) invested in the Company), as is indicatively set forth in the table below:

IPO price (EUR per share)	≤5.75	8.28	10.80	13.33	≥15.85
Exercisable warrants at IPO	0	271,890	543,780	815,670	1,087,560
Expired warrants at IPO	1,087,560	815,670	543,780	271,890	0
Total outstanding warrants pre-IPO	1,087,560	1,087,560	1,087,560	1,087,560	1,087,560

The warrants are exercisable at the closing of the offering at EUR 1 each. The warrants have been granted to Walter Mastelinck and Ludwig Lemenu at the occasion of the buy-out of May 2006 by CETP Transics, Walter Mastelinck and Ludwig Lemenu of the stakes of the six venture capitalists that had funded the initial phase of growth of Transics NV between 1998 and 2003. All warrants which are not exercised upon the closing of the offering will automatically expire by force of law, there will be no warrants outstanding upon the offering having been completed.

The number of warrants which are exercised will be published together with the final offering price and will most likely be published in the financial press in Belgium on 16 June 2007 or on the first banking day following the determination of the offering price.

The final offering price of the offered shares will be determined within the price range by the Company and the selling shareholders upon the advice of the lead managers on the basis of a book-building procedure in which only institutional investors can participate. The directors who are under a conflict of interest (Mr. Walter Mastelinck and Mr. Ludwig Lemenu), will be subject to the application of article 523 of the Belgian Companies Code on conflicts of interests.

Walter Mastelinck and Ludwig Lemenu each granted a bond loan to the Company for a principal amount of EUR 543,780 by each of Walter Mastelinck and Ludwig Lemenu, with a maturity date set on 18 May 2016 and an interest rate of 8% (which interest shall be capitalised at the end of each interest period and become payable at maturity date).

The said bond loan, together with the Company's share capital and its then bank debt, served to fund the acquisition by the Company of the stakes of the six venture capitalists that had funded the initial phase of growth of Transics NV between 1998 and 2003.

The said shareholders' loans were repaid up to an amount of EUR 500,000 to Walter Mastelinck and Ludwig Lemenu together (being EUR 467,901 in principal and EUR 32,099 of interests)) under a EUR 31 million facility agreement entered into between (inter alia) the Company as borrower and ING Belgium NV/SA and Fortis Bank NV/SA as Lenders on 26 March 2007, thus enabling the Company to benefit from lower interest rates.

The remainder of the loan (EUR 669,232 of which EUR 619,659 in principal and EUR 49,573 in interest) will be repaid by the Company using the net proceeds of the offering.

2.3.3. Senior managers

On 27 December 2006, the then members of Transics' senior management (Ann Braet, Patrick Bustraen, Erwin Heyse and Dirk Staelens) each acquired 13,781 shares from CETP Transics, Walter Mastelinck and Ludwig Lemenu pursuant to commitments undertaken at the date of the management buy-out at a price equal to the price of the shares at that date, *i.e.,* EUR 1.

2.4. TERMS AND CONDITIONS OF THE OFFERING

2.4.1. Conditions and nature of the offering

The offering consists of shares, coupons No. 1 and following attached, for an amount of up to EUR 40 million consisting of newly issued shares for an amount of up to EUR 26 million and existing shares for an amount of up to EUR 14 million. All newly issued shares will benefit from the right to reduced withholding tax, known as "*Verminderde Voorheffing / Précompte Réduit*" or "*VVPR*". A separate VVPR strip will represent this right. Each new share shall have one VVPR strip, which shall be separately listed and tradable. The existing shares offered through the offering or following the exercise of the over-allotment option will not benefit from the VVPR character and will not have a separate VVPR strip attached.

The offering is subject to the Company and the lead managers reaching a final agreement on the terms of the underwriting agreement.

The offering is organised as a public offering to retail investors in Belgium and a private placement with institutional investors in Belgium and elsewhere in Europe.

The offering is divided into two tranches:

- a tranche of up to 15% of the offered shares (excluding the shares covered by the over-allotment option) is reserved for allocation to retail investors in Belgium, subject to claw back;
- the balance of the shares (including the shares subject to the over-allotment option) shall be reserved for allocation to institutional investors in Belgium and elsewhere in Europe, subject to claw back.

For the purpose of the offering, a retail investor shall mean (a) an individual person resident in Belgium, or (b) the legal entities in Belgium that subscribe for shares in an amount of EUR 50,000 or less.

An amount of up to EUR 250,000 newly issued shares will be reserved within the retail tranche for the personnel of Transics. The members of the personnel of Transics have received a letter from Transics including a special subscription form and including the procedure they must follow in order to benefit from the preferred personnel allocation.

2.4.2. Offering price

The final offering price will be a single price in Euro that will apply to all investors whether retail or institutional.

The final offering price will be determined within a price range determined by the board of directors of the Company and the selling shareholders upon advice of the lead managers. The price range will amongst other things be based on the outcome of pre-marketing by analysts of the syndicate members. The applicable price range will be published in the financial press in Belgium on or about 2 June 2007. The final offering price will be determined by the Company based on the advice of the lead managers and on the basis of a book-building procedure during the offering period, in which only institutional investors can participate, and taking into account various relevant qualitative and quantitative elements, including but not limited to the number of shares requested, the size of the orders received, the quality of the investors submitting such orders and the prices at which the orders were made, as well as the market conditions at that time.

The applicable price range will be published in the Belgian financial press on or about 2 June 2007. The final offering price will be determined as soon as possible after closing of the offering period, which is expected to take place on 15 June 2007 and will be published on the Saturday or first banking day following its determination, which is expected to be on 16 June 2007. The final offering price will in no event exceed the upper-end of the initial price range. The aforementioned dates are subject to early closing of the offering period.

2.4.3. Offering period

The offering period will begin on 4 June 2007 and is expected to close on 15 June 2007, unless it is closed earlier as may be decided by the Company, in consultation with the lead managers. Any early closure of the offering period will be announced in the financial press in Belgium. The offering period will in any event be open for at least six banking days as of the availability of the prospectus. The offering period for retail and institutional investors will be the same.

In principle, prospective investors can submit their subscriptions during the offering period, unless this period is closed prematurely.

Taking into account the fact that the offering period may be closed earlier, investors are invited to submit their subscriptions as promptly as possible.

2.4.4. Subscription procedure

General

Share subscriptions can be submitted at the counters of the syndicate members at no cost to the investor. Subscriptions are not binding upon the Company as long as they are not accepted, in accordance with the allocation rules described below in section 2.4.5.

Only one subscription form per investor will be accepted. If the lead managers determine, or have reason to believe, that a single investor has submitted several orders they may disregard such orders. There is no minimum or maximum amount on the number of shares that can be subscribed to on one order.

Investors wishing to subscribe to shares through intermediaries other than the lead managers should request details of the costs which these intermediaries may charge and which they will have to pay themselves.

To be valid, subscriptions must be submitted at the latest at 4.00 p.m. (Central European time, GMT+1) on the final day of the offering period.

Retail Investors

Retail investors must indicate in their orders the number of offered shares they commit to subscribe to. Retail investors can only subscribe to the offered shares at the final offering price as explained in section 2.4.2, and are bound to subscribe to the number of shares indicated in their share subscription.

In Belgium, orders by retail investors can be submitted, at no cost, at the counters of the syndicate members or of any other financial institution.

Due to the possibility of an early closing, retail investors are invited to introduce their orders as soon as possible. Only in the event an addendum to the prospectus were to be published prior to the closing of the offering, the investors shall have the right to withdraw their subscriptions made prior to the publication of the addendum. Such withdrawal must be done within the time limits set forth in the addendum (which shall not be shorter than two banking days after publication of the addendum).

Institutional Investors

Institutional investors must indicate in their orders the number of offered shares they commit to subscribe to, and the prices (within the price range) at which they are making such orders.

Institutional investors only can participate in the book-building procedure during the offering period, which runs from 4 June 2007 to 15 June 2007, unless it is closed prematurely. During the book-building period, institutional investors will have to indicate how many shares they wish to obtain and at what price (within the price range).

Due to the possibility of an early closing, institutional investors are invited to introduce their orders as soon as possible with the syndicate members. Only in the event an addendum to the prospectus were to be published prior to the closing of the offering, the investors shall have the right to withdraw their subscriptions made prior to the publication of the addendum. Such withdrawal must be done within the time limits set forth in the addendum (which shall not be shorter than two banking days after publication of the addendum).

2.4.5. Allocation of the shares

General

The exact number of offered shares allotted to respectively the retail investors and the institutional investors will be determined at the end of the book-building and offering period by the lead managers in consultation with the Company and will depend on the quantitative and qualitative analysis of the order book.

In case the offering is not subscribed in full, the number of newly issued shares and existing shares allocated in the offering shall be decreased on a pro rata basis. If the offering is not fully subscribed to, the board of directors has the right, but not the obligation, to cancel or proceed with the offering for a reduced amount.The shares will be allocated amongst retail and institutional investors in a balanced way, taking into account the 15% retail tranche and the 85% institutional tranche described under section 2.4.1, without prejudice to claw back as described below. In case of over-subscription, the allocation to retail and institutional investors will be made on the basis of an allocation key. In the event that the offered shares are oversubscribed, preferential treatment may be given to subscriptions submitted at the branches of the syndicate members rather than through other financial intermediaries.

The allocation key will be determined at the end of the book-building period. Without prejudice to a potential preferential treatment given to orders submitted at the counters of the syndicate members, all retail investors will be subject to the same allocation key that will take into account such objective elements as the number of shares subscribed to. The allocation of shares amongst institutional investors will take into account other elements such as the nature of the investor concerned.

The results of the offering and the allocation key for the retail investors will be published in the financial press in Belgium on the allocation date, which is expected to be on 16 June 2007, subject to the early closing of the offering period.

In allocating the offered shares, the lead manager will use reasonable efforts to deliver shares with VVPR strips to individual persons residing in Belgium and to investors subject to Belgian tax on legal entities (*rechtspersonenbelasting / impôt des personnes morales*), in this order of priority.

VVPR strips will be separately listed and tradable on the Eurolist by Euronext Brussels from the listing date, and investors who do not receive VVPR strips in the offering may be able to purchase such instruments on the secondary market.

Claw back

It is expected that up to 15% of the offered shares effectively allocated (excluding the shares covered by the over-allotment option) will be allocated to retail investors in Belgium. However, (i) the proportion of offered shares allocated to retail investors may be increased and possibly substantially, if subscriptions received from them exceed 15% of the offered shares effectively allocated or, conversely, (ii) such proportion may be reduced, but not below 10% (to the extent that 10% of the retail tranche has been subscribed for) if the relative demand from the institutional investors at the offering price significantly exceeds that of the retail investors.

The existing shares will be allocated on a priority basis to investors that are exempt from the tax on stock exchange transactions.

2.4.6. Payment, settlement and delivery of the shares and VVPR strips

The shares must be paid up in full in Euro upon subscription, together with any applicable stock exchange tax. For further information about applicable taxes, see section 2.12.3, "*Tax on stock exchange transactions*".

The payment date is set at three banking days after the allocation date and is expected on 21 June 2007, unless the offering period closes earlier.

It is expected that the shares and VVPR strips will be delivered to the investors on or about 21 June 2007, which is also the payment date.

All offered shares and VVPR strips will be delivered in book-entry form, represented by one or more global certificates that will have been filed with the book-entry facilities of the Belgian central securities depositories ("CIK"), as well as through Euroclear Bank SA/NV, as operator of the Euroclear System ("Euroclear"), all in accordance with their normal settlement procedures applicable to equity securities.

As described in section 2.4.7 below, the shares and VVPR strips will upon closing of the offering not be delivered in physical form but will be available in book-entry form only.

2.4.7. Form of the shares and VVPR strips

All offered shares will have the same rights and benefits attached to them as the Company's other shares. For a further description of the Company's shares and the rights and benefits attached thereto, see section 3.4.2, "*Description of rights and benefits attached to the shares*", in chapter 3, "*General information about the Company and its share capital*".

As described in section 2.4.6 above, all shares and VVPR strips will be delivered in book-entry form, represented by one or more global certificates that will have been filed with the CIK for safekeeping on behalf of those persons entitled to the shares and VVPR strips.

Upon delivery of the shares and VVPR strips, the shares and VVPR strips will therefore be bearer securities in book-entry form. The shares and VVPR strips cannot yet be delivered as bearer securities in physical form. The physical certificates will be available as soon as possible and in any case within three months of the listing date. Until they are delivered in physical form, a global certificate will represent the bearer shares and only book-entry transactions will be possible.

Shareholders requesting physical delivery of bearer shares and VVPR strips should take into account delivery costs amounting to EUR 12.5 (+VAT) for delivery in Belgium at the counters of ING, to EUR 20 (+VAT) at the counters of Fortis Bank NV/SA and to EUR 10 (+VAT) at the counters of Dexia Bank Belgium NV/SA. In addition, any direct or indirect costs for printing the bearer shares shall be charged to the shareholders requesting physical delivery *pro rata* to the number of shares they requested to be delivered physically. Shareholders are requested to enquire about any additional costs which financial institutions that are not accompanying institutions or selling agents may charge and which shareholders will have to bear themselves. In addition, a tax on the physical delivery of bearer shares equal to 0.6% of the purchase price will be due. See also section 2.12.4 below.

For shareholders who opt for registered shares, the shares will be recorded in the Company's shareholders' register. Holders of registered shares may request that their registered shares be converted into bearer shares and vice versa at any time. Any costs incurred by the conversion of registered shares into bearer securities will be borne by the shareholder. All shares for which the physical delivery in bearer form has been requested by 31 December 2007 at the latest, can remain in bearer form until 1 January 2013 at the latest, at which time they will be converted into dematerialised shares or registered shares, at the choice of the owner.

In accordance with the Belgian Act of 14 December 2005 on the abolition of bearer securities (*Wet houdende afschaffing van de effecten aan toonder*), all securities held on securities accounts for which the physical delivery in bearer form has not been requested prior to 1 January 2008, will automatically be converted in dematerialised securities as from 1 January 2008. Bearer securities that are put on a securities account after 31 December 2007 are also automatically converted in dematerialised securities as from the moment that they are put on the securities account. As of 1 January 2008, it will no longer be possible to issue new bearer securities, nor will it be possible to physically deliver in bearer form existing securities previously unconverted.

All of the offered shares will be fully paid upon their delivery, and freely transferable.

2.4.8. Dividends

Entitlement to dividends

The offered shares will be entitled to a share in the profits as of 1 January 2007 and are therefore entitled to dividends, if and when declared, for the financial year closed on 31 December 2007 and the following financial years. For further information on the declaration and payment of dividends, see also section 2.12.1, "*Dividends*".

Dividend policy

The Company has never declared or paid any dividends on its shares. Following this offering, the Company's dividend policy will be determined by the Company's board of directors and may change from time to time. Any declaration of dividends will be based upon the Company's earnings, financial condition, capital requirements and other factors considered important by the board of directors. Belgian law and the Company's articles of association do not require the Company to declare dividends.

Under the terms of a EUR 31 million facility agreement entered into between (*inter alia*) the Company as borrower and ING Belgium NV/SA and Fortis Bank NV/SA as Lenders on 26 March 2007, the Company may not make any dividend distributions to its shareholders unless such distribution is to the amount of the lower of (i) 50% of the current earnings for the preceding financial year of the Company which are distributable in accordance with Belgian GAAP and (ii) the amount of excess cash flow which remains available after giving effect to the cash sweep (*i.e.* the Company's contractual obligation towards its bankers to repay a certain percentage (which percentage depends on its leverage ratio, varying from 50% when the leverage ratio exceeds 2.5 to 0% when the leverage ratio is lower than 2.0) of its excess cashflow (but excluding the IPO proceeds) exceeding EUR 250,000 on a yearly basis.

2.5. LISTING AND FIRST TRADING

An application has been made for the admission of all shares of the Company to listing on the Eurolist by Euronext Brussels, including all existing shares and all shares issued as a result of the increase of the Company's share capital as described in section 3.4, as well as the shares to be issued upon exercise of the warrants of the Company. The shares are expected to be listed under international code number BE0003869865 and symbol TRAN on the Eurolist by Euronext Brussels.

An application has been made for the admission of all the VVPR strips of the Company to listing on the Eurolist by Euronext Brussels. The VVPR strips are expected to be listed under international code number BE0005613840 and symbol TRANS on the Eurolist by Euronext Brussels.

Unless early closing of the offering occurs, the Company expects trading to commence on or about 18 June 2007, being the first banking day following the allocation date, but at the latest on the closing date of the offering when the offered shares are delivered to the investors. See also the underwriting agreement, referred to in section 2.6.

Prior to the closing date and delivery of the shares and, as the case may be, VVPR strips to the investors, the shares will be listed and traded on an "as-if-and-when-issued" basis. Investors that wish to enter into transactions in shares of the Company prior to the closing date of the offering, whether such transactions are effected on the Eurolist by Euronext Brussels or otherwise, should be aware that the closing date of the offering may not take place on 21 June 2007 or not at all, in the event where certain conditions or events referred to in the underwriting agreement are not satisfied or waived or do not occur on or prior to such date. Such conditions include the receipt of officers' certificates and legal opinions and such events include the suspension of trading on the Eurolist by Euronext Brussels or a material adverse change in the Company's financial condition or business affairs or in the financial markets. Euronext Brussels has indicated that it will annul all transactions effected on it if the shares offered hereby are not delivered on the closing date of the offering and that it cannot be held liable for any damage arising from the listing and trading on an "as-if-and-when-issued" basis as of the listing date until the envisaged closing date.

Prior to the listing of the shares, no public market existed for the offered shares and VVPR strips.

2.6. UNDERWRITING AGREEMENT

Subject to the right of the parties involved in the underwriting agreement not to sign such an agreement, the Company and the lead managers are expected to enter into an underwriting agreement no later than at the determination of the final offering price, which is expected to take place on 15 June 2007. The conclusion of this agreement may depend on various factors including, but not limited to, market circumstances and the result of the book-building procedure.

In the underwriting agreement, the Company is expected to make certain representations and warranties and to agree to indemnify the lead managers against certain liabilities.

Subject to the terms and conditions of the underwriting agreement, the lead managers will agree to subscribe to and acquire in their own name but for the account of the retail and institutional investors to the following percentages of the offered shares and VVPR strips in the main offering with a view to immediately distributing these shares and VVPR strips to the investors concerned:

- ING Belgium NV/SA 45%
- Fortis Bank NV/SA 45%
- Dexia Bank Belgium NV/SA 10%

The syndicate members will distribute the shares and VVPR strips to investors, subject to prior issue or sale, when, as and if issued and delivered to them, subject to the satisfaction or waiver of the conditions that are expected to be contained in the underwriting agreement, such as the receipt by the lead managers of officer's certificates and legal opinions.

The underwriting agreement is also expected to provide that, upon the occurrence of certain events, such as the suspension of trading on the Eurolist by Euronext Brussels or a material adverse change in the Company's financial condition or business affairs or in the financial markets, or other *force majeure* events, the lead managers will have, on certain conditions and after consultation with the Company, the right to withdraw from the underwriting agreement and the offering before the delivery of the shares. In such event, the investors will be informed by publication in the Belgian financial press that no offered shares can be delivered and that their acceptances are cancelled.

2.7. OVER-ALLOTMENT AND STABILISATION

In connection with the offering, the lead managers may as of the listing date until 30 calendar days thereafter (the “stabilisation period”) over-allot or effect transactions that stabilise or maintain the market price of the shares at levels above those that might otherwise prevail in the open market. For this purpose, ING in name of and for the account of the lead manager will act as stabilisation agent for the lead managers. This possibility will exist whether or not the offering is fully subscribed to. Such transactions, if any, may be effected on the Eurolist by Euronext Brussels on the over-the-counter market or otherwise at a price which may be higher than the final offer price. There is no assurance that such stabilisation will be undertaken and, if it is, it may be discontinued at any time and will, in any event, be discontinued 30 calendar days after the listing date. The stabilisation will be performed in accordance with the applicable laws and regulations (including European Regulation 2273/2003).

If the lead managers create a short position in the shares in connection with the offering, they may reduce that short position by purchasing shares in the open market. Purchases of shares to stabilise the trading price or to reduce a short position may cause the price of the Company’s shares to be higher than it might be in the absence of such purchases. Neither the Company nor the lead managers make any representation or prediction as to the direction or the magnitude of any effect that the transactions described above may have on the price of the shares.

Within a week of the end of the stabilisation period, the following information will be published on the website of the Company in accordance with article 8, •3 of the Belgian Royal Decree of 5 March 2006 regarding market abuse (*Koninklijk besluit betreffende marktmisbruik)*: (i) whether or not stabilisation was undertaken, (ii) the date at which stabilisation started, (iii) the date at which stabilisation last occurred and (iv) the price range within which stabilisation was carried out for each of the dates during which stabilisation transactions were carried out.

The lead managers may also elect to reduce any short position by exercising all or part of the over-allotment option. This over-allotment option will be exercisable as of the listing date until 30 calendar days thereafter. The over-allotment option consists of an option on existing shares granted by CETP Transics, Messrs. Walter Mastelinck and Ludwig Lemenu to ING, acting in name of and for the account of the lead managers, that will be exercisable only to cover over-allotments, if any. This possibility will exist whether or not the offering is fully subscribed. These shares will not have a separate VVPR strip.

The over-allotment option will apply to an aggregate number of shares, at the final offering price, of up to 15% of the shares offered in the main offering. The results of the exercise of the over-allotment option will be published in the financial press in Belgium.

In order to cover any over-allotments prior to the exercise of the over-allotment option, it is expected that ING (acting in name of and for the account of the lead managers) will enter into a stock lending agreement with the selling shareholders that will grant the over-allotment option.

2.8. INTENTIONS OF THE SHAREHOLDERS

2.8.1. Existing shareholders

To the extent known to the Company, the existing shareholders or members of the Company’s management, supervisory, or administrative bodies do not intend to subscribe to the offered shares in the offering.

Various members of Transics' management (excluding Walter Mastelinck and Ludwig Lemenu) have indicated to the Company that they may consider subscribing to the shares offered in the priority tranche reserved for the employees.

2.8.2. Lock-up and standstill arrangements

The number of shares available for sale in the public market following the admission to listing of the Company's shares will be limited by several transfer restrictions, which are summarised hereafter.

All existing shareholders have entered into a lock-up agreement with the lead managers whereby they agree not to transfer any of their shares in the Company for a period starting on the listing date and ending 6 months from the listing date.

The above lock-up will apply only to shares held by the relevant existing shareholders on the date of completion of the offering and to shares acquired by the relevant warrant holders following the exercise of the aforementioned warrants. This lock-up undertaking will however not apply to existing shares which will be sold in the offering, to existing shares which will be sold to cover any over-allotments, and to the lending of shares to the lead managers to cover any over-allotments (it being understood that shares that upon expiry of the stock lending are re-delivered to the lenders will be subject to the lock-up).

The lock-up undertaking will not apply to (i) any transfer of such shares or warrants to an affiliated entity, subject to a similar lock-up undertaking (ii) any transfer of shares to the legal successor of the holder of such shares or warrants pursuant to the merger, liquidation or de-merger of such holder, provided that the legal successor agrees to similar lock-up obligations in favour of the lead managers, (iii) any pledge of such shares or warrants, (iv) any transfer pursuant to a public takeover bid or squeeze-out, (v) any transfer of such shares or warrants in a private and bilateral sale, subject to a similar lock-up undertaking, (vi) any transfer of such shares that has been approved by the lead managers.

For a period of 6 months after the listing date, the Company shall not issue, subject to certain restrictions or without the prior written authorisation of the lead managers (which shall not be unreasonably withheld), any new shares or other securities, including options, warrants convertible securities or other rights to subscribe to any new shares or other securities, or otherwise sell, transfer or dispose of or enter into any swap or any other transaction (including any derivative transaction) or commitment with like effect, of whatever kind, which directly or indirectly leads to a total or partial issue of new shares or securities irrespective whether these are or are not listed on a stock exchange or a regulated market.

2.8.3. Shareholders' intentions at and after the offering

To the knowledge of the Company, the existing shareholders' agreement between CETP Transics, Mr. Walter Mastelinck, Mr. Ludwig Lemenu and the members of senior management will be terminated with effect on the listing date. It will however be replaced by an agreement between CETP Transics, Mr. Walter Mastelinck, Mr. Ludwig Lemenu pursuant to which parties agree on the joint exercise of their voting right in respect to the appointment or dismissal of director, the increase of the Company's share capital with more than 10%, the amendment of the articles of association, any proposal that may result in the number of shares held by CETP Transics, Messrs. Walter Mastelinck and Ludwig Lemenu to decrease below 30% of the securities conferring voting rights, the purchase and sale of own shares by the Company. In addition CETP Transics agrees for the initial period of 5 years to vote in favour of the candidacy of Walter Mastelinck, respectively, Mr. Ludwig Lemenu as a director to the extent they respectively hold 5% of the shares of the Company. The agreement also provides a consultation and information mechanism between the said parties in respect of various issues in respect to the response of the Company to a public takeover. As a result, said persons will, subject to the CBFA's verification on whether the relevant conditions have been satisfied, be deemed to be acting in concert and will notify this to the CBFA and the Company in accordance with article 74 of the Belgian Act on public takeover bids.

The Company is not aware that any of the existing shareholders or members of its management, supervisory or administrative bodies have the intention to subscribe for the offered shares, it being understood that various members of Transics' management (excluding Walter Mastelinck and Ludwig Lemenu) have indicated to the Company that they may consider subscribing to the shares offered in the priority tranche reserved for the employees.

2.9. COSTS AND REMUNERATION OF INTERMEDIARIES

The aggregate costs of the offering borne in the current financial year (including the discretionary fee referred to below, assuming that the overallotment option is exercised in full) are estimated to be approximately 6.5% of the amount of the offering. These costs include legal, audit, consulting, administrative and other costs, costs of legal publications and the printing of the prospectus (EUR 900,000) the remuneration of the CBFA (EUR 15,690), initial fees payable to Euronext Brussels (25,000) as well as the management, underwriting and selling fees for the lead managers (estimated at EUR 1.4 million or EUR 1.6 million depending on whether or not the over-allotment option is exercised, not including a discretionary fee of up to 1% of the total amount raised by the Company in the offering). The latter are to a certain extent divided among the lead managers who register subscriptions in relation to the offering described in this prospectus.

All costs will be borne by the Company except for the fees related to the sale of the existing shares, which will be borne by the selling shareholders.

2.10. FINANCIAL SERVICE

The financial service for the shares of the Company is provided in Belgium by ING Belgium NV/SA and Fortis Bank NV/SA free of charge for the shareholders. Should the Company alter its policy in this matter, this will be announced in the Belgian financial press.

2.11. LEGISLATION AND COMPETENT COURTS

The offering is subject to Belgian law. The courts and tribunals of Brussels have sole jurisdiction should any dispute arise in relation to the offering.

2.12. BELGIAN TAXATION

The following is a summary of certain Belgian tax consequences of the acquisition, ownership and disposal of shares in the Company. It is based on the tax laws and administrative interpretations applicable in Belgium as presently in effect and is subject to changes in Belgian law, including changes that could have a retroactive effect. The following summary does not take into account or discuss the tax laws of any country other than Belgium, nor does it take into account the individual circumstances of each investor. Prospective investors should consult their own advisers as to the Belgian and foreign tax consequences of the acquisition, ownership and disposal of the shares.

For the purpose of this summary, a Belgian resident is an individual subject to Belgian personal income tax (*i.e.*, an individual who has his domicile in Belgium or has the seat of his wealth in Belgium, or a person assimilated to a Belgian resident), a company subject to Belgian corporate income tax (*i.e.*, a company that has its registered office, its main establishment, its administrative seat or its seat of management in Belgium) or a legal entity subject to the Belgian tax on legal entities (*i.e.*, a legal entity other than a corporation subject to the corporate income tax, that has its registered office, its main establishment, its administrative seat or its seat of management in Belgium). A Belgian non-resident is a person that is not a Belgian resident.

2.12.1. Dividends

For Belgian income tax purposes, the gross amount of all distributions made by the Company to its shareholders is generally taxed as a dividend, except for the repayment of paid-up capital carried out in accordance with the Belgian Companies Code to the extent that the capital qualifies as "fiscal" capital. The gross amount paid by the Company to redeem its shares and the gross amount of distributions made by the Company to its shareholders as a result of the Company's complete or partial liquidation is also generally taxed as a dividend at a rate of 10%, insofar as the payment exceeds the fully paid-up fiscal capital of the Company. No withholding tax will be due for redemptions carried out on the central market of Euronext or any other similar stock exchange market.

In general, a Belgian withholding tax of 25% is levied on dividends. Under certain circumstances, the 25% withholding tax rate is reduced to 15%. Belgian domestic tax law, however, provides for an exemption from Belgian withholding tax in certain cases.

European Union resident companies that qualify under the EU Parent-Subsidiary Directive of 23 July 1990 (90/435/EEC) are exempt from withholding tax if they own at least a 15% interest in the capital of the Company for an uninterrupted period of at least one year (or, alternatively, if they undertake to hold such interest for at least one year and certain other conditions are satisfied).

Moreover, no withholding tax will be due on dividend payments by the Company provided that the (i) the beneficiary is a company limited by shares located in a country having a double tax treaty with Belgium and is subject to the common system of corporate tax in its country of residence, (ii) the beneficiary holds at least 15% of the share capital of the Belgian company, (iii) the shares are held (or will be held) during an uninterrupted period of 1 year, and (iv) the double tax treaty concerned contains an exchange of information clause.

Belgium has concluded tax treaties with more than 80 countries, reducing the dividend withholding tax rate to 15%, 10% or 5% for resident of those countries, depending on conditions, among others, related to the size of the shareholding and certain identification formalities.

The shares that will be newly issued by the Company will benefit from the 15% withholding tax since the Company has decided to issue VVPR strips.

If the dividend is paid through a Belgian financial institution, such institution must withhold the above-mentioned tax, if applicable.

For private investors who are Belgian residents and for legal entities subject to the Belgian tax on legal entities, the Belgian withholding tax generally constitutes the final tax on their dividend income. The tax base is the amount of the dividend paid. If a private investor elects to report the dividend income in his tax return, he will then be taxed at the separate rate of 25% or, if applicable, at the reduced rate of 15%, to be increased with the municipal surcharge or at the applicable progressive personal income tax rates taking into account the taxpayer's other declared income, whichever is lower. If progressive income tax rates apply, the payable income tax is also increased by the municipal surcharge. The reporting of a dividend income that has been subject to Belgian withholding tax is generally only more favourable in case the overall income of the taxpayer does not exceed the applicable tax-free minimum for that income year.

For Belgian resident companies and for companies with their tax residence outside Belgium holding the shares of the Company through a permanent establishment in Belgium, the gross dividend income, including the withholding tax, must be added to their taxable income, which is taxed at the income tax rate of 33.99%. Under certain circumstances lower tax rates may apply. If such a company holds, at the time of the dividend distribution, a shareholding of at least 10% in the capital of the Company or a share participation with an acquisition value of at least EUR 1,200,000, then 95% of the gross dividend received may be deducted from the taxable amount ("dividend received deduction"), provided that the shareholding in the Company qualifies as a "fixed financial asset" according to Belgian GAAP, the shareholding has or will be held during an uninterrupted period of at least one year and that the shares are held in full legal ownership.

The minimum participation requirement does not apply to dividends received by Belgian credit institutions, insurance companies and stock exchange companies. Additionally, the minimum participation, legal ownership, accounting qualification and minimum holding period requirements do not apply to dividends received by Belgian qualifying collective investment companies.

Belgian resident companies and companies with their tax residence outside Belgium holding the shares of the Company through a permanent establishment in Belgium are, under certain conditions, entitled to credit the Belgian withholding tax on dividends against their corporate income tax liability and to claim the reimbursement of the Belgian withholding tax that exceeds this liability.

A non-resident shareholder, who does not hold the shares of the Company through a permanent establishment in Belgium, will not be subject to any Belgian income tax other than the withholding tax on dividends, which normally constitutes the final Belgian income tax. Belgian tax law provides for certain exemptions from withholding tax on Belgian source dividends distributed to non-resident investors. In the event there is no exemption applicable under Belgian domestic tax law, the Belgian dividend withholding tax can potentially be reduced for investors who are non-residents pursuant to the treaty for the avoidance of double taxation concluded between the State of Belgium and the State of residence of the non-resident shareholder of the Company, if any.

2.12.2. Capital Gains and Losses

Private investors who are Belgian residents are in principle not subject to Belgian income tax on capital gains realised upon the disposal of the shares, unless the capital gain is the result of speculation or cannot be characterised as resulting from the normal management of a private estate. In such an event, the capital gain is taxable at 33%, to be increased with municipal surcharges.

The capital gains realised upon the sale of shares belonging, during the five years before the transfer of the shares, to an important shareholding of 25% or more (taking into account the shares held by certain relatives) are taxable at 16.5%, to be increased with municipal surcharges, in case the shares are sold to a non-EU corporation.

Legal entities subject to the Belgian tax on legal entities are in principle not subject to Belgian income tax on capital gains realised upon the disposal of the shares.

Belgian resident companies and companies with a tax residence outside Belgium holding shares through a permanent establishment in Belgium are generally not subject to Belgian income tax on capital gains realised upon the disposal of the shares.

Conversely, capital losses realised upon the disposal of the shares are generally not tax deductible under Belgian tax law.

A non-resident shareholder who does not hold the shares through a permanent establishment in Belgium will generally not be subject to Belgian income tax on capital gains realised upon the disposal of the shares.

2.12.3. Tax on stock exchange transactions

The purchase and the sale and any other acquisition or transfer for consideration in Belgium, through a "professional intermediary", of existing shares (secondary market) is subject to the tax on stock exchange transactions, generally in the amount of 0.17% of the purchase price, capped at EUR 500 per transaction and per party. Upon the issuance of new shares (primary market), no tax on stock exchange transactions is due.

In any event, no tax on stock exchange transactions is payable by (i) professional intermediaries described in Articles 2, 9° and 10° of the Belgian Act of 2 August 2002 on the supervision of the financial sector and financial services (*Wet betreffende het toezicht op de financiële sector en de financiële diensten*), acting for their own account; (ii) insurance companies described in Article 2, •1 of the Belgian Act of 9 July 1975 on the supervision of insurance companies (*Wet betreffende de controle der verzekeringsondernemingen*) acting for their own account, (iii) pension funds described in Article 2, 1° of the Act of 27 October 2006 (*Wet betreffende het toezicht op de instellingen voor bedrijfspensioenvoorzieningen*) on the supervision of pension funds acting for their own account; (iv) collective investment institutions acting for their own account or (v) non-residents acting for their own account. The existing shares that are used for purposes of over-allocation, if any, will be allocated on a priority basis to investors that are exempt from the tax on stock exchange transactions.

3. GENERAL INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

3.1. GENERAL

This chapter 3 summarises the corporate purpose, share capital and corporate structure of the Company and the material rights of its shareholders under Belgian law and the Company's articles of association. It is based on the Company's articles of association that have been amended by the extraordinary shareholders' meeting of 15 May 2007 and that will become effective upon completion of the offering and listing of the Company's shares.

Transics International NV was incorporated on 10 May 2006 for an unlimited duration. The Company has the legal form of a limited liability company (*naamloze vennootschap* - *NV*) organised and existing under the laws of Belgium. Pursuant to the Belgian Companies Code, the liability of the shareholders is limited to the amount of their respective committed contribution to the capital of the Company.

The Company's registered office is currently located at Ter Waarde 91, 8900 Ieper, Belgium. The Company is registered with the register of legal entities (*rechtspersonenregister –RPR*) (Ieper) under company number 0881.300.923. The Company can be reached by phone at the number +32 (0)57 34 61 71.

At its meeting of 15 May 2007, the extraordinary shareholders' meeting of the Company passed amongst other things the following resolutions:

- the decision to appoint the independent directors;
- the decision to cancel the existing classes of shares and to convert all shares into common shares;
- the decision to increase the Company's share capital within the framework of the proposed offering and listing;
- the decision to amend and restate the articles of association in view of the capital increase and the proposed listing of the Company, including, amongst other things, the decision to grant the board of directors the authority to increase the Company's share capital within the framework of the authorised capital.

The aforementioned resolutions of the extraordinary shareholders' meeting of 15 May 2007, including the appointment of the independent directors, cancellation of the existing classes of shares, and the amendment and restatement of the Company's articles of association, are subject to the completion of the offering and listing of the Company's shares on the Eurolist by Euronext Brussels.

The description hereafter is only a summary and does not purport to give a complete overview of the articles of association, nor of all relevant provisions of Belgian law. Neither should it be considered as legal advice regarding these matters. The description below assumes that the changes to the Company's articles of association, which were approved on 15 May 2007 subject to the condition precedent of the closing of the offering and the listing of the shares on the Eurolist by Euronext Brussels, have become effective.

3.2. CORPORATE PURPOSE

The corporate purpose of the Company is set forth in article 3 of its articles of association and reads (in translation from the Dutch original) as follows:

1. The company may, in Belgium and abroad, execute for its own account or for the account of third parties, any industrial, commercial, financial, movable or immovable transaction, under whatsoever denomination, that relate directly or indirectly to the following:

    - lease and rent, acquire and sell, install, maintain, repair, distribute, and fabricate all kind of accessories for transport vehicles, such as board computers;

    - lease and rent, acquire and sell, install, maintain, repair, distribute, and fabricate all kind of equipment for the transfer and the processing of information of data from among other board computers;

    - develop hard- and software for the above mentioned equipments;

    - proceed with research and development in view of the above;

    - granting of concessions, property rights, patents, manufacturing procedures, labels of guarantee and trade marks of electronic equipments or technical know-how that relate to the electronic transfer of processing of information of among other board computers in transport vehicles.

2. In addition, the company's object also consists in the performance of all activities mentioned below, in Belgium and abroad:

    - Providing for the supervision, the management, the advice and the control of companies, the management of companies in the widest sense and providing management services in the field of organisation, management, IT, human resources, education and accountancy. Providing management advises relating to marketing, production, finance and administration and commercial management, control of enterprises and organisations and development of organisation projects in any enterprises.

    - The performance of management and control in its capacity as director, managing director, liquidator or in any other way in all kind of companies, affiliated or not. Acquiring, selling, leasing, renting, transferring or exchanging movable or immovable assets that relate directly or indirectly to the above services or that could be useful for the organisation, assistance and reorganisation of companies.

3. The company's corporate object also consists in, but solely for its own account, all activities and operations of a holding company and an investment company. The company may, in Belgium and abroad, perform all activities which relate to the above company's object, and in particular:

    - to procure, by purchase or subscription, all shares, bonds, debentures, or any other movable titles, in whatever form, of existing or to be incorporated, Belgian or foreign companies;

    - to stimulate the incorporation of companies by contribution, participation or investment;

- to grant loans and credit facilities to companies or private persons, under whatever form; within this framework the company may also grant a security or act as guarantor, within the widest sense of the word, execute any commercial and financial operations, except for those operations which are legally reserved to deposit bank, holders of short term deposit accounts, savings banks, mortgage companies and capitalisation corporations;

- to give financial, technical, commercial or administrative advice; in the widest sense of the word; to grant services and assistance, direct or indirect, in the field of administration and finance, sale, production and general management;

- to supply all management tasks, to exercise all mandates and functions, which directly or indirectly relate to the company's purpose;

- to rent and lease, sell or purchase movable and immovable assets; for its own account, in Belgium and abroad; perform activities relating to the possession, the management of immovable patrimonies, including the purchase, sale, exchange, valuation, allotment, negotiation, management, renting, construction, conversion, finalisation and maintenance of all immovable assets;

- to develop, purchase, sell, obtain or give out patents, know-how and relating immaterial durable assets;

The company however can never perform activities in relation to the management of assets nor relating to the investment advisory services as provided for by the Belgian Act of 2 August 2002 relating to the supervision of the financial sector and the financial services, and the Executing Decrees taken on the basis of this legislation, or any other later law and/or execution decree that will replace or change this law or these execution decrees.

The company may pursue its purpose, in Belgium and abroad, by any means and manner the company considers being best.

The company acts for its own account, consignation, commission, as intermediary, commission agent or as representative.

In general, the company may carry out all commercial, industrial and financial activities and all real and personal property operations, directly or indirectly connected with its corporate purpose, or of a nature to promote the development of its own purpose.

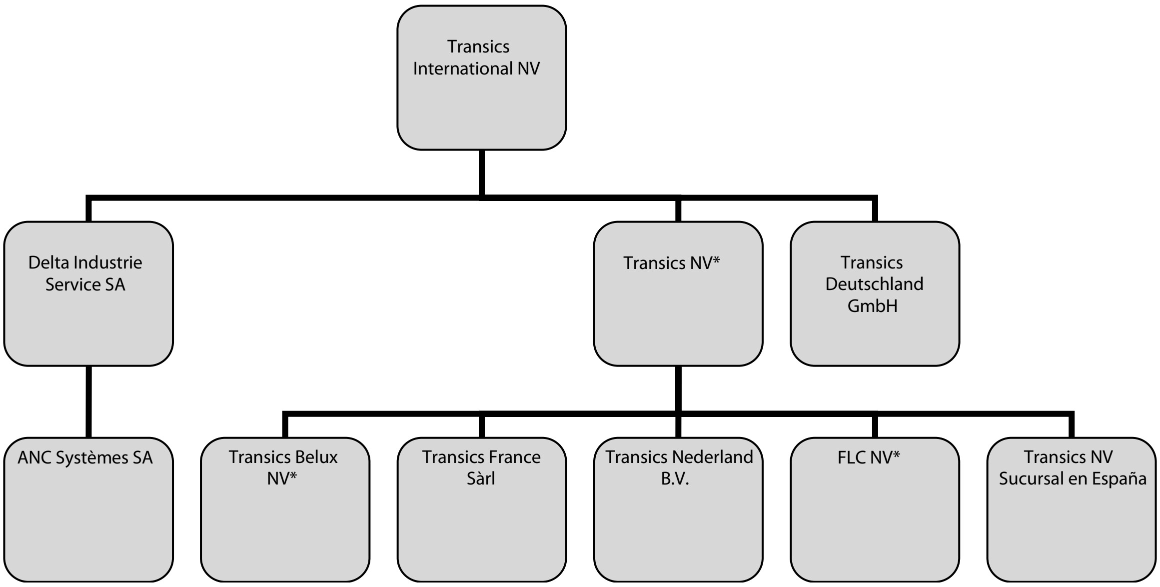
The company may by contribution, participation, cooperation or merger take an interest in all businesses, companies and enterprises, groups or organisations, which have a corporate purpose which is similar to the company's purpose, or of a nature to promote, directly or indirectly, the development of its own purpose, in Belgium or abroad.

The company may conclude loans, mortgage its immovable properties, and grant a pledge on any other goods including its business, and it may confer guarantees to third parties for any loans, credit lines, and other agreements, for its own account and for the account of third parties, on the condition that the company has an interest in doing so.

3.3. GROUP STRUCTURE

Transics' main business is conducted through the Company itself and through its subsidiaries Transics NV and Delta Industrie Service SA ("DIS"). Because its main commercial markets are in several different European countries, Transics has established a presence in France, the Netherlands, Spain and Germany. Being present on the ground in its major markets allows Transics to increase its visibility and to establish direct contact and stronger relationships with customers.

Transics' group structure as of the date of this prospectus is as follows:



* All lines represent 100% shareholdings. However, (i) references to 100% holdings in Transics NV by Transics International NV actually mean 100% minus 1 share that is held by Transics Belux NV, (ii) references to 100% holdings in Transics Belux NV by Transics NV actually mean 100% minus 1 share that is held by Transics France Sàrl, (iii) references to 100% holdings in FLC NV by Transics NV actually mean 100% minus 1 share that is held by Transics Belux NV, (iv) references to 100% holdings in ANC Systèmes by Delta Industrie Service SA actually mean a 23.46% shareholding only, the other shares in ANC Systèmes being held by Mr. Jacques Mante, and (v) references to 100% holdings in Transics NV Sucursal en España by Transics NV is not to be understood as a 100% shareholding since Transics NV Sucursal en España is actually a branch office of Transics NV without separate legal personality.

The direct and indirect subsidiaries of the Company are:

Subsidiaries	**Registered office**
Delta Industrie Service SA (France)	Route de Nîmes 111, 30560 St Hilaire de Brethmas, France
ANC Systèmes	Boulevard Rabelais 23, 34000 Montpellier, France
Transics Deutschland GmbH (Germany)	Cäcilienstrasse 46, 50667 Köln, Germany
Transics NV Sucursal en España (Spain)	Plaza de la Cultura 7, 3°3a, 08225 Terrassa (Barcelona), Spain
Transics NV (Belgium)	Ter Waarde 91, 8900 Ieper, Belgium
Transics France Sàrl (France)	3087, rue de la Gare, 59299 Boeschepe, France
Transics Nederland B.V. (Netherlands)	Galvaniweg 15, 4207 HL Gorinchem, the Netherlands
Transics Belux NV (Belgium)	Ter Waarde 91, 8900 Ieper, Belgium
FLC NV (Belgium)	Ter Waarde 91, 8900 Ieper, Belgium

3.4. SHARE CAPITAL AND SHARES

3.4.1. Share capital and shares

On the date of this prospectus, the Company's registered capital amounts to EUR 5,512,536 represented by 5,512,536 registered common shares without nominal value. The capital is fully paid up.

The table below provides an overview of the history of the Company's share capital since its incorporation in 2006. The overview should be read together with the notes set out below the table.

Date	Transaction	Number and class of shares issued	Issue price per share (EUR) (incl. issuance premium)	Capital increase (EUR)	Share capital after transaction	Aggregate number of shares after capital increase
INCORPORATION						
10 May 2006	Incorporation[1]	61,500 Class A 0 Class B	EUR 1	EUR 61,500	EUR 61,500	61,500
CAPITAL INCREASE						
17 May 2006	Capital increase in cash[2]	4,363,476 Class A 1,087,560 Class B	EUR 1	EUR 5,451,036	EUR 5,512,536	5,512,536
CONVERSION OF WARRANTS						
Immediately prior to IPO	Conversion[3]	(to be completed) [3]	EUR 1	(to be completed) [3]	(to be completed) [3]	(to be completed) [3]

Notes

(1) The shares were subscribed to by CETP Transics Sàrl (61,499 shares) and Mr. Christopher Finn (1 share)

(2) The shares were subscribed to by CETP Transics Sàrl (5,451,036 shares)

(3) The exact number of shares the warrants will be converted into will be calculated in accordance with what is set forth in section 3.5.

On 15 May 2007, the Company's extraordinary shareholders' meeting decided to authorise the capital increase required for the purpose of the present offering and to cancel the various classes of shares. See also section 2.1 "*Information related to the capital increase*" and section 3.5 *"Warrants"*.

Upon completion of the offering and listing, all existing shareholders' agreements will terminate automatically, and (i) specific lock-up and standstill arrangements described in section 2.8.2 and (ii) a new shareholders' agreement between CETP Transics, Mr. Walter Mastelinck and Mr. Ludwig Lemenu described in section 2.8.3 will be entered into. All existing shares will be converted into common shares with the same rights and benefits and the same fractional value as the offered shares, taking into account, however, that only the new shares will have VVPR strips attached.

The issue price of EUR 1.00 per share at the occasion of the incorporation and the subsequent capital increase of 10 May 2006, respectively 17 May 2006, was the result of a competitive auction which has been conducted at arms' length negotiations with and on behalf of the former shareholders of Transics NV (who eventually sold their shares to Transics International NV). As is common for leveraged (management) buy-outs, this acquisition was mainly financed through debt (bank borrowings and shareholders' loans) (see section 5.16) and only a limited part was financed through equity. In such structures, procentual increase in value of the operational activities has a mutiplicator effect on the procentual increase of the equity value of Transics International NV and therefore on the price per share. In light of the Company's particular situation, elements that may have driven the value of its operational activities include (i) the fact that the Company has realised further growth in 2006, (ii) the fact that operating margin and EBITDA margin further increased in 2006, and (iii) the fact that the Company acquired DIS, which will as of 2007 contribute to the Company's growth.

3.4.2. Description of rights and benefits attached to shares

Voting rights

Each shareholder of the Company is entitled to one vote per share. Shareholders may vote by proxy.

Voting rights can be suspended in relation to shares:

- which were not fully paid up, notwithstanding the request thereto of the board of directors of the Company;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3%, 5%, or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Company on the date of the relevant general shareholders' meeting, except in the event where the relevant shareholder has notified the Company and the CBFA at least 20 days prior to the date of the general shareholders' meeting on which he or she wishes to vote (see also below under section 3.8) of its shareholding reaching or exceeding the thresholds above; and
- of which the voting right was suspended by a competent court or the CBFA.

Generally, the shareholders' meeting has sole authority with respect to:

- the approval of the annual accounts of the Company;
- the appointment and resignation of directors and the statutory auditor of the Company;
- the granting of discharge of liability to the directors and the statutory auditor;
- the determination of the remuneration of the directors and of the statutory auditor for the exercise of their mandate;
- the distribution of profits;
- the filing of a claim for liability against directors;
- the decisions relating to the dissolution, merger and certain other re-organisations of the Company; and
- the approval of amendments to the articles of association.

Right to attend and vote at shareholders' meetings

Annual shareholders' meeting

The annual shareholders' meeting is held at the registered office of the Company or at the place determined in the notice convening the shareholders' meeting. The meeting is held every year on the third Friday of May at 20:00 hours (Central European Time, GMT+1). If this date is a legal holiday, the meeting is held at the next business day. At the annual shareholders' meeting, the board of directors submits the audited statutory and consolidated financial statements and the reports of the board of directors and of the statutory auditor with respect thereto to the shareholders. The shareholders' meeting then decides on the approval of the statutory financial statements, the proposed allocation of the Company's profit or loss, the discharge from liability of the directors and the statutory auditor, and, when applicable, the (re-)appointment or resignation of the statutory auditor and/or of all or certain directors.

Special and extraordinary shareholders' meetings

The board of directors or the statutory auditor (or the liquidators, if appropriate) can, at any given time when the interest of the Company so requires, convene a special or extraordinary shareholders' meeting. Such shareholders' meeting must also be convened every time one or more shareholders holding at least 5% of the Company's share capital so demand. Shareholders that do not hold at least 5% of the Company's share capital do not have the right to have the shareholders' meeting convened.

Notices convening the shareholders' meeting

The notice of the shareholders' meeting must state the place, date and hour of the meeting and shall include an agenda indicating the items to be discussed as well as any motions for resolutions.

The notice must be published in the Belgian Official Gazette (*Belgisch Staatsblad*) at least 24 days prior to the shareholders' meeting or the registration date (if specified in the convening notices). The notice must also be published in a national newspaper 24 days prior to the date of the shareholders' meeting or the registration date (if specified in the convening notices), except if the meeting concerned is an annual shareholders' meeting held at the municipality, place, day and hour mentioned in the articles of association of the Company and the agenda of which is limited to the examination of the annual accounts, the annual report of the board of directors, the annual report of the statutory auditor and the vote on the discharge of the directors and the statutory auditor. The annual accounts, the annual report of the board of directors and the annual report of the statutory auditor must be made available to the public at least 15 days prior to the date of the annual shareholders' meeting.

Convening notices must be sent 15 days prior to the shareholders' meeting to the holders of registered shares, holders of registered bonds, holders of registered warrants, holders of registered certificates issued with the cooperation of the Company and to the directors and statutory auditor of the Company. This communication is made by ordinary letter unless the addressees have individually and expressly accepted in writing to receive the notice by another form of communication, without having to give evidence of the fulfilment of such formality.

When all the shares, bonds, warrants and certificates issued with the co-operation of the Company are registered, the communication may be limited to the sending of the notices by registered letter unless the addressees have individually and expressly accepted in writing to receive the notice by another form of communication.

Formalities to attend the shareholders' meeting

All holders of shares, warrants, bonds (if any) issued by the Company and all holders of certificates issued with the co-operation of the Company (if any) can attend shareholders' meetings. Only shareholders, however, can vote at shareholders' meetings.

In order to be admitted to attend the shareholders' meeting, holders of bearer instruments in book-entry form must deposit a certificate of unavailability issued by a recognised account holder with the clearing agency for the financial instruments concerned or the clearing agency itself, confirming the number of financial instruments that have been registered in the name of the holder concerned and stating that these financial instruments are blocked until after the date of the shareholders' meeting. The certificate must be deposited at the Company's registered office or any other place indicated in the notice convening the shareholders' meeting at the latest three business days prior to the meeting. Holders of bearer instruments in physical form must deposit their financial instruments at the Company's registered office or any other place indicated in the notice convening the shareholders' meeting within the same term.

In order to be admitted to attend the shareholders' meeting, holders of registered instruments must be registered in the relevant register book and, where applicable, can be requested to inform the board of directors at the latest three business days prior to the shareholders' meeting whether and with how many shares they will attend the shareholders' meeting.

Registration date

In accordance with article 536 of the Belgian Companies Code, the articles of association also allow the board of directors to specify a registration date in the notice convening the shareholders' meeting. If the board of directors decides to set a registration date in the notice, only shareholders who have shares at 24:00 hours (Central European Time, GMT+1) on the registration date may participate and vote with such shares at the shareholders' meeting, regardless of the number of shares that they hold on the actual date of the shareholders' meeting. The specified registration date can be no earlier than 15 calendar days, and no later than five business days, before the date of the shareholders' meeting.

Power of attorney

Each shareholder has the right to attend a shareholders' meeting and to vote at the shareholders' meeting in person or through a proxy holder. The proxy holder does not need to be a shareholder. The board of directors can request the participants to the meeting to use a model of power of attorney (with voting instructions), which must be deposited at the Company's registered office or at a place specified in the notice convening the shareholders' meeting at least three business days prior to the meeting.

Quorum and majorities

In general, there is no attendance quorum requirement for a shareholders' meeting and decisions are generally passed with a simple majority of the votes of the shares present or represented.

Capital increases not decided by the board of directors within the framework of the authorised capital, decisions with respect to the Company's dissolution, mergers, de-mergers and certain other reorganisations of the Company, amendments to the articles of association (other than an amendment of the corporate purpose), and certain other matters referred to in the Belgian Companies Code do not only require the presence or representation of at least 50% of the share capital of the Company but also the approval of at least 75% of the votes cast. An amendment of the Company's corporate purpose requires the approval of at least 80% of the votes cast at a shareholders' meeting, which in principle can only validly pass such resolution if at least 50% of the share capital of the Company and at least 50% of the profit certificates, if any, are present or represented. In the event where the required quorum is not present or represented at the first meeting, a second meeting needs to be convened through a new notice. The second shareholders' meeting can validly deliberate and decide regardless of the number of shares present or represented.

Dividends

All shares participate in the same manner in the Company's profits (if any). The offered shares carry the right to receive dividends (if any) payable with respect to the entire financial year started on 1 January 2007 and each subsequent financial year. Pursuant to the Belgian Companies Code, the shareholders can in principle decide on the distribution of profits with a simple majority vote at the occasion of the annual general shareholders' meeting, based on the most recent audited annual accounts, prepared in accordance with the generally accepted accounting principles in Belgium and based on a (non-binding) proposal of the Company's board of directors. The Company's articles of association also authorise the board of directors to declare interim dividends subject to the terms and conditions of the Belgian Companies Code.

Dividends can only be distributed if following the declaration and issuance of the dividends the amount of the Company's net assets on the date of the closing of the last financial year as follows from the annual accounts (*i.e.*, the amount of the assets as shown in the balance sheet, decreased with provisions and liabilities, all as prepared in accordance with Belgian accounting rules), decreased with the non-amortised costs of incorporation and extension and the non-amortised costs for research and development, does not fall below the amount of the paid-up capital (or, if higher, the called capital), increased with the amount of non-distributable reserves. In addition, prior to distributing dividends, 5% of the net profits must be allotted to a legal reserve, until the legal reserve amounts to 10% of the Company's share capital.

In relation to bearer shares, the Belgian Act of 24 July 1921 provides that, in the event the payment of dividends on bearer shares has not been claimed by the legal holder thereof, the Company has the right to deposit those dividends with the *Deposito en Consignatiekas / Caisse de Dépots et Consignations*. The right to demand the distribution of dividends so deposited expires after thirty years, at which time the related dividends become the property of the Belgian State. With regard to registered shares, the right to payment of dividends expires five years after the board of directors declared the dividend payable, whereupon the Company is no longer under an obligation to pay such dividends.

Section 2.4.8 sets forth the Company's dividend policy. As set forth in the said section, under the terms of a EUR 31 million facility agreement entered into between (inter alia) the Company as borrower and ING Belgium NV/SA and Fortis Bank NV/SA as Lenders on 26 March 2007, the Company may not make any dividend distributions to its shareholders unless such distribution is to the amount of the lower of (i) 50% of the current earnings for the preceding financial year of the Company which are distributable in accordance with Belgian GAAP and (ii) the amount of excess cash flow which remains available after giving effect to the cash sweep (i.e. the Company's contractual obligation towards its bankers to repay a certain percentage (which percentage depends on its leverage ratio, varying from 50% when the leverage ratio exceeds 2.5 to 0% when the leverage ratio is lower than 2.0) of its excess cashflow (but excluding the IPO proceeds) exceeding EUR 250,000 on a yearly basis).

Rights regarding liquidation

The Company can only be dissolved by a shareholders' resolution passed with a majority of at least 75% of the votes cast at an extraordinary general shareholders' meeting where at least 50% of the share capital is present or represented.

If, as a result of losses incurred, the ratio of the Company's statutory net-assets (determined in accordance with Belgian legal and accounting rules) to share capital is less than 50%, the board of directors must convene a special shareholders' meeting within two months as of the date upon which the board of directors discovered or should have discovered this undercapitalisation. At this shareholders' meeting the board of directors needs to propose either the dissolution of the Company or the continuation of the Company, in which case the board of directors must propose measures to redress the Company's financial situation. Shareholders representing at least 75% of the votes validly cast at this meeting have the right to dissolve the Company, provided that at least 50% of the Company's share capital is present or represented at the meeting.

If, as a result of losses incurred, the ratio of the Company's net assets to share capital is less than 25%, the same procedure must be followed, it being understood, however, that in that event shareholders representing 25% of the votes cast at the meeting can decide to dissolve the Company. If the amount of the Company's net assets has dropped below EUR 61,500 (the minimum amount of share capital of a limited liability company – NV), any interested party is entitled to request the competent court to dissolve the Company. The court can order the dissolution of the Company or grant a grace period within which the Company is to remedy the situation.

In the event the Company is dissolved, the liquidation will be carried out by one or more liquidators appointed by the shareholders' meeting, whose nomination must be ratified by the commercial court. The assets or the proceeds of the sale of the remaining assets, after payment of all debts, costs of liquidation and taxes, must be distributed on an equal basis to the shareholders, taking into account possible preferential rights with regard to the liquidation of shares having such rights, if any. Upon completion of the offering and listing, none of the shares will have any preferred liquidation rights.

Changes to the share capital

Changes to the share capital decided by the shareholders

The shareholders' meeting can at any given time decide to increase or decrease the share capital of the Company. Such resolution must satisfy the quorum and majority requirements that apply to an amendment of the articles of association, as described above under section 3.4.2.

Capital increases by the board of directors

Subject to the same quorum and majority requirements, the shareholders' meeting can authorise the board of directors, within certain limits, to increase the Company's share capital without any further approval of the shareholders. This is the so-called authorised capital. This authorisation needs to be limited in time (*i.e.*, it can only be granted for a renewable period of maximum five years), and in scope (*i.e.*, the authorised capital may not exceed the amount of the registered capital at the time of the authorisation). On 15 May 2007, the shareholders' meeting authorised the board of directors to increase the share capital of the Company within the framework of the authorised capital. These authorisation and powers are further discussed in section 3.4.5 below.

Preferential subscription right

In the event of a capital increase in cash with issue of new shares, or in the event of an issue of convertible bonds or warrants, the shareholders have a preferential right to subscribe to the new shares, convertible bonds or warrants, pro rata of the part of the share capital represented by the shares that they already have. These preferential subscription rights are transferable during the subscription period and within the limits of the transferability of the securities to which they relate. The shareholders' meeting can decide to limit or cancel this preferential subscription right, subject to special reporting requirements. Such decision by the shareholders' meeting needs to satisfy the same quorum and majority requirements as the decision to increase the Company's share capital.

The shareholders can also decide to authorise the board of directors to limit or cancel the preferential subscription right within the framework of the authorised capital, subject to the terms and conditions set forth in the Belgian Companies Code (see section 3.4.5).

Normally, the authorisation of the board of directors to increase the share capital of the Company through contributions in cash with cancellation or limitation of the preferential right of the existing shareholders is suspended as of the notification to the Company by the CBFA of a public takeover bid on the financial instruments of the Company. The shareholders' meeting can, however, authorise the board of directors to increase the share capital by issuing shares in an amount of not more than 10% of the existing shares of the Company at the time of such a public takeover bid. Such authorisation has been granted to the board of directors of the Company.

3.4.3. Form and transferability of the shares

The shares of the Company can take the form of registered shares or dematerialised shares. The shares being offered will take the form of dematerialised shares.

All of the Company's shares, including the offered shares upon delivery, are fully paid up and freely transferable, subject, however, to the lock-up arrangements further described in section 2.8.2.

3.4.4. Purchase and sale of own shares

In accordance with the Company's articles of association and the Belgian Companies Code, the Company can only purchase and sell its own shares by virtue of a special shareholders' resolution approved by at least 80% of the votes validly cast at a general shareholders' meeting where at least 50% of the share capital and at least 50% of the profit certificates, if any, are present or represented. The prior approval by the shareholders is not required if the Company purchases the shares to offer them to the Company's personnel.

In accordance with the Belgian Companies Code, an offer to purchase shares must be made to all shareholders under the same conditions. This does not apply to the acquisition of shares via a regulated market or the acquisition of shares that has been unanimously decided by the shareholders at a meeting where all shareholders were present or represented. Shares can only be acquired with funds that would otherwise be available for distribution as a dividend to the shareholders. The total amount of shares held by the Company can at no time be more than 10% of its share capital. At the date of this prospectus, the board of directors of the Company did not have any authorisation from the shareholders' meeting to redeem shares. The articles of association, however, authorise the board of directors to purchase own shares in case of imminent serious harm to the Company in accordance with article 620, •1, al. 3 of the Belgian Companies Code. The latter authorisation is valid for a period of three years as from the date of publication in the annexes to the Belgian Official Gazette of the amendment to the articles of association inserting this authorisation.

3.4.5. Authorised capital

On 15 May 2007, the extraordinary shareholders' meeting authorised the board of directors to increase the Company's share capital in one or more transactions with a maximum amount that cannot exceed the amount of the Company's share capital upon completion of the offering and listing of the Company's shares (excluding issuance premiums, if any).

If the capital is increased within the limits of the authorised capital, the board of directors will be authorised to request payment of an issuance premium. If the board of directors so resolves, this issuance premium will be booked on a non-available account, which may only be decreased or disposed of by a resolution of a shareholders' meeting taken in accordance with the provisions governing an amendment of the articles of association.

This board of directors' authorisation will be valid for capital increases subscribed for in cash or in kind, or made by capitalisation of reserves and issuance premiums, with or without issuing new shares. The board of directors is authorised to issue convertible bonds, warrants, a combination thereof or other securities within the limits of the authorised capital.

The board of directors is authorised, within the limits of the authorised capital, to restrict or exclude the preferential subscription rights granted by law to the holders of existing shares if in doing so it is acting in the best interests of the Company and in accordance with article 596 and following of the Belgian Companies Code. The board of directors is authorised to limit or cancel the preferential subscription rights in favour of one or more persons, even if such limitation or cancellation is in favour of persons who are not members of the personnel of the Company or its subsidiaries.

The powers of the board of directors within the framework of the authorised capital will be effective upon the closing of the offering and listing of the Company's shares, and will be valid for a period of five years as of the publication thereof in the annexes to the Belgian Official Gazette.

3.5. WARRANTS

As set out in section 2.3, the Company has created a number of warrants. For a further description of the main terms and conditions of the warrants, reference is made to section 2.3.

No warrants will be outstanding upon the listing of the shares having occurred.

3.6. OUTSTANDING FINANCIAL INSTRUMENTS

The table below provides an overview of the issued and outstanding voting financial instruments, whether or not representing the Company's share capital, issued by the Company prior to the offering and listing of the Company's shares. The overview must also be read together with the notes referred to below.

Prior to IPO		Number	%
A	**Shares**	5,512,536	83.52%
B	**Warrants**	1,087,560[1]	16.48%
C	**Total (A)+(B)**	6,600,096	100%

Notes
1. *For the calculation of the number of warrants which shall be exercised upon listing, please refer to section 2.3*

3.7. SHAREHOLDERS

3.7.1. Shareholders prior to the completion of the offering and listing

The table below provides an overview of the shareholders of the Company prior to the completion of the offering and listing of the Company's shares. The overview must also be read together with the notes referred to below.

		Shares		Warrants
		Number	**%**	**Number[1]**
A.	**Carlyle:**			
	CETP Transics Sàrl	4,380,876	79.47%	0
	Subtotal	**4,380,876**	**79.47%**	**0**
B.	**Executive management:**			
	Walter Mastelinck	538,268	9.76%	543,780
	Ludwig Lemenu	538,268	9.76%	543,780
	Subtotal	**1,076,536**	**19.53%**	**1,087,560**
C.	**Senior management:**			
	Ann Braet	13,781	0.25%	0
	Patrick Bustraen	13,781	0.25%	0
	Erwin Heyse	13,781	0.25%	0
	Dirk Staelens	13,781	0.25%	0
	Subtotal	**55,124**	**1%**	**0**
Total (A)+(B)+(C)		**5,512,536**	**100%**	**1,087,560**

Notes
1. *For the calculation of the number of warrants which shall be exercised upon listing, please refer to section 2.3.*

3.7.2. Shareholders after completion of the offering and listing

The table below provides an overview of the shareholders of the Company after the completion of the offering and listing of the Company's shares.

The number of outstanding shares after the completion of the offering and listing assumes that the offering of EUR 40 million has been fully subscribed.

As the final offering price is not yet known, the overview contains a simulation for the following hypotheses:

- The hypothesis that the new shares are issued and the existing shares are sold at EUR 13.0 per share: in that event, 2,000,000 new shares are issued and 1,538,462 existing shares are sold in the offering (assuming that the offering is fully subscribed and the overallotment option is exercised).
- The hypothesis that the new shares are issued and the existing shares are sold at EUR 15.0 per share: in that event, 1,733,333 new shares are issued and 1,333,334 existing shares are sold in the offering (assuming that the offering is fully subscribed and the overallotment option is exercised).
- The hypothesis that the new shares are issued and the existing shares are sold at EUR 18.0 per share: in that event, 1,444,444 new shares are issued and 1,111,112 existing shares are sold in the offering (assuming that the offering is fully subscribed and the overallotment option is exercised).

The simulation is merely for information purposes. The hypothetical offering prices are no indication and do not express an expectation as to the final offering price of the offered shares. Prospective investors should note that the final offering price could be different from the hypothetical prices set out in the overview below. If the final offering price is higher, fewer new shares will be issued, assuming that the offering is fully subscribed and the over-allotment option is fully exercised. If the final offering price is lower, more new shares will be issued, assuming that the offering is fully subscribed.

Furthermore, prospective investors should note that it is possible that the offering is not fully subscribed to. If the offering is not fully subscribed, fewer new shares will be issued (unless the offering is cancelled).

	Total securities[1] before the IPO		Total securities after the IPO					
			Offering price of EUR 13.0		Offering price of EUR 15.0		Offering price of EUR18.0	
	Number	%	Number	%	Number	%	Number	%
Existing Shareholders								
CETP Transics:	4,380,876	66.38%	3,073,184	37.06%	3,247,543	39.40%	3,436,432	42.72%
shares	4,380,876	79.47%	3,073,184	37.06%	3,247,543	39.40%	3,436,432	42.72%
shares[2]			*3,073,184*	*40.91%*	*3,247,543*	*44.82%*	*3,436,432*	*49.40%*
warrants	0		0		0		0	
Walter Mastelinck	1,082,048	16.39%	813,182	9.81%	936,239	11.36%	998,715	12.41%
shares	538,268	9.76%	813,182	9.81%	936,239	11.36%	998,715	12.41%
shares[2]			*422,883*	*5.63%*	*438,268*	*6.05%*	*454,935*	*6.54%*
warrants	543,780		0		0		0	

	Total securities[1] before the IPO		Total securities after the IPO					
			Offering price of EUR 13.0		Offering price of EUR 15.0		Offering price of EUR18.0	
	Number	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
Ludwig Lemenu	1,082,048	16.39%	813,182	9.81%	936,239	11.36%	998,715	12.41%
shares	538,268	9.76%	813,182	9.81%	936,239	11.36%	998,715	12.41%
shares[2]			*422,883*	*5.63%*	*438,268*	*6.05%*	*454,935*	*6.54%*
warrants	543,780		0		0		0	
Management	55,124	0.84%	55,124	0.66%	55,124	0.67%	55,124	0.69%
shares	55,124	1.00%	55,124	0.66%	55,124	0.67%	55,124	0.69%
shares[2]			*55,124*	*0.73%*	*55,124*	*0.76%*	*55,124*	*0.79%*
warrants	0		0		0		0	
Subtotal	**6,600,096**	**100%**	**4,754,671**	**57.33%**	**5,175,143**	**62.79%**	**5,488,984**	**68.23%**
shares	**5,512,536**	**100%**	**4,754,671**	**57.33%**	**5,175,143**	**62.79%**	**5,488,984**	**68.23%**
shares[2]			***3,974,074***	*52.90%*	***4,179,202***	*57.68%*	***4,401,424***	*63.27%*
warrants	**1,087,560**		**0**		**0**		**0**	
Free Float								
Offering								
shares	-	0,00%	3,076,923	37.10%	2,666,667	32.36%	2,222,222	27.62%
shares[2]			3,076,923	*40.96%*	2,666,667	*36.80%*	2,222,222	*31.94%*
Over-allotment option								
shares	-	0,00%	461,538	5.57%	400,000	4.85%	333,333	4.14%
shares[2]			461,538	*6.14%*	400,000	*5.52%*	333,333	*4.79%*
Subtotal	**-**	**0.00%**	**3,538,462**	**42.67%**	**3,066,667**	**37.21%**	**2,555,556**	**31.77%**
Subtotal[2]			***3,538,462***	*47.10%*	***3,066,667***	*42.32%*	***2,555,556***	*36.73%*
Total	**6,600,096**	**100%**	**8,293,133**	**100%**	**8,241,810**	**100%**	**8,044,540**	**100%**
Total[2]			***7,512,536***	***100.00%***	***7,245,869***	***100.00%***	***6,956,980***	***100.00%***

Notes

1. *The calculation relating to the number of warrants that will be exercised upon listing is set out in section 2.3; there will be no warrants outstanding post IPO.*
2. *Shareholding as if no warrants are exercised and all outstanding warrants expired*

The issuance of new shares resulting from the offering and from the exercise of warrants has no impact on the fraction of the registered capital represented by one share[4] , remaining at 1 EUR per share.

At an offering price of EUR 13, the net equity (registered share capital and issuance premium) represented by one share increases by 289.40%. When disregarding the exercise of warrants the net equity (registered share capital and issuance premium) represented by one share increases by 319.47%.

4 Assuming that for the (i) exercised warrants the exercise price of EUR 1 is recorded as capital and (ii) for the newly issued shares EUR 1 is recorded as capital and the excess is recorded as issuance premium.

At an offering price of EUR 15, the net equity (registered share capital and issuance premium) represented by one share increases by 294.43%. When disregarding the exercise of warrants the net equity (registered share capital and issuance premium) represented by one share increases by 334.90%.

At an offering price of EUR 18, the net equity (registered share capital and issuance premium) represented by one share increases by 305.24%. When disregarding the exercise of warrants the net equity (registered share capital and issuance premium) represented by one share increases by 352.96%.

3.8. NOTIFICATION OF IMPORTANT PARTICIPATIONS

Belgian law, in conjunction with article 14 of the Company's articles of association, imposes disclosure requirements on any individual or entity acquiring or transferring voting securities or securities which give a right to voting securities, as soon as, following such acquisitions or transfer, the total number of voting rights directly or indirectly held by such individual or entity, alone or in concert with others, increases above or falls below a threshold of 3%, 5%, or any multiple of 5%, of the total number of voting rights attached to the Company's securities. Pursuant to article 5 of the Act of 2 March 1989 on the disclosure of important participations in listed companies and on the regulations in relation to public takeover offers (*Wet op de openbaarmaking van belangrijke deelnemingen in ter beurze genoteerde vennootschappen en tot reglementering van de openbare overnameaanbiedingen*), the Company has exercised its right to reduce the disclosure threshold provided by the abovementioned Act to 3%. A shareholder whose shareholding increases above or falls below any such thresholds must, each time, disclose this fact to the CBFA and to the Company. The documents pursuant to which the transaction was effected must be submitted to the CBFA. When the participation of a shareholder reaches 20%, the notification must indicate in which strategy the acquisition or transfer concerned fits, as well as the number of securities acquired during a period of twelve months before the notification and in which manner such securities were acquired. Such notification is also required if an individual or an entity acquires or transfers control (either direct or indirect, either *de iure* or *de facto*) on a company that possesses 3% of the voting rights of the Company.

The forms to make the aforementioned notifications, as well as further explanations can be found on the website of the CBFA (www.cbfa.be).

The Company is required to publicly disclose any notifications received regarding increases or decreases in a shareholder's ownership of the Company's securities on the next business day, and must mention these notifications in the notes to its annual accounts. Euronext Brussels will publish details of the notifications. Violation of the disclosure requirements may result in the suspension of voting rights, a court order to sell the securities to a third party and/or criminal liability. The CBFA may also impose administrative sanctions.

3.9. PUBLIC TAKEOVER BIDS

Public takeover bids on the Company's shares and other voting securities (such as warrants or convertible bonds, if any) are subject to the supervision by the CBFA. Public takeover bids must be made for all of the Company's voting securities, as well as for all other securities that entitle the holders thereof to the subscription to, the acquisition of or the conversion in voting securities. Prior to making a bid, a bidder must issue and disseminate a prospectus, which must be approved by the CBFA. The bidder must also obtain approval of the relevant competition authorities, where such approval is legally required for the acquisition of the Company.

Belgium has partly implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) by way of the Belgian Act on public takeover bids (*Wet op de openbare overnamebiedingen)* of 1 April 2007 (published in the Belgian Official Gazette of 26 April 2007). The Belgian Act on public takeover bids provides that a mandatory bid will be triggered if a person, as a result of its own acquisition or the acquisition by persons acting in concerted with him or by persons acting for their account, directly or indirectly holds more than 30% of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are being traded on a regulated market or on a multilateral trading facility designated by Royal Decree. The Belgian Act on public takeover bids provides that another or an additional threshold percentage of voting securities can be determined by Royal Decree to take into account evolutions on the financial markets or, as the case may be, to take transitional measures. The mere fact of exceeding the relevant threshold will give rise to a mandatory bid, irrespective of whether or not the price paid in the relevant transaction exceeds the current market price. Article 74 of the Belgian Act on public takeover bids contains a transitional provision granting a exemption from the mandatory bid to persons who individually or acting in concert hold at least 30% of the voting securities on the date the new mandatory bid provision enters into force (on a date to be determined by the government), provided that the shareholding was duly notified to the CBFA within 120 business days as of the entering into effect of the new mandatory bid provision.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose important shareholdings (see under section 3.8) and merger control, that may apply to the Company and which may make an unfriendly tender offer, merger, change in management or other change in control, more difficult. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the Company's shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their shares at a premium.

Normally, the authorisation of the board of directors to increase the share capital of the Company through contributions in cash with cancellation or limitation of the preferential right of the existing shareholders is suspended as of the notification to the Company by the CBFA of a public takeover bid on the securities of the Company. The general shareholders' meeting can, however, authorise the board of directors to increase the share capital by issuing shares in an amount of not more than 10% of the existing shares of the Company at the time of such a public takeover bid. Such authorisation will be granted to the board of directors of the Company.

3.10. SQUEEZE-OUT

Pursuant to Article 513 of the Belgian Companies Code, as amended by article 60 of Belgian Act on public takeover bids, or the regulations promulgated thereunder, a person or entity, or different persons or entities acting alone or in concert, who own together with the company 95% of the securities conferring voting power in a public company, can acquire the totality of the securities conferring (potential) voting rights in that company following a squeeze-out offer.

The shares that are not voluntarily tendered in response to such offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the offer, the company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value as to safeguard the interests of the transferring shareholders.

Upon the entry into force of the Belgian Act on public takeover bids (*Wet op de openbare overnamebiedingen*) of 1 April 2007 and its implementing Royal Decree, certain new rules on the squeeze out by majority shareholders of the minority shareholders and on the selling out right of the minority shareholders will apply.

4. CORPORATE GOVERNANCE

4.1. GENERAL PROVISIONS

This chapter 4. summarises the rules and principles by which the corporate governance of the Company has been organised pursuant to Belgian company law, the Company's articles of association and the Company's corporate governance charter. It is based on the Company's articles of association that have been amended by the extraordinary shareholders' meeting of 15 May 2007 and on the Company's corporate governance charter, both of which will become effective upon completion of the offering and listing of the Company's shares.

The Company's corporate governance charter has been adopted in accordance with the recommendations set out in the Belgian Code on Corporate Governance (the "Code") that has been issued on 9 December 2004 by the Belgian Corporate Governance Committee. Corporate governance has been defined in the Code as a set of rules and behaviours according to which companies are managed and controlled. The Code is based on a "comply or explain" system: Belgian listed companies should follow the Code, but can deviate from its provisions and guidelines (though not from the principles) provided they disclose the justifications for such deviation.

The Company will adopt a corporate governance charter in accordance with the recommendations set out in the Belgian Code on Corporate Governance (the "Code") issued on 9 December 2004 by the Belgian Corporate Governance Committee. The Company's board of directors intends to comply with the Belgian Code on Corporate Governance, but believes that certain deviations from its provisions are justified in view of the Company's particular situation. These deviations will include, but are not limited to, the following:

- the remuneration of the CEO will not be disclosed on an individual basis, but only as part of the disclosure of the aggregate executive remuneration: the Company does not consider it appropriate nor useful to disclose the remuneration of the CEO on an individual basis but believes that its stakeholders are sufficiently informed with the disclosure of the aggregate executive remuneration;
- the Company will not install a management committee in accordance with article 524bis of the Belgian Companies Code: the size of the Company and the size and quality of its board of directors does not necessitate the installation of a separate management committee in accordance with article 524bis of the Belgian Companies Code;
- in its criteria used to assess whether a director can be considered independent, the Company is allowed to assess on a case by case basis whether a director that has had a significant business relation with the Company within the last year can still be considered independent. The Company believes that such requirement may otherwise cause highly valued candidates to be technically excluded and trusts that its nomination committee will not support any candidates which cannot genuinely be considered to be independent; and
- meetings of the remuneration and nomination committees will only occur on an *ad hoc*-basis: Taking into account the size of the Company and the size and quality of its board of directors, the Company does not consider it appropriate to require its remuneration and nomination committees to meet on a regular basis, although such committees will meet if and when appropriate.

The board of directors of the Company will review its corporate governance charter from time to time and make such changes as it deems necessary and appropriate. The charter will be made available on the Company's website (www.transics.com) and can be obtained free of charge at the registered office of the Company after completion of the offering and listing. In its annual report for the financial year ended 31 December 2007, to be published in 2008, the board of directors will also devote a specific chapter to corporate governance, describing the Company's corporate governance practices during that year and including explanations, if applicable, on any deviations from the Code, in accordance with the requirement to "comply or explain".

4.2. BOARD OF DIRECTORS

4.2.1. General provisions

The board of directors of the Company has the broadest powers to manage and represent the Company, except to the extent provided otherwise by applicable law or the Company's articles of association. The board of directors acts as a collegiate body but can delegate its competencies for special and specific matters to an authorised representative, even if this person is not a shareholder or a director.

Pursuant to the Company's articles of association, the board of directors of the Company is to be composed of at least 3 and maximum 10 directors. Upon completion of the offering and the listing of the shares, at least half of the directors shall be non-executive directors and at least three (3) directors shall be independent directors.

The directors of the Company are appointed by the general shareholders' meeting. Directors may be dismissed by the general shareholders' meeting at all times. Resigning directors may be reappointed.

In accordance with the Belgian Companies Code, if the mandate of a director becomes vacant due to his death or resignation, the remaining directors have the right to appoint temporarily a new director to fill the vacancy until the first general shareholders' meeting after the mandate became vacant. The new director completes the term of the director whose mandate became vacant. The corporate governance charter provides that directors can be appointed for a maximum (renewable) term of four years.

A meeting of the board of directors is validly constituted if there is a quorum, consisting of at least half of the members present in person or represented at the meeting. If this quorum is not present, a new board meeting may be convened to deliberate and decide on the matters on the agenda of the board meeting for which a quorum was not present. In any event, the board of directors may only validly proceed if at least two directors are present. Meetings of the board of directors are convened by the chairman of the board or by at least two directors whenever the interests of the Company so require. In principle, the board will meet at least five (5) times per year.

The chairman of the board of directors has a casting vote on matters submitted to the board of directors.

4.2.2. Chairman

The board of directors appoints a chairman amongst the independent directors. The CEO cannot be the chairman.

The chairman of the board of directors is responsible for the leadership of the board of directors. The chairman takes the necessary measures to develop a climate of trust within the board of directors, contributing to open discussion, constructive dissent and support for the decisions of the board of directors. The chairman promotes effective interaction between the board and the executive management. The chairman establishes a close relationship with the CEO, providing support and advice, while fully respecting the executive responsibilities of the CEO.

The chairman has additional specific tasks. These are further described in the terms of reference of the board of directors as set out in the Company's corporate governance charter.

Upon closing of the offering, the chairman of the board of directors will be Mr. Luc Vandewalle.

4.2.3. Independent directors

As to independent directors, a director can only be considered an independent director if he or she meets at least the criteria set out in Article 524 of the Belgian Companies Code, which can be summarised as follows:

(a) During a term of two years prior to his or her election he or she has not exercised the mandate or function of director, manager, executive committee member, day-to-day manager or executive in the Company or an affiliate of the Company. This criterion does not apply to the re-election of an independent director.

(b) He or she does not own any corporate rights that represent 10% or more of the share capital, the corporate funds or of a category of shares of the Company.

If he or she has corporate rights which represent less than 10%, then:

(i) such rights, taken together with rights in the same Company held by companies over which he or she has control, may not represent 10% or more of the share capital, the corporate funds or of a category of shares of the Company; or
(ii) the disposal of these shares, or the exercise of the rights attached thereto may not be subject to agreements or unilateral commitments entered into by him or her.

(c) He or she is not the spouse of, is not the unmarried legal partner of, or is not a relative (via birth or marriage) up to the second degree of a person who (i) is a director, manager, executive committee member, day-to-day manager or executive in the Company or an affiliate of the Company, or (ii) has a financial interest as set out under (b) above.

(d) He or she does not have a relationship with the Company that is of a nature to prejudice his or her independency.

In considering a director's independence, the criteria set out in the Company's corporate governance charter will also be taken into account. The board of directors will disclose in its annual report which directors it considers independent directors.

Upon closing of the offering, the independent directors of the Company will be Carthagon BVBA (represented by Mr. Tom Dechaene), Leyman Consult BVBA (represented by Mr. Peter Leyman) and Mr. Luc Vandewalle.

4.2.4. Composition of the board of directors

Upon completion of the offering and listing of the Company's shares, the board of directors will consist of eight (8) members.

Name	Age	Position	Term	Professional Address
Luc Vandewalle	63	Chairman (independent director)	2011	Dewittelaan 19/0402, 8670 Koksijde, Belgium
Walter Mastelinck	42	CEO (executive)	2011	Casselrylaan 26, 9800 Deinze, Belgium
Ludwig Lemenu	49	Executive Director (executive)	2011	Sint-Pietersstraat 4, 8970 Reningelst-Poperinge, Belgium
David James Fitzgerald (the Carlyle Group)	46	Director (non-executive)	2011	55 Ridgway Place, Wimbledon, London SW14 4SP, United Kingdom
Vladimir Lasocki (the Carlyle Group)	34	Director (non-executive)	2011	31 Stephendale Road, London SW6 2LT, United Kingdom
Nazo Moosa (the Carlyle Group)	37	Director (non-executive)	2011	82 Kensington Park Road, London W11 2PL, United Kingdom
Carthagon BVBA, represented by Tom Dechaene	48	Independent director	2011	Arboretumlaan 30, 3080 Tervuren, Belgium
Leyman Consult BVBA, represented by Peter Leyman	45	Independent director	2011	Elshout 25, 9031 Gent – Drongen, Belgium

The following paragraphs contain brief biographies of each of the directors or in case of legal entities being director, their permanent representatives, with an indication of other mandates as member of administrative, management or supervisory bodies in other companies during the previous five years (with the exception of the subsidiaries of the Company):

Walter Mastelinck:

Walter Mastelinck (°1964) holds a Bachelor's degree in Telecommunications and Microprocessors (VHTI Technicum Antwerp). In 1988 he joined Toppower (formerly ICS Computers NV) where he became responsible for sales & marketing and was closely involved with the general strategy of the company. In 1996, he acquired one third of the shares of ICS Computers and FMS Europe (the former Transics NV). Today, Walter is a member of the board and CEO of the Company. Walter is also a member of the board of Cassel BVBA, Transics Invest BVBA and Service 4 U BVBA.

Walter Mastelinck has not held any other directorships in the previous five years.

Ludwig Lemenu

Ludwig Lemenu (°1958) holds a Bachelor's degree in Information Technology (VHTI Kortrijk). He started his career as a software manager. In 1984 he co-founded ICS Computers NV. In 1990, he was co-founder of FMS Europe (the former Transics NV), which was a spin-off from ICS Computers NV. Ludwig is a member of the board of directors and, as executive director, member of the management committee of the Company. Ludwig is also a member of the board of Toppower NV, Music & Artist Promotion Belgium CVBA, Hunter NV, LVS NV, Transics Invest BVBA and Janis BVBA. Ludwig has not held any other directorships in the previous five years.

Vladimir Lasocki

Vladimir Lasocki (°1973) has a degree in business administration with a major in finance earned at the Lyon Graduate School of Business (France) and the Université Libre de Bruxelles (Solvay) and a Masters in Advanced European Economic Studies from the College of Europe (Bruges). Mr. Lasocki is currently a Director at the Carlyle Group. Prior to joining Carlyle in 2000, Mr. Lasocki was an Associate with Deutsche Bank's principal investments group focussing on communications and networking technology investments. Prior to joining Deutsche Bank, Mr. Lasocki was with the corporate finance group of Paribas in Paris, London and Prague. Mr. Lasocki is a member of the board of directors of Financière CAMECA SAS, and Wall Street Institute Education, Sàrl.

In the previous five years, Mr. Lasocki has also been, but no longer is, a director on the Boards of Solsoft SA in France (*Président du Conseil de Surveillance*), Egencia SA in France (*Vice-Président du Conseil de Surveillance*), PipingHot Networks Ltd. trading as Orthogon Systems in the UK (Director) and PacketLight Networks Ltd in Israel (Director).

Nazo Moosa

Nazo Moosa (°1970) holds a Masters in Business Administration from Columbia University and graduated Summa Cum Laude with a Bachelor's degree in International Economics from the University of California, Los Angeles. Ms. Moosa served as Senior Director in charge of Marketing and Business Development for a subsidiary of Thermo Electron Corporation. Prior to joining the Carlyle Group, she was an Associate at Jesse Hanson & Co., a mid-market private equity firm. She joined the Carlyle Group in 2000. Ms. Moosa is an Associate Director and in addition to her board responsibilities at Transics, serves on the boards of Global Media GmbH, ACIS Limited, and BFinance.com.

In the previous five years, Mrs. Moosa has also been, but no longer is, a director on the Boards of Global Name Registry, Reef NV and Apama Inc.

David James Fitzgerald

David James Fitzgerald holds a BSc in Economics from Trinity College Dublin. He joined Andersen Consulting (now Accenture) in 1983. From 1996 to 1999, he led the UK Telecomm practice of the firm. In 1995 he was invited to join the worldwide Anderson partnership. In 1999 he joined Apax where he was an Equity Partner with responsibility for European Telecom buyouts. Mr. Fitzgerald joined Carlyle from Apax Partners in January 2004. In addition to his board responsibilities at Transics, Mr. Fitzgerald currently serves on the Board of Directors of ACIS Holdings Ltd., Global Media GmbH, NP Aerospace Ltd. and The Mill Ltd.

In the previous five years, Mr. Mr. Fitzgerald has also been, but no longer is, a director on the Boards of Inmedia Communicatiosn Ltd., Ericsson Enterprise SARL, Eyretel PLC and BlueArc Inc.

Luc Vandewalle Independent Director

Luc Vandewalle (°1944) has a degree in Economics from Gent University (Belgium). He joined the BBL (now ING Belgium) in 1968 as a university trainee. Assigned to the Credit Secretariat of the Kortrijk local head office in 1971, he subsequently became Head of the Operational Department of the previously mentioned local head office in 1977, before becoming Head of Middle-market Corporate Banking at the Gent local head office in 1981. He was thereafter successively appointed Head of the local head offices of Aalst-Sint-Niklaas (1983) and of Kortrijk-Roeselare (1986). He was appointed Director and member of the Executive Committee of BBL in December 1992. Since 1 January 2000, he is President and CEO of ING Belgium. Within ING Group, he is responsible for the South West Europe region, comprising Belgium, France, Luxembourg, Spain, Portugal, Italy and Switzerland.
Mr. Vandewalle is currently Chairman of the Board of Directors of ING Insurance SA/NV, Chairman of the Executive Committee ING Belgium S.A., Succursale en France, Chairman of VZW Centrum voor Algemeen Welzijnswerk - CAW Stimulans, Kortrijk, Director of the Board of Befimmo SA/NV, Director of Sea-Invest, Director of Atcomex cy and Director of SA/NV Atcomex, Hamme. He is also a member of the board of directors of ABB/BVB, Febelfin, VOKA, and ICC Belgium. He is a member of the board of auditors ING Lease Holding and a member of the World Trade Centers Association.

In the previous five years, Mr. Vandewalle has also been, but no longer is a director of ING Vysya Bank, a non-executive board member of Williams de Broe and chairman of the Belgian Union of Banks.

Carthagon BVBA, represented by Tom Dechaene Independent Director

Tom Dechaene (°1959) holds a Master's degree in Law from the Central Exam Commission in Belgium, a Master's degree from Antwerp University and an MBA from INSEAD (France). Between 1986 en 1990 Tom Dechaene was at ING Brussels, primarily in Corporate Finance. Between 1991 and 1999 Tom Dechaene was an investment banker, first at Morgan Grenfell, then Deutsche Bank in London, specialising in Telecommunications, Media and Technology M&A and Equity Capital Markets transactions. From 2000 to 2001 Tom Dechaene was CFO of SurfCast Inc as well as a consultant to Deutsche Bank. Tom Dechaene is a member of the boards of Antigenics Inc (Nasdaq AGEN, lead director and chairman of the audit committee), Anchor Partners Ltd. and Carthagon BVBA

During the previous five years Tom Dechaene has also been, but no longer is, a director on the boards of Color Kinetics (Nasdaq CLRK), Ikonisys Inc, SurfCast Inc. and, through Carthagon BVBA, of Telindus NV.

Leyman Consult BVBA, represented by Peter Leyman Independent Director

Peter Leyman (°1962) has a university degree in Applied Economical Sciences from the University of Ghent and a Masters Degree (MBA) in Financial Sciences from Vlerick Management School. He also attended the 'Global Leadership Development Programme' of Volvo Car Corporation and he is certified at the Darden Graduate School of Business Administration (University of Virginia) for the programme 'Managing Critical Resources'. After working as a Controller, he began his varied career in Volvo Cars in Gent in 1988. He had several positions within the Human Resources area. He started as Compensation and Benefits Manager and after six years he was appointed Manager Industrial Relations. Since 1996, he was member of the Executive Committee of Volvo Cars Gent as Director Human Resources and Organisation. From 1 July 2001 until April 2007, he was Managing Director of the Volvo Cars Ghent plant. Within that period he also became the Chairman of Agoria Easters and Western Flanders (March 2004 – April 2007) and Chairman of the Chamber of Commerce Eastern Flanders (May 2006 – April 2007). Mr. Leyman is a member of the board of directors of Automobiel Center Gent NV, Flanders Expo NV, Attentia Group VZW, Attentia ICT NV and Attentia Kinderbijslag VZW.

In the previous five years, Mr. Leyman has also been, but no longer is, a director on the boards of Volvo Cars NV, Internationale Jaarbeurs Vlaanderen VZW, Kamer van Koophandel Oost-Vlaanderen VZW, Mensura Gemeenschappelijke Kas and Agoria VZW.

Litigation statement concerning the directors or their permanent representatives

At the date of this prospectus, none of the directors or, in case of corporate entities being director, none of their permanent representatives, of the Company has, for at least the previous five years:

- any convictions in relation to fraudulent offences;
- held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation; or has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or,
- has ever been disqualified by a court from acting as member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of affairs of any company.

4.3. COMMITTEES WITHIN THE BOARD OF DIRECTORS

4.3.1. General

The board of directors can set up specialised committees to analyse specific issues and advise the board of directors on those issues. The committees are advisory bodies only and the decision-making remains within the collegial responsibility of the board of directors. The board of directors determines the terms of reference of each committee with respect to the organisation, procedures, policies and activities of the committee.

The board of directors has established an audit committee, a nomination committee and a remuneration committee. The board of directors does not currently anticipate setting up any other committees as it deems that the size of the Company does not justify such additional committees.

4.3.2. Audit committee

The board of directors has appointed an audit committee. The committee must be composed of at least three members. The committee must be composed exclusively of non-executive directors. To the extent possible, a majority of its members should be independent directors. The composition of the committee may deviate from the above if, in the reasonable opinion of the board of directors, a different composition can bring more relevant experience and expertise to the committee. The committee appoints a chairman amongst its members. The chairman of the board of directors should not chair the committee.

The role of the audit committee is to supervise financial reporting and the observance of administrative, legal and tax procedures and the follow-up of financial and operational audits and advises on the choice and remuneration of the statutory auditor. The committee should report regularly to the board of directors on the exercise of its functions. It should inform the board of directors about all areas in which action or improvement is necessary in the opinion of the audit committee. The audit committee should produce recommendations concerning the necessary steps that need to be taken. The audit review and the reporting on that review should cover the Company and its subsidiaries as a whole.

The committee has specific tasks, which include the Company's financial reporting, internal controls and risk management, and the internal and external audit process. These are further described in the terms of reference of the audit committee, as set out in the Company's corporate governance charter. In principle, the committee will meet at least 3 times per year.

The members of the committee shall at all times have full and free access to the Financial Officer and to any other employee to whom they may require access in order to carry out their responsibilities.

On completion of the offering and listing of the Company's shares, the following directors shall be member of the audit committee: Carthagon BVBA (Tom Dechaene) (chairman), Vladimir Lasocki, and Luc Vandewalle.

4.3.3. Nomination committee

The board of directors has appointed a nomination committee. The committee must be composed of at least three members. The majority of the members of the committee must be non-executive directors. To the extent possible, a majority of its members shall be independent directors. The composition of the committee may deviate from the above if, in the reasonable opinion of the board of directors, a different composition can bring more relevant experience and expertise to the committee. The committee is chaired by the chairman of the board of directors or by another non-executive director appointed by the committee.

The role of the nomination committee is to make recommendations to the board of directors with regard to the appointment and re-election of directors and of members of executive management and to ensure that the appointment and re-election process is organised objectively and professionally.

The committee has specific tasks. These are further described in the terms of reference of the nomination committee as set out in the Company's corporate governance charter. The committee will meet every time it deems necessary to carry out its duties.

On completion of the offering and listing of the Company's shares, the following directors shall be member of the nomination committee: Leyman Consult BVBA (Peter Leyman) (chairman), Carthagon BVBA (Tom Dechaene) and Nazo Moosa.

4.3.4. Remuneration committee

The board of directors has appointed a remuneration committee. The committee must be composed of at least three members. All members of the committee must be non-executive directors. To the extent possible, a majority of its members shall be independent directors. The composition of the committee may deviate from the above if, in the reasonable opinion of the board of directors, a different composition can bring more relevant experience and expertise to the committee. The committee is chaired by the chairman of the board of directors or by another non-executive director appointed by the committee.

The role of the remuneration committee is to make proposals to the board on the remuneration policy for directors and the resulting proposals to be submitted to the shareholders, and the remuneration policy for executive management.

The committee has specific tasks. These are further described in the terms of reference of the remuneration committee as set out in the Company's corporate governance charter. The committee will meet every time it deems necessary to carry out its duties

On completion of the offering and listing of the Company's shares, the following directors shall be member of the remuneration committee: Leyman Consult (Peter Leyman) (chairman), Carthagon BVBA (Tom Dechaene) and Nazo Moosa.

4.4. EXECUTIVE MANAGEMENT

4.4.1. General provisions

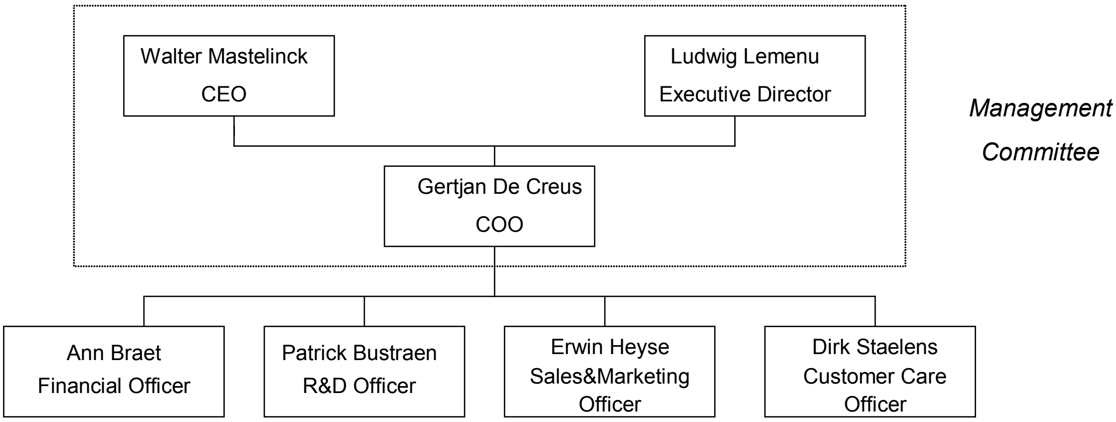
The board of directors has appointed the executive management of the Company. The terms of reference of the executive management have been determined by the board of directors in close consultation with the management committee.

Prior the offering, Walter Mastelinck followed up closely on strategy, technology and sales, whereas Ludwig Lemenu focused primarily on finance, administrative matters, and relations with suppliers.

Since his arrival on 30 April 2007, the chief operations officer has taken over part of the sales and operations activities of the two other members of the management committee.

In view of the IPO, it has been decided that Walter Mastelinck will take up the overall senior executive role as CEO of the Company.

The structure and organisation of Transics is illustrated below:



4.4.2. Management committee

The Company has established a management committee (which will not constitute an executive committee (*directiecomité / comité de direction*) within the meaning of article 524bis of the Belgian Companies Code). The management committee consists of three (3) members, being the CEO, the executive director and the chief operations officer. The members of the management committee closely cooperate on all matters which are of relevance to the Company and its activities.

4.4.2.1. Chief Executive Officer

The Chief Executive Officer ("CEO") is appointed, and can be removed, by the board of directors of the Company.

The CEO is entrusted by the board of directors with the day-to-day management of the Company and is therefore also managing director of the Company. In this function, the CEO has the following general responsibilities:

- he is responsible vis-à-vis the board of directors for the management of the Company and the implementation of the decisions of the board of directors;

- he co-heads and oversees the management team and reports to the board of directors on their activities; and

- he is responsible for the development of proposals for the board of directors relating to strategy, business opportunities, operations and human resources, and such other matters that are to be dealt with at the level of the board of directors.

The CEO has certain specific tasks. These are further described in the terms of reference of the CEO, as set out in the Company's corporate governance charter.

4.4.2.2. Executive Director

The executive director is appointed, and can be removed, by the board of directors of the Company.

The executive director is a member of the management committee. He is entrusted with daily management powers by the board of directors. In this function, the executive director has the following general responsibilities:

- he assists the CEO in the management of the Company and the implementation of the decisions of the board of directors;
- he co-heads and oversees the management team.

4.4.2.3. Chief operations officer

The chief operations officer is appointed, and can be removed, by the board of directors of the Company.

The chief operations officer is a member of the management committee. In this function, the chief operations officer is in charge of the general operations and activities of the Company.

4.4.3. Other members of the executive management

The other members of the executive management are appointed and removed by the board of directors or by the CEO in close consultation with the board of directors of the Company. They report to the COO.

4.4.4. Composition of the executive management

Since 2 May 2007, the executive management consists of the following seven (7) members, and upon completion of the offering and listing of the Company's shares, the executive management will consist of seven (7) members.

These members are:

Name	Position	Age
Cassel BVBA (Walter Mastelinck)	Chief Executive Officer	42
Janis BVBA (Ludwig Lemenu)	Executive Director	49
De Creus Consultancy BVBA (Gertjan De Creus)	Chief Operations Officer	38
Ann Braet	Financial Officer	37
Patrick Bustraen	R&D Officer	39
CMTS BVBA (Erwin Heyse)	Sales & Marketing Officer	46
Dirk Staelens	Customer Care Officer	38

The executive management will not constitute an executive committee (*directiecomité / comité de direction*) within the meaning of Article 524bis of the Belgian Companies Code.

Biographies of the members of executive management are set out in section 5.13 below.

At the date of this prospectus, none of the members of the executive management or, in case of corporate entities being or a member of the executive management, none of their directors, of the Company has, for at least the previous five years:

- any convictions in relation to fraudulent offences;
- held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation; or has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or
- has ever been disqualified by a court from acting as member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of affairs of any company.

4.5. REMUNERATION OF DIRECTORS AND EXECUTIVE MANAGEMENT

4.5.1. Directors

Only the non-executive independent directors shall receive a fixed remuneration in consideration of their membership of the board of directors and their attendance at the meetings of committees of which they are members. They will not receive any performance related remuneration, nor will any option or warrants be granted to them in their capacity as director. However, upon advice of the remuneration committee, the board of directors may propose to the shareholders' meeting to deviate from the latter principle in case in the board's reasonable opinion the granting of option or warrants would be necessary to attract independent directors with the most relevant experience and expertise

None of the other directors will receive any remuneration in consideration of their membership of the board.

The remuneration committee recommends the level of remuneration for independent directors, including the chairman of the board, subject to approval by the board and, subsequently, by the shareholders' meeting.

The remuneration committee benchmarks independent directors' compensation against peer companies to ensure that it is competitive. Remuneration is linked to the time committed to the board and its various committees. The remuneration package for the independent directors approved by the shareholders' meeting of 15 May 2007 is as follows. The fixed annual fee of EUR 10,000 is supplemented with an attendance fee equal to EUR 2,000 for each day upon which board and/or committee meetings are being held.

Apart from the above remuneration for independent directors, all directors will be entitled to a reimbursement of out-of-pocket expenses actually incurred to participate to board meetings.

The board sets and revises, from time to time, the rules and level of compensation for directors carrying out a special mandate or sitting on one of the board committees and the rules for reimbursement of directors' business-related out-of-pocket expenses. Remuneration for directors will be disclosed to shareholders in accordance with applicable laws and stock exchange rules.

The directors' mandate may be terminated *ad nutum* (at any time) without any form of compensation.

The Company has not made any loans to the members of the board of directors.

No remuneration and benefits have been paid to the directors in 2006.

4.5.2. Executive management

The remuneration of the members of the executive management is determined by the CEO or by the board of directors upon recommendation by the remuneration committee, after recommendation by the CEO to such committee.

The remuneration of the executive management is designed to attract, retain and motivate executive managers.

The remuneration of the members of the executive management currently consists of the following elements:

- Each member of the executive management is entitled to a basic fixed remuneration designed to fit responsibilities, relevant experience and competences, in line with market rates for equivalent positions.
- The Company pays a variable remuneration dependent on the executive management member meeting individual and/or team objectives.
- Each member of the executive management who is a salaried employee may be entitled to a number of fringe benefits, which may include participating in a defined contribution pension or retirement scheme (see also section 7.2.17), disability insurance, a company car, a mobile telephone, a laptop computer and/or fixed allowances according to general Company policy, and other benefits (such as hospitalisation insurance and meal vouchers).

Ann Braet, Patrick Bustraen and Dirk Staelens are engaged on the basis of an employment contract. The employment contracts are generally for an indefinite term, with a trial period. The employment contracts may be terminated at any time by the Company, subject to a severance payment not exceeding market standards. The employment contracts include, where appropriate, non-compete undertakings, as well as confidentiality and IP transfer undertakings (that will try to seek maximum protection of the Company's interests, under applicable laws and subject to the conditions provided for in the employment contracts).

Cassel BVBA (Walter Mastelinck), Janis BVBA (Ludwig Lemenu), CMTS BVBA (Erwin Heyse) and De Creus Consultancy BVBA (Gertjan De Creus) are engaged on the basis of service agreements, which can be terminated at any time, subject to certain pre-agreed notice periods and/or compensations. The service agreements include a confidentiality undertaking as well as a non-compete undertaking.

Executive members who are engaged on the basis of services agreements do not receive fringe benefits, except that they may be provided with a mobile phone and laptop computer according to general Company policy.

The total remuneration and benefits paid to the aforementioned 6 persons (*i.e.,* excluding De Creus Consultancy BVBA (Gertjan De Creus)) in 2006 was EUR 1,313,395 (of which EUR 772,310 of basic remuneration, EUR 479,647 of variable remuneration and EUR 61,437 of fringe benefits).

For income year 2007, the total remuneration and benefits for the 7 members of the executive management will likely increase to approximately EUR 1,527,810 (of which EUR 887,873 of basic remuneration, EUR 578,500 of variable remuneration and EUR 61,437 of fringe benefits). Contrary to the Belgian Code on Corporate Governance, the board of directors has currently opted not to disclose the individual remuneration of the CEO, due to privacy reasons and as the board of directors believes that the remuneration of the CEO is set at reasonable market standards.

4.6. SHARES AND WARRANTS HELD BY DIRECTORS AND EXECUTIVE MANAGEMENT

4.6.1. Shares and warrants held by directors

No shares or warrants are held by the independent directors. Executive directors holding shares or warrants are included in section 4.6.2 below. Representatives of the institutional shareholder (see section3.7.2) also serve as a board member (see section 4.2.4). None of such representatives, however, directly owns any shares or warrants in the Company.

4.6.2. Shares held by executive management

The table below provides an overview (as at the date of this prospectus) of the shares held by the executive management (or, in the case of management companies, their permanent representatives), including the executive directors.

	Shares		Warrants[1]		Total Securities[2]	
	Number	%	Number	%	Number	%
Walter Mastelinck	538,268	9.76%	543,780	50%	1,082,048	16.39%
Ludwig Lemenu	538,268	9.76%	543,780	50%	1,082,048	16.39%
Ann Braet	13,781	0.25%	0	0%	13,781	0.21%
Patrick Bustraen	13,781	0.25%	0	0%	13,781	0.21%
Erwin Heyse	13,781	0.25%	0	0%	13,781	0.21%
Dirk Staelens	13,781	0.25%	0	0%	13,781	0.21%
Total	**1,131,660**	**20.53%**	**1,087,560**	**100%**	**2,219,220**	**33.62%**

Notes
1. *For the calculation of the number of warrants which shall be exercised upon listing, please refer to section 2.3.*
2. *On a fully diluted basis - for the calculation of the number of warrants which shall be exercised upon listing, please refer to section 2.3.*

4.7. THE STATUTORY AUDITOR

BDO ATRIO Bedrijfsrevisoren - BDO ATRIO Réviseurs d'Entreprises CVBA/SCRL, a civil company, having the form of a cooperative company with limited liability (*coöperatieve vennootschap met beperkte aansprakelijkheid*) organised and existing under the laws of Belgium, with registered office at 9820 Merelbeke, Axxes Business Park, Guldensporenpark 14 (Blok B), Belgium, represented by Veerle Catry, has been appointed statutory auditor of the Company on 18 May 2006 for a term of 3 years. The annual remuneration of the statutory auditor for the performance of its three-years mandate for the audit of the Belgian statutory GAAP accounts and the consolidated IFRS accounts of the Company amounts to kEUR 33 (excl. VAT).

4.8. TRANSACTIONS WITH AFFILIATED COMPANIES

4.8.1. General

Each director and executive manager is encouraged to arrange his personal and business affairs so as to avoid direct and indirect conflicts of interest with the Company. The Company's corporate governance charter provides that any transaction between the Company or its subsidiaries and any board member or executive manager shall require the prior approval of the board of directors, irrespective of whether or not such transaction would fall within the scope of the applicable statutory rules. Such transaction can only be entered into at market conditions.

4.8.2. Conflicts of interest of directors

Article 523 of the Belgian Companies Code provides for a special procedure within the board of directors in the event of a possible direct or indirect conflict of interest of a patrimonial nature of one or more directors with one or more decisions or transactions within the authority of the board of directors.

In the event of a conflict of interest, the director concerned has to inform his fellow directors of his conflict of interest before the board of directors deliberates and takes a decision in the matter concerned. Furthermore, the conflicted director cannot participate in the deliberation and voting by the board on the matter that gives rise to the potential conflict of interest. The minutes of the meeting of the board of directors must contain the relevant statements by the conflicted director, and a description by the board of the conflicting interests and the nature of the decision or transaction concerned.

The minutes must also contain a justification by the board for the decision or transaction, and a description of the financial consequences thereof for the Company. The relevant minutes must be included in the (statutory) annual report of the board of directors. The conflicted director must also notify the statutory auditor of the conflict. The statutory auditor must describe in his annual (statutory) audit report the financial consequences of the decision or transaction that gave rise to the potential conflict.

In case of non-compliance with the foregoing, the Company may request the annulment of the decision or the transactions which have taken place in breach of these provisions if the counterparty to the decision or the transaction was, or should have been, aware of such breach.

The procedure does not apply to decisions or transactions in the ordinary course of business at customary market conditions. It also does not apply to transactions or decisions between companies of which one holds (directly or indirectly) at least 95% of the voting securities of the other, and transactions or decisions between companies whereby at least 95% of the voting securities of both companies are (directly or indirectly) held by another company.

Article 524ter of the Belgian Companies Code provides for a similar procedure in the event of conflicts of interest of executive committee members. In the event of such conflict, only the board of directors will be authorised to take the decision that has led to the conflict of interest. The Company's executive management team does not qualify as an executive committee in the sense of article 524bis of the Belgian Companies Code.

Currently, the directors do not have a conflict of interest within the meaning of article 523 of the Belgian Companies Code that has not been disclosed to the board of directors. The Company does not foresee any potential conflicts of interest in the near future.

In addition, the Company's corporate governance provides that any transaction between the Company or its subsidiaries and any board member or executive manager shall require the prior approval of the board of directors, irrespective of whether or not such transaction would fall within the scope of the applicable statutory rules. Such transaction can only be entered into at market conditions.

4.8.3. Transactions with affiliates

Article 524 of the Belgian Companies Code, which will apply to the Company following completion of the offering, provides for a special procedure that applies to intra-group or related party transactions with affiliates. The procedure applies to decisions or transactions between the Company and affiliates of the Company that are not a subsidiary of the Company. It also applies to decisions or transactions between any of the Company's subsidiaries and such subsidiaries' affiliates that are not a subsidiary of the Company.

Prior to any such decision or transaction, the board of directors of the Company must appoint a special committee consisting of three independent directors, assisted by one or more independent experts. This committee must assess the business advantages and disadvantages of the decision or transaction for the Company. It must quantify the financial consequences thereof and must determine whether or not the decision or transaction causes a disadvantage to the Company that is manifestly illegitimate in view of the Company's policy. If the committee determines that the decision or transaction is not manifestly illegitimate, but is of the opinion that it will prejudice the Company, it must clarify which advantages are taken into account in the decision or transaction to compensate the disadvantages. All these elements must be set out in the committee's advice. The board of directors must then take a decision, taking into account the opinion of the committee.

Any deviation from the committee's advice must be motivated by the board of directors. Directors who have a conflict of interest are not entitled to participate in the deliberation and vote (as set out in section 4.8.2 above). The committee's advice and the decision of the board of directors must be notified to the Company's statutory auditor, who must render a separate opinion. The conclusion of the committee, an excerpt from the minutes of the board of directors and the opinion by the statutory auditor must be included in the (statutory) annual report of the board of directors.

The procedure does not apply to decisions or transactions in the ordinary course of business at customary market conditions, and transactions or decisions with a value of less than 1% of the consolidated net assets of the Company.

Apart from the foregoing procedure, the Company must also report in its annual report substantial restrictions or burdens imposed or maintained by the controlling parent Company if any, during the previous financial year.

4.9. RELATIONS WITH SIGNIFICANT SHAREHOLDERS

Current business and commercial dealings between the shareholders and their affiliates on the one hand and the Company and its subsidiaries on the other hand include the following:

- the Chief Executive Officer of the Company, Cassel BVBA, represented by Mr. Walter Mastelinck, is remunerated through a management agreement between Cassel BVBA and the Company. Mr. Walter Mastelinck is also a shareholder of the Company;

- the executive director of the Company, Janis BVBA, represented by Mr. Ludwig Lemenu, is remunerated through a management agreement between Janis BVBA and the Company. Mr. Ludwig Lemenu is also a shareholder of the Company;

- the main shareholders of the Company, being CETP Transics, Mr. Walter Mastelinck and Mr. Ludwig Lemenu, have granted a shareholders' loan of EUR 18,787,464 to the Company on 18 May 2006;

- an agreement between the Company and Toppower NV relating to the sale and purchase of hardware and software. In 2006, companies of the Transics group purchased for a total of EUR 242,250.88 from Toppower NV. Mr. Walter Mastelinck and Mr. Ludwig Lemenu each are major shareholders of both Toppower NV and the Company.

To the knowledge of the Company, the existing shareholders' agreement between CETP Transics, Mr. Walter Mastelinck, Mr. Ludwig Lemenu and the management shareholders will be terminated with effect on the listing date. It will however be replaced by a new shareholders' agreement, the terms and conditions of which are set forth in section 2.8.3, pursuant to which CETP Transics, Mr. Walter Mastelinck and Mr. Ludwig Lemenu will be deemed to be acting in concert in accordance with, amongst others, article 74 of the Belgian Act on public takeover bids.

5. ACTIVITIES OF TRANSICS

5.1. INTRODUCTION TO TRANSICS

Road transportation is a crucial part of virtually all industrial activities, being one of the most important links in the logistic chain. Road transport is the dominant mode of terrestrial transportation of goods in Europe. Its importance has grown substantially over the past decades. The proportionate share of road in total inland transport, expressed in tonne/kilometre, exceeds 76% today in the European Union, compared to 49% in 1970[5]. There are an estimated five million medium and heavy trucks (defined as >3.5 tonnes) in circulation in Europe[6] and more than 500,000 road transport companies[7].

The competition in the road transportation industry is intense. This is mainly due to the low entry barriers inherent to this industry as well as to the fact that players have little ability to differentiate since the most important cost drivers (e.g., fuel, labour, truck depreciation, maintenance and telecom) are the same for all participants. The level of competition has further increased as a result of the recent enlargements of the European Union. As a consequence, road transport companies experience strong pressure on their margins and the industry is starting to consolidate.

In recent years, the cost structure of road transport companies has been negatively affected by a number of economic and regulatory factors. The rising price of oil has led to substantial operating costs increases.

The social legislation regarding rest and driving hours and the introduction of tachographs (most recently the digital tachograph) in the EU have increased labour and administrative costs. The introduction of road tolling in a number of EU countries has also negatively affected margins.

Telematics solutions and other productivity and regulatory hardware and software solutions represent one of the few tools available to road transport companies to achieve cost savings and efficiency gains and to offer a better service thereby differentiating their offering.

Since the incorporation of Transics NV in 1990, Transics has been using advanced technology platforms to develop and commercialise ICT solutions specifically adapted to the needs of road transport companies. Fleet management systems ("FMS"), as these tools are more generally referred to, allow transport companies to better manage, monitor and control their mobile resources, assets and information flows. FMS solutions allow customers to optimise operational efficiency, to reduce operational costs and to improve profits and customer satisfaction.

Transics develops, designs and markets fleet management systems, which include software, hardware and services. These fleet management systems are built around on-board computers ("OBC"), which are installed in the cabins of the trucks and serve as a communication gateway. All the data collected from the truck, the driver and the trailer (e.g., location, fuel consumption, rest and driving hours, activity report) is processed by the computer in the vehicle, transferred via a wireless connection to Transics' hosted application servers or directly to the company's back office. The transport company is then able to use and interpret this data using Transics' management information tools. This data is also fed into third party software applications such as, amongst others, planning, billing, invoicing and payroll software. The on-board computer serves as a hub that can be connected with other devices (for example the analogue or digital tachograph, bar code reader, temperature control unit, trailer recognition unit, FMS interface of the CANbus[8]).

5 Source Eurostat (http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1996,39140985&_dad=portal&_schema=PORTAL&screen=detailref&language=en&product=Yearlies_new_transport&root=Yearlies_new_transport/G/en033).

6 Source: ACEA/Eurostat (European Motor Parc 2005 study dated January 2007).

7 Source Eurostat , Panorama of transport – Statistical overview of transport in the European Union (2003), p48.

8 CANbus (Controller Area Network bus) is a serial bus for in-vehicle networks which provides an interface between the vehicle electronics and other electronic devices.

It also serves as a communication platform that enables the transport company to send information to and receive information from the truck and the driver on the current status of the transport assignment and the location of the vehicle. The on-board computer can also host other integrated applications such as navigation or expense management software for the driver.

Transics is one of the pioneers of the European FMS industry. It presently employs over 150 people. The Company is a leading FMS supplier to the road transport sector in Europe. It has a market-leading position in Belgium, the Netherlands and France and it is also present in Spain, Germany, Scandinavia and Eastern Europe. Currently the Company has an installed base of over 35,000 units.

In May 2006 The Carlyle Group, together with Mr. Ludwig Lemenu and Mr. Walter Mastelinck, bought out the stakes of the six venture capitalists that had funded the initial phase of growth of Transics between 1998 and 2003.

On 2 April 2007 Transics acquired Delta Industrie Service SA ("DIS"), a French company that provides hardware and software solutions for the retrieval, archiving and processing of data from analogue and digital tachographs. These solutions are sold to the road transport industry and to control authorities; they are complementary to the FMS solutions developed by Transics.

Over the last accounting year, Transics generated consolidated revenues of kEUR 30,531, an EBITDA of kEUR 10,207, an operating result (EBIT) of kEUR 7,912 and a net profit of kEUR 1,874, assuming a pro-forma consolidation of DIS.

5.2. COMPETITIVE STRENGHTS

Transics believes that its historical financial performance is the result of the following competitive strengths:

- **Strong market position and geographical expansion**: Transics is a leading FMS solution provider to the road transportation industry in the Benelux and France. Furthermore Transics has over the last five years started activities in Spain, Germany, Scandinavia and Central and Eastern Europe.

- **Thorough market knowledge and understanding of the market needs**: Transics has been focussing on the ICT needs of the road transport industry for the last 17 years. The Company has pioneered this industry and has an in-depth knowledge of market dynamics and customer needs in terms of fleet management systems.

- **Proven reliable, and constantly upgraded products**: Transics' solutions currently equip over 35,000 trucks. The rapid growth of this installed base together with the high proportion of repeat sales to existing customers are testament to the fact that Transics offers solutions that are robust and reliable. Transics' first products were developed and installed in 1991. Since then, it has continuously developed and enriched its products, which are currently in their fourth generation.

- **One-stop–shop solution for advanced FMS solutions**: Transics offers a complete FMS solution (see section 5.3.2. below for a more detailed description of the components of a complete FMS offering). In addition to featuring a high performance hardware platform and having a developed software feature-set, Transics' FMS solution includes all related services under one roof: telecommunication gateway hosting, application hosting, hardware and software helpdesk and support services. The Company also provides consulting services and training to its customers on the use and benefits of its products. Road transport customers typically do not have a substantial in-house information technology department and value both the one-stop-shop approach and the consulting and project management capabilities of Transics.

- **Open technology platform and experienced R&D team**: Transics' software and hardware technology platform is based on open standards which ensure compatibility with the latest available technologies and enable an easy integration with third party software and/or hardware. Although Transics uses external technical consultants from time to time, full product ownership is always kept by Transics. Almost all hardware and software is developed in-house by the Company's experienced R&D team, which is presently composed of 34 people. The Company believes that it has one of the larger R&D teams in Europe exclusively dedicated to FMS solutions for the road transport industry.

- **Loyal customer base and recurring sales**: Transics' solution resides at the heart of the operations of its customers and involves substantial upfront investments, which contribute to high switching costs and customer loyalty. Building on its strong focus on customer satisfaction, Transics has been able to develop solid relationships with its clients. Transics' solutions have been implemented with over 800 customers. Recent new customers include Pañalon in Spain (500 trucks) and De Rijke in the Netherlands (460 trucks). Approximately 40% of the on-board computers sold in 2006 were sold to existing customers. In addition, Transics' offers service packages on a flat-fee basis, which can include maintenance services, telecommunication services or navigation. These services generate recurring revenues, which in 2006 (pro forma consolidated accounts, excluding DIS) amounted to mEUR 5.0, representing 19.3% of total sales.

- **Fully controlled sales channel**: Given the specific nature of its products and services, Transics relies on a direct sales force which gives it full control over its distribution and helps build a close relationship with the end customer.

- **Experienced management**: Transics' management team has a proven track record within the industry. They have a deep understanding of the market and have delivered strong operational performance over the last years evidenced by the growth in both revenues and profits.

5.3. DESCRIPTION OF THE MARKET

5.3.1. Definitions

Telematics

The term "telematics" is a combination of the words *telecommunications* and *informatics*. As such "telematics" stands for the integrated use of telecommunications and informatics, allowing to send, receive, store and process information via telecommunication devices. More commonly, the term "telematics" refers to the use of Global Positioning System (GPS) technology integrated with computers and mobile communications technology.

Fleet Management and Fleet Management Systems (FMS)

Telematics can (amongst others) be used to manage resources, assets and/or goods in the transportation industry ("Fleet Management"). The aim of Fleet Management is to optimise daily operations by increasing efficiency and reducing costs and to improve customer services. The tools or solutions used to perform Fleet Management are generally referred to as Fleet Management Systems ("FMS").

The level of functionality and objectives of Fleet Management Systems may vary significantly. Whereas low level systems only serve one or a very limited number of applications, high end systems are able to offer several integrated applications. The focus of the various Fleet Management Systems may differ as well. Whereas some systems are primarily focussed on the management of transported goods (e.g., parcel delivery), others, such as the solutions provided by Transics, focus on the management of "truck and driver" (e.g., international transport).

5.3.2. The components of a fleet management system

Fleet management systems for the road transport industry are complex solutions incorporating a number of hardware, software and services components. They differ from basic telematics applications and their development requires expert knowledge of the operations of road transport companies. A typical high end FMS solution offering consists of the following components:

- An on-board computer with embedded software applications: this device serves as a platform on which the truck applications can run. Furthermore it serves as a processing platform and communication gateway ("hub") where the data from the truck, driver and cargo is collected and is sent to a hosting platform and/or the transport company's back office. The applications running on the on-board computer in the cabin include driving assistance applications, telecommunication applications, navigation applications and business applications such as drivers' hours management.

- Wireless communication link: data is transferred over this link between the trucks and their drivers on the one hand and the hosting platform and/or the transport company on the other hand.

- Hosting platform: FMS solution providers typically offer services such as telecom hosting database hosting and/or application hosting. These hosting services enable transport companies to benefit from the advantages of an FMS solution and reduce their back office ICT investment needs.

- Back office applications: these applications allow planners and managers to interpret the data registered by the OBC, which is stored centrally. These applications typically include two different sets of software tools: tools for reporting and analysis and tools for fleet monitoring. Reporting and analysis tools typically include the following applications: trip reporting, wage calculation, expense management and exception reporting. Fleet monitoring tools provide access to real-time information about the current status (e.g., driving, loading, unloading, waiting) and geographic position of every vehicle in the fleet. They also enable real-time management of driving and resting times per driver and serve as a communication platform with drivers.

- Interface to non-FMS related software tools: data collected by the FMS solutions typically proves to be useful for other applications, such as invoicing or planning software. High end FMS solutions provide an interface to such programs enabling them to use the collected data.

- Consulting and field services: the implementation of an FMS solution is a complex project, which involves the immobilisation of the fleet and a deep level of integration with the customer's ICT infrastructure. Furthermore, a successful implementation requires a substantial investment in training.

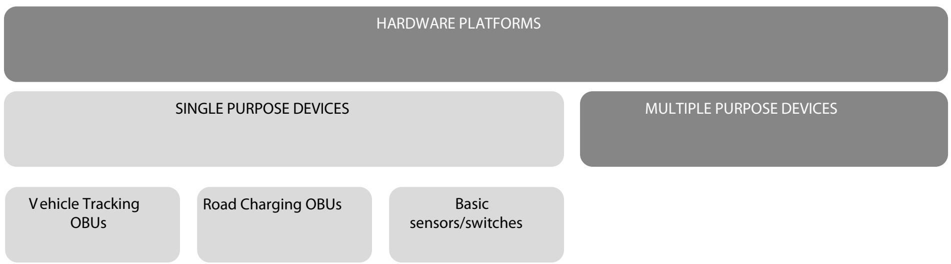
5.3.3. Segmentation of the fleet management systems market

Fleet management systems can be deployed using two categories of hardware devices:

- Single purpose devices ("on-board units" or "OBUs"): these devices are designed to perform one single task. Examples of such devices include road charging units, vehicle tracking units and basic sensors/switches alerting fleet managers (e.g., if a door is open or temperature passes a predefined level). These devices operate in a closed hard-and software environment and can not be extended with other functionalities.

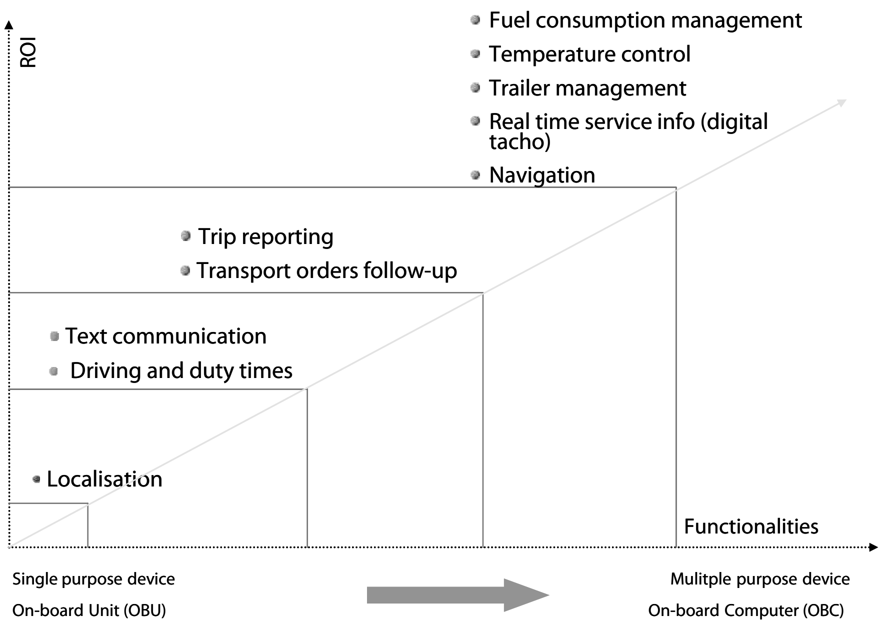
- Multiple purpose devices ("on-board computers" or "OBCs"): these hardware devices serve multiple purposes and are capable of hosting a wide range of applications. They are typically equipped with a communication link to the back office of the transport company and potentially allow the controlling, monitoring and managing of trucks, drivers and cargo.

Figure 1: Commercial vehicle telematics hardware platforms



Multiple-purpose devices can be segmented according to the functionalities they offer. These range from simple tracking and tracing of vehicles to full integration with other devices in the truck (peripherals).

Figure 2: Functionalities offered by multiple purpose devices



Source: Company

Basic FMS solutions provide tracking and tracing of the position of the fleet from the back office of the transport company. More advanced FMS solutions provide bi-directional text communication between drivers and planners.

The next level of sophistication typically involves FMS solutions that enable the communication of the activities of the driver (e.g., resting, working and driving) to the planners and managers of the transport company.

The more advanced FMS solutions provide interaction not only with the driver, but with other peripheral hardware devices (e.g., the CANbus, trailer recognition units, temperature monitoring units, analogue or digital tachographs, barcode readers or personal digital assistants). They can also include other options such as theft prevention and navigation.

Multiple-purpose devices can also be segmented according to the nature of their operating environment: standard or proprietary. Standard operating environments are generally more versatile and more widely used than proprietary operating environments.

Transics offers an OBC-based, functionality-rich solution positioned in the high end of the market and operating on a standard Windows CE-based environment.

5.3.4. FMS applications

High-level FMS solutions offered by companies like Transics incorporate a large number of functionalities. These functionalities address a number of customer requirements that can broadly be divided into three categories:

Vehicle management

Advanced fleet management systems collect a wide variety of data from the vehicle such as fuel consumption, trip distances, power, velocity and rotations per minute ("RPM"), engine temperature, use of brakes or engine status. This data is captured by the OBC through its CANbus connection. The captured data is transmitted to the back-office of the transport company and is subsequently used for analysis either on an individual truck basis or for the fleet as a whole. This analysis is performed using reporting and analysis tools.

Vehicle management applications enable cost savings through for instance better maintenance planning and lower fuel consumption. In the future, the Company expects the importance of vehicle management applications to increase in conjunction with growing environmental awareness.

Driver management

Driver management aims to optimise the performance of the driver and to minimise idle time. It is achieved through different means, including:

- Detailed trip reporting is based on input from the digital or analogue tachograph, the CANbus and on interaction with the driver. Automatic registration typically includes drive and rest times, speed, distance, driving style, fuel consumption and GPS positioning. Other information is registered via a simple question and answer routine with the driver. In addition to registering activities, the OBC serves as a tool for the driver to respect legal requirements for drive and rest times by providing detailed records and by alerting the driver when he is approaching the maximum driving time.

- Driving style analysis uses information such as braking, speed, engine rotations per minute and gear shifting behaviour, and thereby enables transport companies to identify areas of improvement for fuel consumption and driver safety, either on an individual basis or for the fleet as a whole.

- Driver assistance for instance includes integrated navigation tools, which avoid confusion regarding destinations and enable drivers to find directions to their destination, communication tools and geofencing applications which provide drivers with instructions when they pass specific points.

- Driver management applications enable transport companies to achieve cost savings through higher labour productivity, reduced administrative processing time and lower idle time for drivers. Further, the analysis of FMS data and reports can help transport companies to increase vehicle utilisation.

Transport & goods management

Transport management includes order management, fleet efficiency optimisation, route optimisation, cargo monitoring and goods tracking.

FMS solutions provide an overview of the status and location of the fleet as well as other relevant information such as information about the availability of drivers taking into account compulsory resting times. This enables planners to more efficiently allocate shipments to trucks. In addition, transport management applications can help simplify administrative processes through a direct integration with other applications such as invoicing or planning software, thereby delivering cost savings. Fleet management systems typically allow planners to monitor and follow more trucks per head resulting in lower labour costs.

Transport management applications also enable transport companies to improve customer service. For instance, geo-positioning enables planners to provide up-to-date information about the position of their shipments to their customers.

Besides the tracking and tracing of vehicles, some FMS solutions can provide tracking and tracing of trailers and even of goods through the use of barcode or RFID scanners. Additional information on the goods can be collected such as the temperature.

5.3.5. Market drivers

In the opinion of the Company, the growing adoption of fleet management systems by transport companies is explained by several factors.

Focus on cost reductions in the transport industry

Intense competition and customer pressure push transport companies to continuously seek cost savings in fuel, labour, maintenance, toll and telecom costs.

FMS solutions enable increased control over the fleet and higher operational efficiencies, which help transport companies identify and realise cost savings.

Consolidation and internationalisation of the road transport industry

FMS solutions target larger transport companies (operating more than 10 trucks). The European road transport industry is fragmented and characterised by a high number of small enterprises. The competitive pressure and inflation of costs are fuelling a consolidation wave in the road transport industry. Consolidation results in an increased number of larger transport companies more likely to adopt FMS solutions.

In addition, the recent enlargements of the EU have led to an increase in the number of transport companies employing drivers of different nationalities. Market shortage for drivers also added to the employment of non local drivers. FMS solutions facilitate the integration of drivers from multiple nationalities as they simplify the administrative tasks for the driver, facilitate communication between planners and drivers and limit the risks of miscommunication.

Increasing service level requirements for logistics

The transport industry is like the rest of the economy subject to increasing flexibility and quality demands (e.g., JIT, real-time information). This drives the need for transport companies to use FMS systems that enable higher service flexibility and service quality.

Legislation

Legislation has proven to be an important driver for the adoption of FMS solutions. The social legislation on driving and resting times (Regulation (EC) 561/2006) and the penalties related to infractions to these regulations are forcing transport companies to invest in on-board electronic devices (digital tachographs) and have created a need for advanced driver management tools.

Applicable laws are also placing greater emphasis on the issue of traceability, specifically in respect of perishable goods, livestock or hazardous materials.

Raising environmental awareness may also result in new legislation, which may foster additional demand for advanced FMS solutions.

Technology environment

Historically the limited IT know-how and resources amongst potential target customers was an important impediment to the adoption of FMS solutions. The FMS market has come of age in the last three years as GPRS and GPS technologies have become ubiquitous, affordable and stable in Europe. The widespread adoption of these technologies has proven to be a driver for the adoption of other IT systems, such as FMS solutions. In addition, the mandatory introduction of the digital tachograph is often acting as a catalyst for investing in a broader ICT infrastructure.

5.3.6. Market size and growth opportunity

The table below gives an overview of the registered heavy commercial vehicles (trucks >3.5 tonnes) in Western Europe, Poland and the Czech Republic and the expected evolution thereof until 2012.

Table 1: Registered heavy commercial vehicles (trucks >3,5 tonnes)

Country	2006	2012	% growth 06-12
Austria & Switzerland	123,029	120,423	(2.1%)
Benelux	315,000	331,555	5.3%
France	573,000	579,000	1.0%
Germany	1,004,000	977,000	(2.7%)
UK	590,000	577,565	(2.1%)
Italy	1,035,000	1,056,000	2.0%
Scandinavia	345,519	353,000	2.2%
Spain & Portugal	604,000	667,000	10.4%
Total Western Europe	**4,589,548**	**4,661,543**	**1.6%**
Poland	585,000	660,000	12.8%
Czech Republic	199,556	220,000	10.2%
Total	**5,374,104**	**5,541,543**	**3.1%**

Source: ACEA/Eurostat, Frost & Sullivan

In February 2007, Transics commissioned Frost & Sullivan to conduct an expert analysis of the medium and heavy commercial vehicle telematics (over 3.5 tonnes) market in Western Europe, Poland and the Czech Republic (the "targeted regions"), for the purposes of this offering (the "F&S study"). The medium and heavy commercial vehicles segment and the targeted regions correspond to the market currently targeted by Transics.

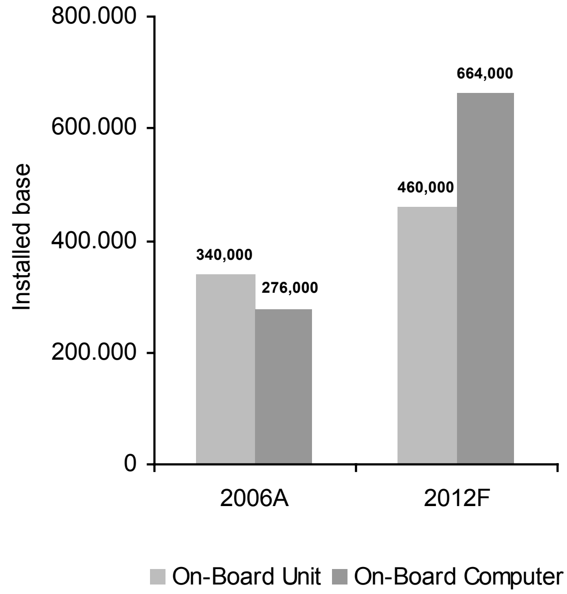
Frost & Sullivan, 4 Grosvenor Gardens, London SW1W 0DH, United Kingdom, is involved in the review and analysis of global telematics market from its early days, developing numerous market research, bespoke strategic projects and participating to key industry events. Frost & Sullivan has no material interest in Transics. Frost & Sullivan have consented to Transics disclosing the findings of their data and analysis in this prospectus. To the best knowledge of the Company all relevant information of the Frost & Sullivan analysis has been accurately reproduced in this section. As far as the Company is aware and able to ascertain from the information given by Frost & Sullivan, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The scope of the F&S study includes both on-board computers (“OBCs”) and on-board units (“OBUs”). The main findings of this F&S study on the market addressed by Transics can be summarised as follows:

- Penetration levels are still low for both OBCs and OBUs. The penetration rate for OBUs in Western Europe is currently 6.2% in the segment of medium and heavy commercial vehicles. The penetration rate for OBCs in the same segment and region is even lower (5.5%).
- The estimated size of the total addressable market, composed of both revenues from unit shipments and related services revenues of both OBCs and OBUs, was EUR 345 million in 2006. According to Frost & Sullivan’s market analysis, the total market is expected to grow at a 14% CAGR to reach EUR 750 million by 2012.
- The estimated size of the OBC-based FMS market addressed by Transics was EUR 280 million in 2006. According to Frost & Sullivan’s market analysis, this market segment is expected to grow at a 15% CAGR to reach EUR 660 million by 2012. This expected growth is higher than the expected growth of the OBU segment, which is estimated at 7%.
- According to Frost & Sullivan, the share of unit shipments of FMS solutions provided by third party suppliers was 58% in 2006 and will grow to 79% in 2012.

Frost & Sullivan expects prices for on-board computers to drop by 3% per year between 2006 and 2012 while prices for on-board units would only drop by 2% per year. Average prices for on-board computers range between EUR 2,000 to EUR 2,500 per unit while on-board units on average only cost a few hundred euros.

Figure 3: Installed base[(1)] of on-board devices in heavy commercial vehicles



Notes:

(1) Installed base of on-board computers and on-board units in medium and heavy commercial vehicles (over 3,5 tonnes) in the following countries: Benelux, France, Germany, UK, Italy, Scandinavia, Spain, Portugal, Austria, Switzerland, Poland and the Czech Republic.

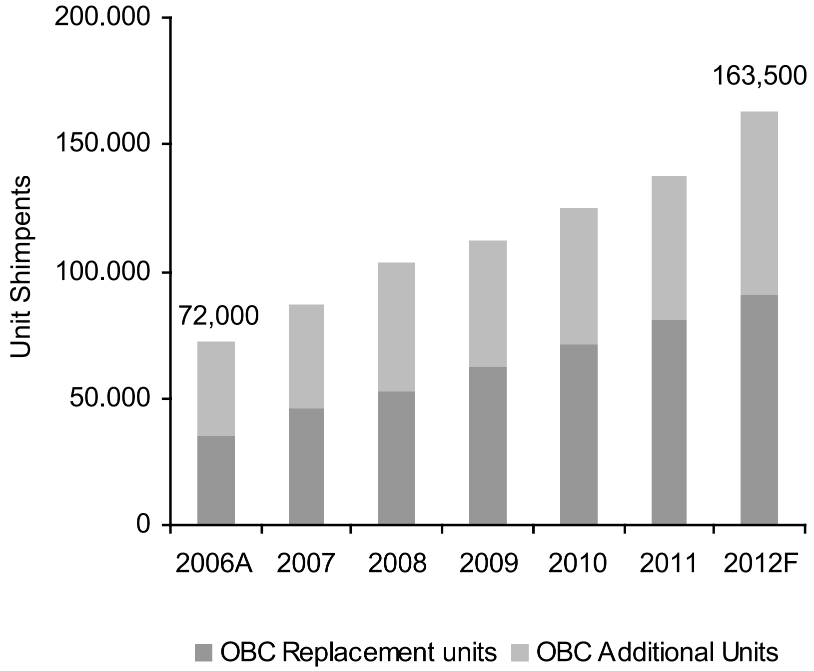
Source: Frost & Sullivan

The overall penetration rates of fleet management solutions within medium and heavy commercial vehicles stood at 11.5% in 2006 in the target regions (Western Europe, the Czech Republic and Poland) studied by Frost & Sullivan. In Western Europe the penetration rate for OBCs was 5.5% and for OBUs 6.2%. Germany and the Benelux have shown the highest adoption rate for OBCs, with respectively 9.9% and 9.4% of all medium and heavy trucks being equipped with an OBC. In the UK, this percentage stood at 7.9%, in Scandinavia 5.4% and in France at 4.9%. Other countries are estimated by Frost & Sullivan to have a very limited penetration of FMS solutions at this stage.

In addition to initial sales of OBCs, F&S is of the opinion that there is a replacement market which will gain in importance as the market matures over time. The economic life of an OBC is estimated by the Company to be approximately 5 to 7 years.

As shown in Figure 3 F&S estimates that the installed base of OBCs in heavy commercial vehicles will increase from around 276,000 in 2006 to around 664,000 in 2012. This increase in installed base takes into account the following assumptions for OBC unit shipments between 2006 and 2012:

Figure 4: Unit shipments (replacement market + shipments to initial users)

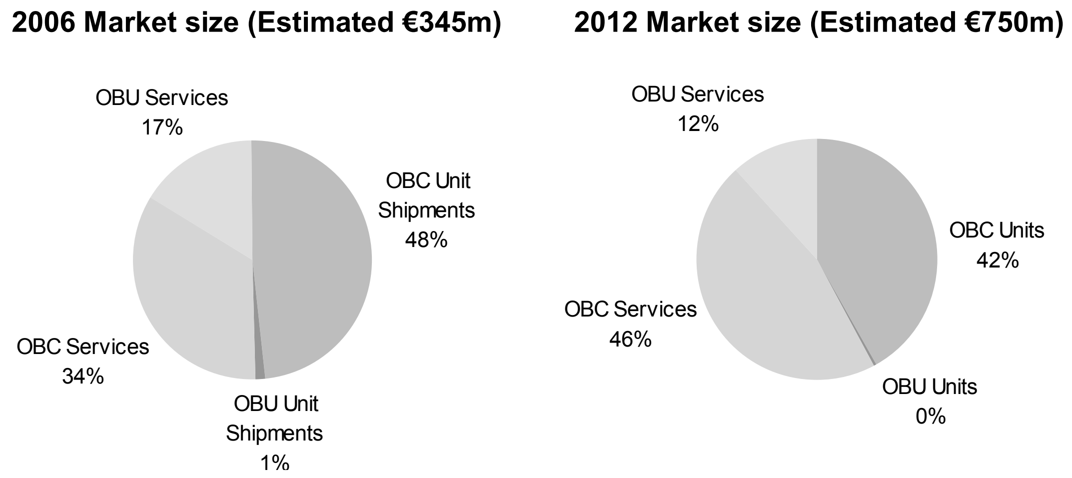


Source: Frost & Sullivan

F&S estimates that services accounted for almost 40% of the EUR 280 million of revenues generated by the sale of OBC-based FMS solutions in the target regions in 2006. Revenues from services associated with OBC-based FMS solutions are expected to grow at a rate of nearly 20% per year between 2006 and 2012. This growth is driven by the growth of the overall installed base combined with an increase in penetration levels of services.

The total market size for OBC-based FMS solutions in the targeted countries is expected to more than double over the next 6 years to reach EUR 660 million by 2012.

Figure 5: Market size



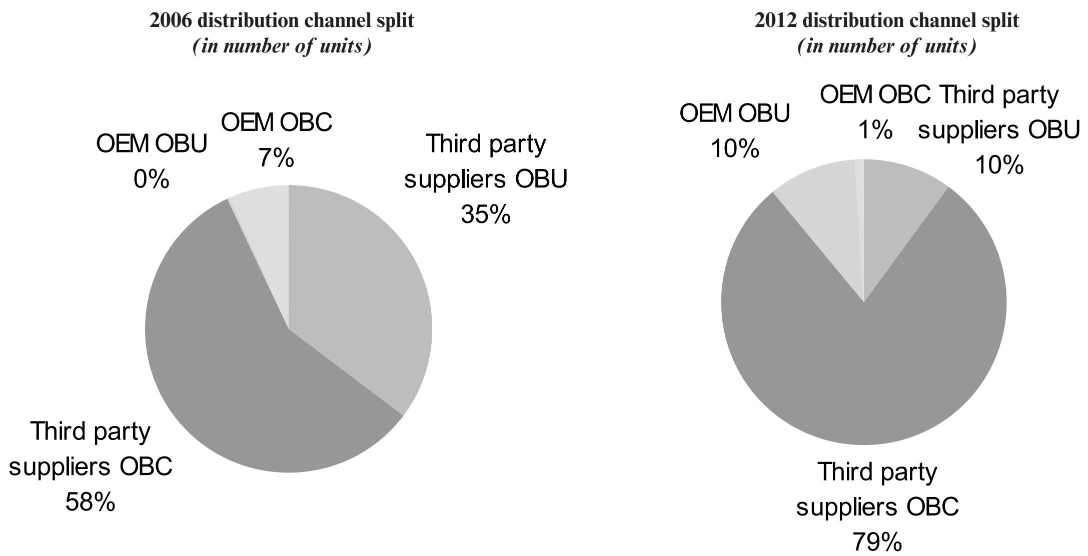
Source: Frost & Sullivan

5.3.7. Distribution channels[9]

FMS solutions are provided via two distribution channels: the OEM channel and the aftermarket channel. In the OEM channel, the OBCs or OBUs are sold by truck manufacturers ("OEM") such as Volvo Trucks (DynaFleet) or DaimlerChrysler (Fleetboard). In the aftermarket channel, FMS solutions (both OBC and OBU based) are sold by companies which are independent from the OEM.

The aftermarket channel is the largest distribution channel. Most new implementations of FMS solutions are rolled-out by aftermarket solution providers in the existing fleet and new trucks entering the fleet may subsequently be equipped with an on-board device.

Figure 6: Distribution channel split (percentage of units shipped during the year)



Source: Frost & Sullivan

9 All figures in this section are derived from the Frost & Sullivan study, see also section 5.3.6 except when otherwise stated.

The low market penetration of OEM solutions in the OBC market is generally attributed to a number of drawbacks associated with the OEM channel, including:

- The fact that OEMs have to provide solutions to retrofit into existing fleets because FMS solutions are generally rolled out in the whole fleet and transport companies generally do not buy or renew their whole fleet at once.
- The fact that most transport companies have a multi-brand fleet makes OEM solutions sometimes incompatible with customer requirements.
- The fact that the key decision makers in the process of purchasing trucks are often not the same as the decision makers for FMS solutions.
- The fact that OBCs often outlast trucks and are often transferred to new trucks when older ones are retired or sold.

5.4. TRANSICS' HISTORY

Fleet Management Systems (FMS) Europe NV, as Transics NV was initially called, was founded in May 1990 as a spin-off from Toppower NV, a company founded in 1986, which is active in the development of ERP software.

Since inception, Transics focussed on the development of OBCs and back-office FMS applications (originally MS DOS based) for transport companies.

In 1997, Transics introduced its third generation OBC, Laura. This OBC was a proprietary hardware platform with a communication link with the back-office, at that time via SMS. In 1998 Transics raised additional equity capital from professional venture capitalists. In 1999 Transics initiated its international expansion with the incorporation of its French subsidiary, Transics France Sàrl.

In 2000, Transics launched its first open operating platform OBC, the Quattro. With the Quattro OBC, Transics was able to progressively broaden the functionalities of its FMS offering, based on market requirements. In that same year, Transics accelerated the development of back-office applications for the transport industry through the acquisition of the transport business unit of ICS Computers.

In 2001, Transics continued its geographical expansion with the incorporation of Transics Nederland B.V.

In 2002, Transics introduced products based on GPRS communication.

At the end of 2003, Transics broadened its service offering with the introduction of a flat fee telecommunication offering and an application hosting offering.

In 2004, Transics launched an upgrade to both the Laura and the Quattro OBCs: Laura Plus and Quattro Plus. The Quattro Plus was equipped with a more powerful processor and was the first OBC to feature a colour screen. In that same year, Transics also established its branch office in Spain, Transics NV Sucursal en España.

In 2006 Transics further expanded its product offering with the introduction of navigation, integrated in the on-board computer.

In May 2006, The Carlyle Group entered in the share capital through a management buy out, replacing the existing venture capitalists (see section 5.16). In that same year Transics received the "Beloftevolle onderneming van het jaar" ("*promising company of the year*") award from the Flemish government. In that same year, the Company continued its geographical expansion with the incorporation of a German subsidiary, Transics Deutschland GmbH. In addition, the Company entered the Czech and Polish markets.

In April 2007, the Company acquired Delta Industrie Service SA ("DIS" – see section 5.16) in France. This acquisition enabled Transics to add software and hardware tools for the retrieval, archiving and processing of data collected from the analogue and digital tachographs to its offering.

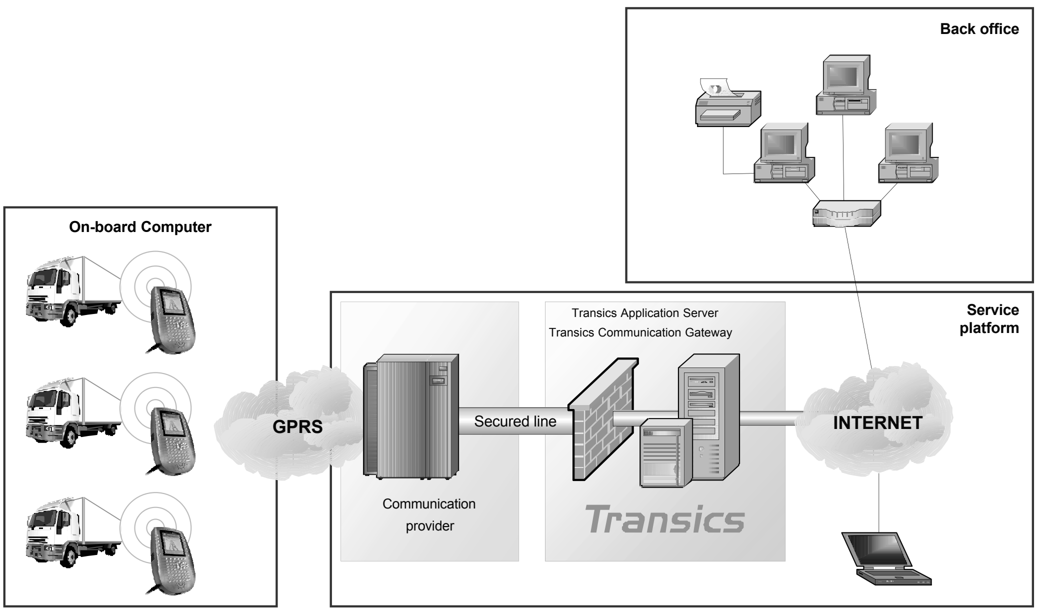
Today, Transics has a solid and growing client base of over 800 transport companies with an aggregate of over 35,000 vehicles throughout Europe.

Year	Key milestones & achievements
1990	Incorporation of FMS Europe NV (Transics NV)
1991	Launch of the first generation OBC
1995	Launch of the second generation OBC
1997	Launch of the third generation OBC (Laura)
1999	Entering of the French market
2000	Acquisition of the transport business unit of ICS Computers
2000	Launch of the fourth generation OBC (Quattro)
2001	Entering of the Dutch market
2002	Launch of GPRS based communication products
2003	Launch of service offerings
2004	Launch of the Quattro Plus
2006	Management buy out by The Carlyle Group and existing management
2006	Transics was awarded the title "beloftevolle onderneming van het jaar"
2006	Entering of the German and Eastern European markets
2007	Acquisition of DIS

5.5. PRODUCT PORTFOLIO OVERVIEW

Transics' FMS solution is composed of the following components: hardware with embedded software, a wireless communication link, hosting services, a back office application with interface to third party applications and consulting and field services. The end-to-end solution provided by Transics is illustrated in figure 7.

Figure 7: Schematic overview of the Transics solution



Source: Company

5.5.1. On-board computer

The core hardware element of Transics' solution is an OBC that has been developed in-house. The Quattro Plus is the latest generation Transics OBC; it operates under the Windows CE. Net 4.02 operating system.

Transics' OBC registers various data related to the vehicle, the driver, the trailer and the cargo. Some information is collected automatically from the vehicle or via peripherals. Other information is registered via a simple question and answer interface with the driver. When the truck is in a certain state (e.g., stand still for more than 1 minute), the driver is asked to clarify that situation via a predefined set of answers (e.g., refuelling, loading, unloading). If necessary, this can be complemented with free text input. Both the status of the truck and the list of pre-defined answers are adapted to specific client needs. The OBC also provides information to the driver on driving and resting times for instance or about his current assignment.

Figure 8: Quattro Plus

Source: Company

Depending on specific customer demand, the Quattro Plus can be delivered with, amongst others, the following functionalities:

- Tracking and tracing: the OBC is linked to a GPS receiver that tracks the location of the truck and enables the back-office to have a real time view on the location of the complete fleet. Transics recently introduced an independent trailer tracking functionality.

- Compliance monitoring: the OBC collects useful information from both analogue and digital tachographs and makes them available to the back-office for further storage and processing. Consequently, manual handling of tachograph data, which leads to a costly immobilisation of vehicles, is reduced. In addition, the OBC provides the driver with detailed information about his driving and resting times, which facilitates compliance with labour legislation.

- Truck monitoring: technical information in respect of the truck such as the status of the engine, speed, temperature, power, fuel consumption, and RPM is collected via a connection with the CANbus and is then transferred to the back-office for further processing. The OBC alerts the driver in real-time in case predefined events occur (e.g., aggressive driving style).

- Activity reporting: the computer automatically monitors the status of the trip and the activities of the driver and the vehicle. Based on this information, the driver is invited to provide further information on the status of his activities. The OBC then computes a complete trip activity report, which is made available to the transport company's back-office.

- Navigation: the OBC can be equipped with a navigation tool, which can be directly connected to the back-office planning department. The back office is able to directly input the coordinates of the end destination to avoid manual input from the driver and thus reduce human error.

- Geofencing: OBC can be installed with geofencing software which informs both driver and back-office when the vehicle enters a predefined geographic region in order to undertake specific actions and to optimise loading and unloading activities in general.

- Peripheral connectivity: being designed on an open architecture, the Quattro is compatible with other devices and can serve as a hub for and interface with other applications such as RFID and barcode product readers, digital pens for authentication of signatures, printers, or trailer sensors used for identification or temperature monitoring purposes. All collected data is forwarded to the back office for further processing and storage.

5.5.2. Wireless communication link

The OBC is equipped with a GPRS/SMS modem which provides a communication link between the truck, the hosting platform and the back-office. The SMS communication protocol is used as a back-up for GPRS. As regards communication services, Transics offers two options to its customers. They can either buy GPRS services directly from network operators, or they can buy Transics' telecom package, which consists of a flat-fee Europe-wide GPRS subscription. Many customers opt for the latter solution; as of 31 March 2007, Transics manages 13,000 telecom subscriptions (SIM cards), of which 10,086 have been activated.

5.5.3. Hosting services

Transics' solutions require specific ICT infrastructure, including secured telecom lines, database and application servers. Transics offers its customers hosting services, which enable them to benefit from Transics solutions without having to invest in expensive dedicated back-office ICT infrastructure and maintenance thereof.

The hosting services comprise three elements:

- Communication gateway hosting: all GPRS communication is channelled through secured telecom lines to Transics' central communication servers. These communication servers exchange data between Transics' database servers and the on-board-computers.

- Database hosting: the FMS data of the customers is stored in Transics' central database servers.

- Application hosting: via a broadband Internet link, customers are able to remotely access and run Transics' back-office applications.

A few larger customers and some of Transics' initial customers have not outsourced database and application management to Transics either because they already have a large in-house ICT infrastructure or because they were already customers before hosting services were first offered at the end of 2003.

5.5.4. Back office applications

Once the data is collected by the OBC and transferred via the wireless link to the hosting platform and back-office ICT infrastructure of the customer, the data is processed by Transics' back-office software suites.

Transics Fleet Monitor (TFM)

The Transics Fleet Monitor software suite is used by planners to access real-time information on the current status (e.g., driving, loading, unloading, waiting) and geographical location of every vehicle in the fleet. TFM enables real-time management of driving and resting times per driver. Planners also use TFM as their communication platform with drivers replacing more expensive mobile phone communication. TFM integrates with the order management and planning software and allows orders to be sent directly to the driver via the OBC. The OBC then reports back on the status of the assignment to the operations centre and this information can be made available to the customer via the Internet. Planners can also receive warnings in the event anomalies occur (e.g., a driver has been driving for 4.30 hours without a break). TFM also incorporates a module called Transics Map Monitor (TMM), which displays the position of the complete fleet on a digital map and provides an overview of all trucks at their different locations indicating their current status as well as other important information (e.g., driver's identity, registration number).

Figure 9: Transics Fleet Monitor (TFM) and Transics Map Management (TMM)

Source: Company

Transics Management Software (TMS)

Transics Management Software is a software suite for reporting and analysis used by the operations managers and planners of road transport companies. The entire set of information registered by the on-board computer and the driver is stored centrally and accessed through TMS. TMS feeds into the transport company's order management, invoicing and planning software applications.

Some of the key functionalities provided by TMS include:

- Trip reporting. TMS offers a detailed chronological overview of the activities of the vehicle and driver including driving and resting times, GPS positions, messages (incoming and outgoing) and specific events.

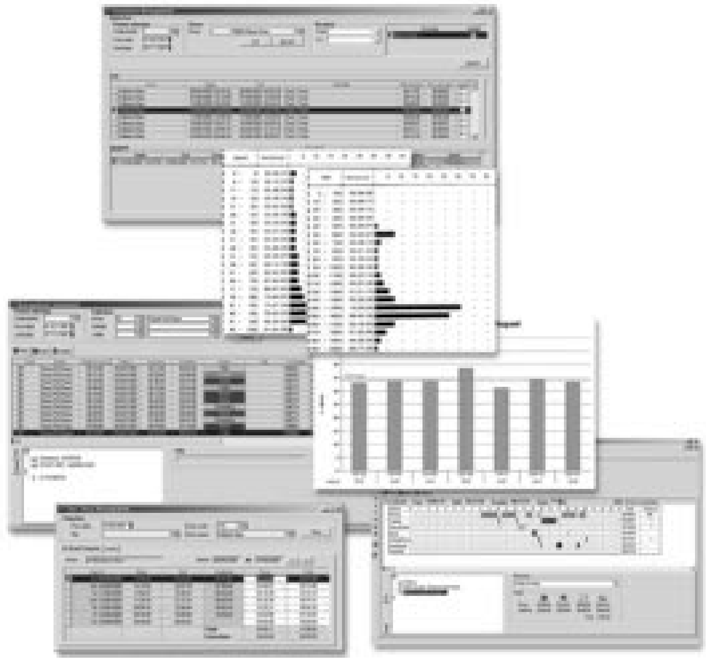
- Collection and transfer of payroll data. TMS extracts and transfers data relevant for payroll processing. TMS also includes a dedicated software module for the processing of the payroll data for the immediate calculation of wages in accordance with the applicable transport labour regulations in Belgium.

- Expenses collection and cost management. TMS collects information on costs incurred by and advances given to the driver during his trip.

- Specific events reporting. TMS provides an overview of events or circumstances which have been specifically defined including for instance if the driver has exceeded the maximum allowed number of stops, driving times and other anomalies such as aggressive driving style or excessive speed.

- Fuel consumption monitoring: TMS provides a detailed report about fuel consumption per vehicle and driver based on various selection criteria.

Figure 10: Transics Management Software (TMS)



Source: Company

5.5.5. Interface to third party software applications

Transics' open architecture and database structure allow for an easier interfacing with third party software. Specifically, Transics' FMS solution is able to collect data from and for other applications of third party software providers used by transport companies for order management, invoicing, wage calculation and planning. Data generated by these software applications may in turn also be used by Transics' FMS applications.

In the countries where Transics is active, the majority of the ERP software providers for the road transport industry have developed interfaces with Transics' FMS solution.

Transics Administration Software (TAS)

The Company has developed its own Enterprise Resource Planning tool ("ERP") (Transics Administrative Software or "TAS"), which it only commercialises in Belgium.

Transics Administration Software is a tool for the automation of the back-office of transport companies composed of the following functionalities:

- Order tracking. TAS collects and processes data and produces related documents for the various stages from the tender to the execution of the order and final follow-up.

- Semi-automatic planning. TAS uses the data inputted in the order follow-up module to provide semi-automatic planning of the operations on the basis of specific criteria, for instance by driver, vehicle or customer.

- Warehouse and vehicle management. TAS enables the management and optimisation of the logistic flows in and out of the warehouse as well as the regular maintenance of the fleet.

- Automatic invoicing. TAS allows the customer to use different pricing systems and generates automatic invoices.

Transics has developed interfaces between TAS and its FMS solution allowing orders to be sent directly to the OBC.

5.5.6. Transics' project management and training

The Company offers services to its customers to assist them in the deployment of its FMS solution and provides training to end-users. Typically the installation of OBCs is done by the customer or its appointed installer. Transics assists in the project management and has adopted a "train the trainer" strategy in order to make best use of its resources for large roll-outs.

5.6. DELTA INDUSTRIE SERVICE SA ("DIS")

On 2 April 2007, Transics International NV acquired DIS, a French company specialised in solutions for the retrieval, archiving and processing of information from analogue and digital tachographs. This acquisition fits with Transics' strategy to provide high end multifunctional ICT solutions to the road transportation industry, which contribute to improve the revenues, efficiency and quality of service of its customers.

5.6.1. Background on the regulation pertaining to digital tachographs and drivers' hours

A new regulation (Regulation 561/2006) was published in the Official Journal of the European Union on 11 April 2006, which amended Council Regulations 3821/85 and 2135/98 on drivers' records and replaced Council Regulation 3820/85 on drivers' hours.

This new regulation essentially amended existing drivers' records rules to implement the mandatory fitment and use of digital tachographs on medium and heavy commercial vehicles (>3.5 tonnes) dedicated to the transport of goods as well as on vehicles dedicated to the transport of 9 or more persons. Nearly all the changes introduced by this new regulation took effect from 1 May 2006.

This regulation has introduced a number of obligations pertaining to the downloading and storage of data from the tachograph. Regular downloading of data (typically every 28 days) from digital tachograph vehicle units and driver cards was made mandatory to ensure data is not lost. Downloaded digital data must be kept for at least 12 months following its recording. All data downloaded from both the vehicle unit and the driver card must be accessible either directly or remotely from the premises of the transport company to an inspecting officer. Copies of downloaded data from the drivers' cards and the printed papers of these copies must be given to the drivers concerned. Analogue charts and legally required printouts must be kept in chronological order for at least 12 months after their use. Copies of analogue charts and legally required printouts must be given to the drivers concerned. Record sheets, printouts and downloaded data must be produced or handed over at the request of any authorised inspecting officer. An authorised inspecting officer may check compliance with the rules by analysis of records sheets, displayed or printed data or other supporting documentation. In the event drivers drive vehicles fitted with an analogue tachograph too, they must be able to produce charts for the whole of the current fixed week and for the previous 15 calendar days.

The new regulation has also introduced tighter constraints on drivers' hours. The main constraints that goods transport companies have to abide by are as follows:

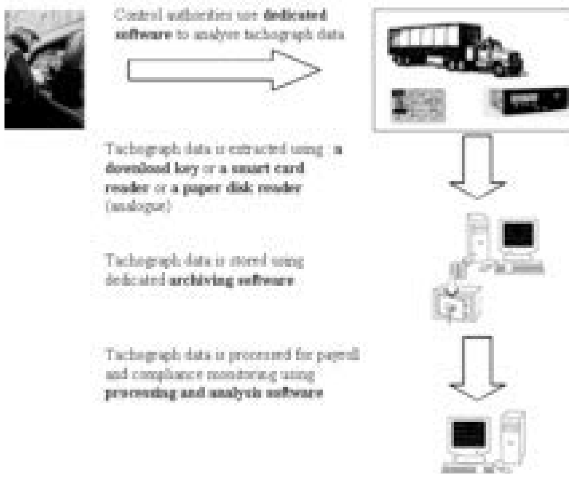
- daily driving limited to nine hours extendable to 10 hours twice a week;
- weekly driving limit of 56 hours;
- fortnightly driving limit of 90 hours driving during any two consecutive weeks;
- mandatory breaks of a total of 45 minutes at or before the end of 4.5 hours continuous or cumulative driving. The 45-minute break may be split into two breaks, the first being at least 15 minutes long and the second at least 30 minutes;
- daily rest of 11 hours in the 24-hour period commencing at the end of the last daily or weekly rest. May be reduced to a minimum of nine hours no more than three times between any two weekly rest periods;
- weekly rest must be taken after no more than six successive periods of 24 hours following the last weekly rest period. At least 45 hours can be reduced to 24 hours at base or away from base. A full regular 45 hours rest required in any two weeks is mandatory. Reductions must be compensated en bloc before the end of the third week following the week of reduction and attached to another rest period of at least nine hours long.

5.6.2. DIS' history and product offering

Founded in 1988, DIS has pioneered the market for hardware and software solutions used in connection with analogue and digital tachographs for the retrieval, archiving and processing of tachograph data (see Figure 11 for an illustration of the role of these products). It serves the needs of both road transport companies and control authorities. DIS is today a leading player in the French market and is starting to penetrate other European markets.

DIS launched its first analogue tachograph disk reader in 1988 and sold its first control system to the French Ministry of Transport in 1990. In 1997, DIS launched its first software suite dedicated to driver hours' management and payroll pre-processing. By 1999, DIS had equipped over 1,500 customer sites. In 2003, DIS was selected by the French Ministry of Transport to develop the software to be used by enforcement and control authorities (OCTET). In 2005, DIS launched its product suite targeting the retrieval and archiving of digital tachograph information (Tak-Flash, Tak-Reader, and VISIO-Arc).

Figure 11: Flow of tachograph data



Source: Company

DIS' hardware offering is principally focussed on the retrieval or download of tachograph information; it consists of the main following products:

- Scan4: Scan4 is an analogue disk reader;
- Tak-Flash: Tak-Flash is a download key used to extract data from digital tachographs. DIS recently launched a Bluetooth-enabled version of this product which allows drivers to send their data using a mobile phone.
- Tak-Reader: Tak-Reader is a smart card reader used to retrieve information from the drivers' personal smart cards.
- Scan-Drive: Scan-Drive is a multi-standard all-in-one tachograph data retrieval station used by transport companies to facilitate the process of transfer of tachograph information for their drivers returning to a company site.

Figure 12: DIS hardware product offering

Scan4
Analogue tachograph disk reader

Tak-Flash
Digital tachograph download key

Tak-Reader
Digital tachograph smart card reader

Scan-Drive
Multi standard tachograph information download station

Source: Company

DIS offers three main software applications:

- OCTET is a software application sold to control authorities who need to analyse tachograph data to monitor regulatory compliance and detect infractions. It is notably used by control authorities in France, Switzerland and Bulgaria.
- Visio-Arc is a software application dedicated to the legal archiving or drivers' hours information extracted from the tachograph. It provides amongst other things the identity of drivers having used the truck, reporting activity (driving and resting times), distances covered, driving mode (solo or team), fault reporting. DIS has recently launched an online archiving extension of this product (Takoo.net).
- Visio-Truck is a software application dedicated to the processing of drivers' hours information extracted from the tachograph. It is used for payroll pre-processing and for other human resource management applications (e.g., computation of mandatory resting times, legal communication to drivers regarding compliance with regulation).

5.6.3. Strategic fit between Transics and DIS

The Company believes that the combination of Transics and DIS may result in the following synergies:

- **Broadening of solution portfolio:** in the past Transics offered software to prepare the collected data for wage calculation according to Belgian labour regulation. DIS offers similar software for the French market. DIS also provides a solution to archive data extracted from the digital tachograph for monitoring compliance with EU regulation.

- **Exchange of best practices:** Transics and DIS will be able to exchange their expertise, market knowledge and technology which may help to further develop their products, improve customer care and foster their growth.

- **Leveraging of Transics' international presence: t**he mandatory installation of digital tachographs throughout the EU is expected to create further business opportunities for DIS outside France and DIS will be able to leverage the existing presence of Transics in a number of EU member states to capture these business opportunities.

- **Consolidation of Transics' position in the French market:** DIS has a broad customer base of over 3,000 clients, many of which have not yet been offered Transics' FMS solution. DIS has built an indirect sales channel in France which could be used by Transics to promote its FMS products.

5.7. STRATEGY

Transics' mission is to provide high end multifunctional ICT solutions to the road transport industry, which contribute to improving the revenues, efficiency and quality of service of its customers.

Transics' business strategy is to concentrate on finding additional opportunities for sustainable profitable growth by (i) maintaining its product leadership in FMS and other ICT solutions through the continuous incorporation of the latest available technology, (ii) expanding the range of applications, functionalities and services of its FMS solutions, (iii) expanding its commercial reach into new countries, notably in Central and Eastern Europe and by growing its direct sales force, and (iv) identifying and acquiring companies that offer synergies with its business. From a financial perspective, Transics' strategy is focussed on (i) continuing to deliver profitable growth by leveraging its scalable business model, and (ii) increasing recurring sales and service revenues.

In the longer term, the Company may broaden its customer focus to other companies operating important fleets of vehicles, such as bus and coach companies or specialised logistics companies.

5.8. SALES AND CUSTOMER SUPPORT

Transics addresses its end-customers via a direct sales force. At the end of 2006, the sales force consisted of 21 sales persons, located in 8 countries. The sales force is fully dedicated to selling the FMS solution; it benefits from extensive product knowledge and is familiar with customer needs. The sales people are assisted by the internal sales support team, which handle all administrative follow-up in the pre-sales phase. Transics' field engineers are responsible for the management of deployment projects, including all technical aspects. They also provide technical assistance to customers. Field engineers remain in close contact with the existing client base and are an important channel for selling upgrades or new functionalities to existing customers. Transics also provides first level technical assistance through a centralised in-house help desk.

Transics' sales force primarily targets road transportation companies with vehicles with a weight in excess of 3.5 tonnes and with a fleet size of over 10 trucks. In this target group, the Transics' solution can bring the highest added value in terms of cost reduction and efficiency optimisation.

The sales cycle for Transics' solutions typically lasts between 3 and 9 months, from the first contact with the representative of the transport company to the start of the deployment. The typical payback period for an FMS solution is estimated to be between 8 and 18 months, depending on the functionalities purchased and the type of customer.

Sales can be split into two different categories: initial sales and recurring sales. The initial sales correspond to the one-off fixed amount per truck charged when the FMS solution is initially rolled-out. The recurring revenues are generated via the sale of bundles of services, which include two or more of the following:

- **Hosting services:** The telecom gateway, database and application hosting, as described in section 5.5.3, are invoiced on a monthly basis;
- **Telecom subscription:** When the customer chooses to procure telecommunications services from Transics, all the GPRS traffic required to operate the FMS solution is provided for a flat monthly fee;
- **Software services:** Remote helpdesk service and regular updates of standard software are charged at a flat monthly fee;
- **Hardware services:** Extended warranty on the hardware is charged at flat monthly fee;
- **Other services:** Certain extra features, such as navigation and anti-theft solutions are also charged at a flat monthly fee.

Transics started charging monthly recurring fees at the end of 2003. In 2006 recurring sales represented kEUR 4,985 (excluding DIS).

5.9. MANUFACTURING

Transics outsources all manufacturing activities to the extent possible. The manufacturing of products is outsourced to two electronic manufacturers (Protronic, a subsidiary of Picanol, and Connectronics, a subsidiary of IPTE). Transics provides its suppliers with detailed guidelines for the design and assembly of the computer and conducts regular audits of its outsourcing partners. All hardware sold by Transics is subjected to quality testing in-house before being shipped. In order to prevent the risk of disruption of supply, Transics follows a dual-sourcing strategy, whereby outsourcing partners are interchangeable and supply can be switched from one supplier to another.

5.10. DEVELOPMENT AND ENGINEERING

The development and engineering is done by an experienced team of 34 employees. R&D activities are driven by market analysis and knowledge of customer needs. R&D seeks to continuously reduce the bill of materials of the products and screens the market for new technologies and applications, which can be included in the FMS solution to respond to market needs.

Since 1990, Transics' development and engineering team developed four generations of OBCs and related back-office software, representing an estimated number of approximately 156 man-years of development. An extensive testing of the complete solution systematically precedes mass production of new products. The development and engineering team also monitors market trends, competitors and related technologies.

The total expenses regarding research and development are provided below. All development expenses were capitalised.

Transics International NV In kEUR	31/12/2006 Conso. incl. DIS 12 months	31/12/2006 Consolidated 12 months	31/12/2006 Consolidated 7.5 months	31/12/2005 Consolidated 12 months	31/12/2004 Consolidated 12 months
Research expenses	0	0	0	1	20
Outside services	*0*	*0*	*0*	*1*	*20*
Development expenses	1,175	1,175	734	841	817
Outside services	*175*	*175*	*63*	*52*	*3*
Personnel expenses	*1,000*	*1,000*	*671*	*789*	*814*
Short cycle	*677*	*677*	*456*	*589*	*624*
Long cycle	*323*	*323*	*215*	*200*	*190*
Total R&D expenses	1,175	1,175	734	842	837

Investments in development mainly relate to salaries of employees focusing on development, which are capitalised as development costs and amortised over a period of 4 (short cycle development) or 8 years (long cycle development) for an amount of kEUR 814 in 2004, kEUR 789 in 2005, kEUR 671 in 2006, kEUR 1,000 2006 pro forma and kEUR 1,000 2006 pro forma including DIS.

The projects undertaken by the R&D department can be subdivided into 3 main groups:

- version projects
- innovative projects
- research projects

The "version" activity leads to the incremental evolution of Transics product within the current product generation. Every 6 to 8 months a new version is defined, analysed, developed and tested. The activities related to the development of a new version are labelled as short cycle.

The incremental versions are mostly pure software developments and are running on a base platform of hard- and software. The development of such platform is done in the "innovation projects". The creation of a platform follows another development cycle. Once a platform is finalised it is used for a long time and will be the basis for the version projects. The platform development and activities related to the creation of adherent innovative products are labelled as long cycle.

5.11. INTELLECTUAL PROPERTY

Part of the software used in the FMS solution is developed by Transics and protected under the Belgian Act of 30 June 1994 concerning the protection of computer programs.

Transics does not own exclusive intellectual property rights on all its technology. Transics technology is based on open standards compatible with various applications of third parties. The FMS solution is focussed to act as an interface with other hardware and software components and therefore does not require exclusive proprietary rights on all components. The rights of Transics which it does not own itself are however protected via licences.

Transics is also the owner of a limited number of registered trademarks and domain names.

5.12. COMPETITION

The total market for commercial vehicle telematics remains fragmented and is characterised by a large number of companies with a local business focus, which offer niche or bespoke solutions to their local markets. This overall fragmentation is largely due to the high number of companies active at the low end of the market with a single purpose OBU based telematics offering. Transics is not active in this segment of the market. The market for multiple purpose OBC based telematics requires a higher level of development and support. Therefore limiting the number of market participants in this segment.

Competition can be further split between OEM branded solutions, such as Dynafleet (Volvo) and Fleetboard (DaimlerChrysler) and non-OEM branded solutions. OEM branded solutions will play an important role in the OBU segment, since vehicle manufacturers begin to line fit entry level telematics systems to their higher range of trucks for product differentiation.

The following table provides a non-exhaustive list of Transics' principal current competitors.

Company	Company description
Siemens VDO	Siemens VDO is a leading international supplier of automotive electronics and mechatronics. Its fleet management division comprises tachographs and fleet telematics.
Qualcomm Wireless Business Solutions Europe (QWBS-E)	Qualcomm Wireless Business Solutions Europe, with its headquarter in the Netherlands, has offices in the Netherlands, France, Germany, UK and Poland. The company provides satellite and terrestrial-based two-way data messaging, position reporting and wireless application services to transportation companies, private fleet, construction equipment fleets and other enterprise companies.
DC Fleetboard	DC Fleetboard, founded in 2003 as a hive-off of Daimler Chrysler, is headquartered in Germany. It has offices in Germany, the Netherlands and the UK. The company provides vehicle management services and logistics management services.
DynaFleet	Dynafleet, a fully owned subsidiary of Volvo Trucks, was founded in 1996. The Company offers a range of transport information systems to keep track of deliveries, vehicles and drivers.
Groeneveld	Groeneveld, founded in 1971 and headquartered in the Netherlands, is active in the transport, off-road and industrial sectors.
Punch Telematix	Punch Telematix, founded in 1998, and headquartered in Belgium, has offices in Belgium, the Netherlands and France. The company is active in the truck and transport segment, the field services segment and the fleet and asset management segment. The company is listed on the Eurolist by Euronext Brussels.

5.13. HUMAN RESOURCES

Executive management

Walter Mastelinck (°1964) holds a Bachelor's degree in Telecommunications and Microprocessors (VHTI Technicum Antwerp). In 1988 he joined Toppower (formerly ICS Computers NV) where he became responsible for sales & marketing and was closely involved with the general strategy of the company. In 1996, he acquired one third of the shares of ICS Computers and FMS Europe (the former Transics). Today, Walter is a member of the board and, as CEO, member of the management committee of the Company.

Ludwig Lemenu (°1958) holds a Bachelor's degree in Information Technology (VHTI Kortrijk). He started his career as a software manager. In 1984 he co-founded ICS Computers NV. In 1990, he was co-founder of FMS Europe (the former Transics NV), which was a spin-off from ICS Computers NV. Today, Ludwig is a member of the board of directors and, as executive director, member of the management committee of the Company. Within Transics, Ludwig focuses on the daily management of administration, finance and procurement.

Gertjan De Creus (°1968) holds a Master in Economics (Antwerp Business School). He started his career as an auditor at Coopers & Lybrand (PWC). In 1995 he became Group Controller of Sidcenter, the coordination centre of the Sidmar Group. In 2000 he was hired as Operational Manager by the Sanac Groep, a leading Belgian distributor to the Agro and Garden Sector, and became CEO in 2002. At the end of 2005, he sold the company to the market leader, Groep Aveve. He has left the Sanac Group to join Transics on 30 April 2007.

Ann Braet (°1970) holds a Master in Economics (Hasselt University). She started her career as a financial controller at Pidy NV, a food company. In 2000, she became the Financial Director in Belgium of Clama Mattress Ticking NV, an export-oriented textile company. In March 2004 she was hired by Transics as Financial Officer.

Patrick Bustraen (°1968) holds a Master in Science (Electronics, IHR – BME at Ghent, Belgium). He started his career as a Software-Hardware Integration Tester at Siemens. After a short interim period with the pre-production team at Barco, Patrick joined Transics in February 1993. Since the beginning of 1998, Patrick has been focussing on R&D and Technical Product Management.

Erwin Heyse (°1961) holds a Master in Science (electro-mechanics, Ghent University) and worked for Hewlett Packard in diverse sales, marketing and sales management functions. He also held various management positions within Unisys, Real Software and Stater (part of ABN AMRO). Erwin joined Transics in October 2005 as Sales & Marketing Officer.

Dirk Staelens (°1969) holds a Master in Science (Electronics, College of Ostend) with a specialisation in data communications technology. In 1991, he was involved in the start-up of a project for TEM Electronik in Chur (Switzerland) for the implementation of telecommunications software in microcontroller systems. In 1992, he joined Siemens, where he was responsible for the implementation of test systems. In 1993, he joined the Transics R&D team. Since November 1999, Dirk is responsible for Transics' Customer Care department.

Employees

As of 2 April 2007 Transics employed 158 employees. The table below gives an overview of the split of the workforce per business line:

Business Line	**Number of FTE as per**				
	31/12/2004	**31/12/2005**	**31/12/2006**	**31/03/2007**	**02/04/2007**
Sales and services	64	59	76	94	106
Administration and management	8	9	13	15	18
Engineering (R&D included)	20	18	22	26	34
Transics consolidated	**92**	**86**	**111**	**135**	**158**

The following table gives an overview or the evolution of the headcount over the years.

Country	**31/12/2004**	**31/12/2005**	**31/12/2006**	**31/03/2007**	**02/04/2007**
Transics International	0	0	11	15	15
Transics NV	53	51	58	71	71
Transics Belux	25	20	20	21	21
Transics Nederland	5	4	6	7	7
Transics France	9	9	12	14	14
Transics sucursal en Espana		2	4	4	4
Transics Deutschland	0	0	0	3	3
DIS	0	0	0	0	23
Transics consolidated	**92**	**86**	**111**	**135**	**158**

5.14. FACILITIES

Transics leases its headquarter building, located Ter Waarde 91, 8900 Ieper, Belgium from Fortis (Fortis Lease). Transics has a purchase option on the building in 2015 (3% of the initial value of the building or EUR 53,665).

DIS leases its facilities in Ales, France and has constructed a second building on that same location by means of a loan.

5.15. LEGAL PROCEEDINGS

There are no material litigations pending.

5.16. RECENT ACQUISITIONS

In 2005, Transics NV acquired FLC NV for a consideration of kEUR 104. The net purchase price of FLC NV amounts to kEUR 103, as the acquired cash of FLC NV as of acquisition date amounts to kEUR 1. FLC NV is the owner of the land on which the office building of the group's headquarters is located. The goodwill resulting from the acquisition of FLC NV, which amounted to kEUR 36, has been allocated to the land as the fair value of the land was higher than the book value. The acquisition of FLC did not have a material impact on the financials of the Transics group.

In April 2007, Transics International NV acquired Delta Industrie Service SA for a maximum consideration of kEUR 17,307, including a cash consideration of kEUR 9,307. An earn-out of maximum kEUR 8,000 can be due during 2009. The earn-out will be determined by a formula based on the future gross profit generated by the Company on the sale of DIS products between 1 April 2007 and 31 December 2008 (see also section 7.4.42). The formula is defined as follows:

- o If GM[10] (DIS) < kEUR 5,500, Earn-out = 0
- o If kEUR 5,500 < GM (DIS) < kEUR 9,500, Earn-out = 2 x (GM (DIS) – kEUR 5,500)
- o If GM (DIS) > kEUR 9,500, Earn-out = kEUR 8,000

As of today the Company has made an estimate for the financial performance of DIS through 31 December 2008 which only takes into account the sales of DIS products in France. Based on these estimates it is not justified to accrue a possible earn-out as the budgeted gross margin will not exceed kEUR 5,500. However, the Company intends to export the DIS products outside of France and it is expected that the revenue and thus the gross margin of DIS will grow as a result. The Company has already hired a business development manager to lead this operation. However, as the estimates were not drawn at the time of writing and because there are still too many unpredictable variables, no earn-out has been accrued.

For its financial year ending 31 March 2007, Delta Industrie Service SA realised sales of kEUR 5,273, EBITDA of kEUR 2,989, EBIT of kEUR 2,974 and a net result of kEUR 2,031.The acquisition of Delta Industry Service NV was financed within the cash and existing credit lines of the Company (see section 2.2.2).

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10 GM = 12/21 x French GAAP gross profits realised by the Group on the sale of DIS products over the 21 months between 1 April 2007 and 31 December 2008.

In May 2006, Transics International NV, a newly founded company, acquired Transics NV for a consideration of kEUR 40,100. The net purchase price of Transics NV amounts to kEUR 34,594. The net purchase price is the purchase price (kEUR 40,100) plus the capitalised transaction costs (kEUR 596) and less the acquired cash (kEUR 6,102). The acquired cash consist of the cash position of Transics NV as of 18 May 2006 (kEUR 3,989) and the cash received following capital increase of Transics NV as of 18 May 2006 (kEUR 2,113). Transics NV and its subsidiaries realised in 2005 sales of kEUR 18,567, EBITDA of kEUR 4,735, EBIT of kEUR 3,574 and a net result of kEUR 2,090. The unallocated goodwill resulting from the acquisition of Transics NV amounted to kEUR 25,051. The fair value of the customer list, which was recognised as intangible asset following the acquisition of Transics NV amounts to kEUR 5,000. The acquisition of Transics NV was financed with equity of kEUR 5,505, shareholders' loans of kEUR 18,787 and bank borrowings of kEUR 18,000.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

The following discussion and analysis should be read in conjunction with (i) the Section entitled "Selected financial information" and (ii) the Company's audited consolidated financial statements, including the notes to those financial statements, included in this prospectus. Certain statements in this Section are "forward-looking" statements and should be read in conjunction with the disclaimer "forward-looking information".

Since the Company has only been incorporated on 10 May 2006, the consolidated financial statements for each of the financial years ended 31 December 2005 and 2004 are not consolidated financial statements of the Company. The following consolidated financial statements are discussed in this chapter and have been prepared in accordance with International Financial Reporting Standards (IFRS):

- Consolidated balance sheet, equity statement and notes of Transics NV as of 31 December 2004.
- Consolidated income statement, cash flow statement and notes of Transics NV from 1 January 2004 till 31 December 2004.
- Consolidated balance sheet, equity statement and notes of Transics NV as of 31 December 2005.
- Consolidated income statement, cash flow statement and notes of Transics NV from 1 January 2005 till 31 December 2005.
- Proforma consolidated balance sheet of Transics International NV as of 31 December 2006.
- Pro forma consolidated income statement and cash flow statement of Transics International NV from 1 January 2006 till 31 December 2006.
- Pro forma consolidated balance sheet of Transics International NV as of 31 December 2006 including the acquisition of DIS as of 31 March 2007.
- Pro forma consolidated income statement and cash flow statement of Transics International NV from 1 January 2006 till 31 December 2006, including the results of DIS from 1 April 2006 till 31 March 2007.

For more details on the assumptions underlying these pro forma accounts, we refer to Chapter 7 ("Financial Information"). For 2005 and 2004, the audited consolidated financial statements of Transics NV have been restated from Belgian GAAP to IFRS.

As Transics International NV acquired Delta Industrie Service (DIS) in April 2007, the Company has prepared pro forma full year consolidated accounts, incorporating the pro forma full year consolidated IFRS accounts of Transics International NV, running from 1 January 2006 to 31 December 2006 and the full year consolidated IFRS accounts of DIS, running from 1 April 2006 to 31 March 2007.

6.1. INCOME STATEMENT ACCORDING TO IFRS

The table below sets out the income statements from 2004 to 2006 for the Company in accordance with IFRS.

Transics International NV In kEUR	31/12/2006 Conso incl. DIS 12 months Pro forma	Growth	31/12/2006 Consolidated 12 months Pro forma	Growth	31/12/2005 Consolidated 12 months	Growth	31/12/2004 Consolidated 12 months
Gross Profit	**22,259**	**81.0%**	**17,691**	**43.9%**	**12,297**	**46.2%**	**8,410**
margin	*72.9%*		*70.0%*		*66.2%*		*64.5%*
Revenue	30,531	64.4%	25,258	36.0%	18,567	42.4%	13,042
Cost of sales (-)	(8,272)	31.9%	(7,567)	20.7%	(6,270)	35.4%	(4,632)
Operating Expenses	**(14,202)**	**64.6%**	**(12,470)**	**44.5%**	**(8,627)**	**9.2%**	**(7,903)**
Research and development expenses	(1,655)	37.9%	(1,101)	(8.3%)	(1,200)	9.6%	(1,095)
Sales and marketing expenses	(8,661)	46.5%	(7,923)	34.0%	(5,913)	15.2%	(5,134)
General and administration expenses	(3,886)	156.7%	(3,446)	127.6%	(1,514)	(9.6%)	(1,674)
Other Operating Income/(expenses)	**(145)**	**51.0%**	**(93)**	**(3.1%)**	**(96)**	**(86.6%)**	**(714)**
OPERATING RESULT	**7,912**	**121.4%**	**5,128**	**43.5%**	**3,574**	**n/m**	**(207)**
margin	*25.9%*		*20.3%*		*19.2%*		*(1.6%)*
Finance income/(expenses)	**(3,323)**	**n/m**	**(2,825)**	**n/m**	**(190)**	**n/m**	**(339)**
RESULT BEFORE TAX	**4,589**	**35.6%**	**2,303**	**(31.9%)**	**3,384**	**n/m**	**(546)**
Income tax expense (income)	**2,715**	**109.8%**	**1,786**	**38.0%**	**1,294**	**n/m**	**(102)**
NET RESULT	**1,874**	**(10.3%)**	**517**	**(75.3%)**	**2,090**	**n/m**	**(444)**
margin	*6.1%*		*2.0%*		*11.3%*		*(3.4%)*
EBITDA	**10,207**	**115.5%**	**7,218**	**52.4%**	**4,735**	**463.7%**	**840**
margin	*33.4%*		*28.6%*		*25.5%*		*6.4%*

6.1.1. Revenue

On 2 April 2007, Transics International NV acquired DIS. The pro forma consolidated revenues including DIS for 2006 were kEUR 30,531.

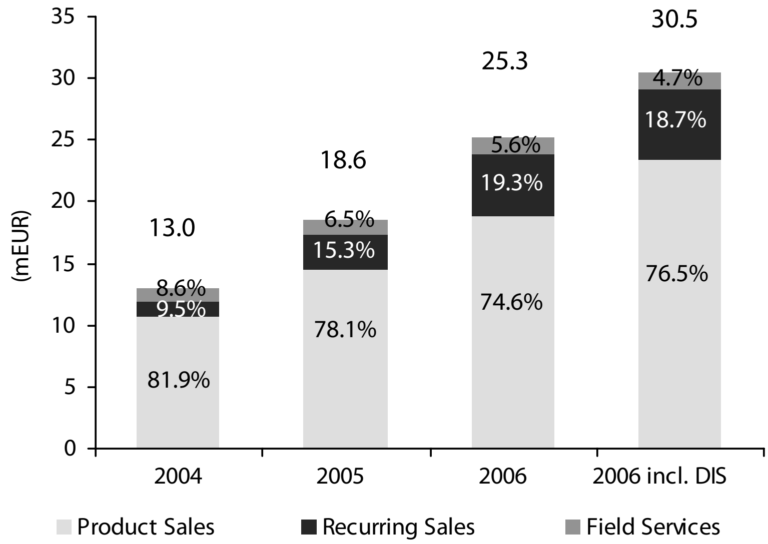
Excluding DIS, Transics' revenues grew at a compounded average annual growth rate ("CAGR") of 39% between 2004 and 2006. This organic growth results from exogenous and Company-specific factors. Transics has benefited from the overall growth in the adoption of FMS solutions by road transport companies. Transics' revenue growth has also resulted from Company-specific elements such as: the launch of a new generation of OBC in 2004 (Quattro Plus), the penetration of new territories, the take-up of services generating subscription fees, and the repeat sales resulting from the growth of Transics' clients.

Sources of revenue

Transics' revenues can be categorised as follows:

- Product sales:
  - FMS solutions: OBCs and related software and hardware products
  - DIS products: hardware and software tachograph peripherals (following the DIS acquisition)
  - TAS software licenses
- Recurring sales:
  - Hosting services
  - Telecom subscriptions
  - Software maintenance
  - Hardware maintenance services
  - Other services such as navigation
  - Software maintenance for TAS
  - DIS maintenance service contracts (following the DIS acquisition)
- Field Services:
  - Billable hours related to project implementation, training and consulting

Figure 13: Evolution of sales by type of revenue



Transics International NV	31/12/2006		31/12/2006		31/12/2005		31/12/2004
In kEUR	Conso incl. DIS	Growth	Consolidated	Growth	Consolidated	Growth	Consolidated
	12 months		12 months		12 months		12 months
	Pro forma		Pro forma				
Product Sales	23,366	*61.1%*	18,848	*29.9%*	14,505	*35.9%*	10,677
Recurring Sales	5,718	*100.1%*	4,985	*75.2%*	2,846	*129.9%*	1,238
Field Services	1,446	*18.9%*	1,424	*17.1%*	1,216	*7.9%*	1,127
Total	**30,531**		**25,257**		**18,567**		**13,042**
OBCs sold	7,495		7,495		6,306		n/a
Total headcount (at year-end)	134[1]		111		86		92

Product sales

Product sales have accounted for kEUR 23,366 or approximately 76.5% of Transics' pro forma consolidated revenue (including DIS) in 2006. Product sales attributable to DIS (kEUR 4,518) represented 19.3% of total product sales.

Excluding DIS, sales of FMS solutions amounted to approximately kEUR 18,272 in 2006 accounting for the vast majority (97%) of the kEUR 18,848 of product sales. FMS solutions revenues grew from kEUR 10,078 in 2004 to kEUR 13,967 in 2005 (+38.6%) and kEUR 18,272 in 2006 (+30.8%). The balance in 2006 was accounted for by product sales attributable to TAS software license sales. TAS software license sales decreased from kEUR 599 in 2004 to kEUR 538 in 2005 (-10.2%) and increased to kEUR 576 in 2006 (+7.1%). The decrease in 2005 is a consequence of the temporary increase in sales in 2004 that resulted from an important upgrade cycle that year.

OBCs are sold both to new and existing customers. These repeat sales are driven by replacement cycles, fleet extensions (organic or external growth of clients), growing penetration of existing fleets and new product introductions by Transics. In 2006, on average two out of five OBCs were ordered by existing customers. The growth in OBC sales between 2004 and 2006 is therefore the result of both an increase in the number of OBCs sold to new clients and repeat sales to the growing number of existing customers.

Recurring sales

Recurring sales have accounted for kEUR 5,718 or approximately 18.7% of Transics' pro forma consolidated revenue (including DIS) in 2006. Recurring sales attributable to DIS (kEUR 733) represented 14.1% of total recurring sales.

Excluding DIS, recurring sales have grown at a faster pace than overall sales (CAGR of 101% between 2004 and 2006) to reach approximately 19.3% of total revenues in 2006 up from 15.3% in 2005 and 9.5% in 2004. The strong growth of recurring sales is the result of a number of factors including: the up-selling of service contracts into the existing installed base, an increase in the proportion of customers taking service packages as part of their initial installation, and the broadening of the service portfolio of Transics (e.g., navigation). TAS recurring sales grew from kEUR 449 in 2004 to kEUR 480 in 2005 (+6.9%) and kEUR 610 in 2006 (+27.1%). As of 31 December 2006, the existing portfolio of active subscriptions represented an annual revenue stream of kEUR 6,107.

Field services

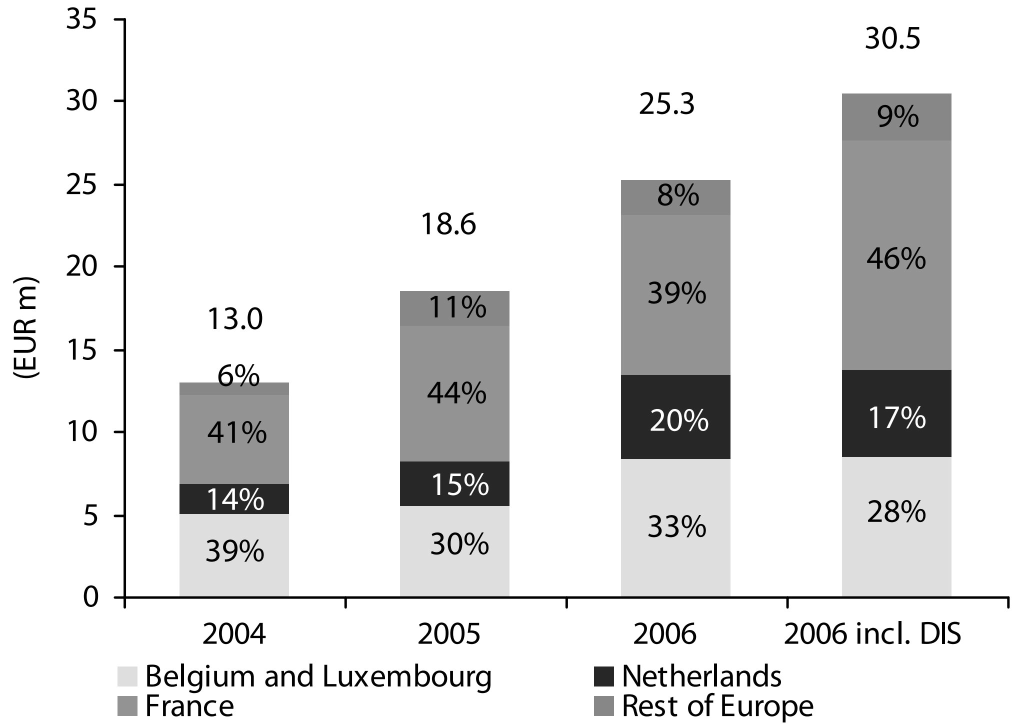
Field services have accounted for kEUR 1,446 or approximately 4.7% of Transics' pro forma consolidated revenue (including DIS) in 2006. Field services revenues attributable to DIS (kEUR 22) represented 1.5% of total field services revenues.

Field services revenues result from project implementation, training and consultancy services delivered by Transics' field engineers. Field services revenues increased by 7.9% in 2005 and 17.1% in 2006, which can be explained by the increase in billable hours resulting from an increase in the number of project implementations triggered by the product sales evolution.

Geographical breakdown

The table below sets out the sales breakdown by geography:

Figure 14: Evolution of sales by geography



Transics generates the vast majority of its revenues in four countries: Belgium, France, Luxembourg and the Netherlands (the "core markets"). Excluding DIS, these core markets have accounted for kEUR 23,215 of revenue or 92% of total revenue in 2006.

Transics' investments in the development of a commercial presence in the rest of Europe ("development markets") remained limited in 2004 and 2005. In 2006, the Company recruited 5 quota carrying sales people to add to its existing headcount of 3 sales people active in the development markets.

6.1.2. Cost of sales

Transics International NV In kEUR	31/12/2006 Conso incl. DIS 12 months Pro forma	31/12/2006 Consolidated 12 months Pro forma	31/12/2005 Consolidated 12 months	31/12/2004 Consolidated 12 months
Cost of goods sold	(7,989)	(7,217)	(6,390)	(4,752)
% of sales	*26.2%*	*28.6%*	*34.4%*	*36.4%*
Change in inventory	(391)	(458)	174	184
Write off inventory	108	108	(54)	(64)
Total	**(8,272)**	**(7,567)**	**(6,270)**	**(4,632)**

The cost of goods sold mainly entails the purchase cost of OBCs from third party manufacturers that handle component procurement and inventory, as well as third party software. Furthermore, this line item includes limited changes in inventory and limited write offs of inventory.

The change in inventory and write off inventory corresponds to the evolution of the inventories in the balance sheet as is discussed in section 6.2.2.

6.1.3. Gross profit

Including DIS, gross profit in pro forma consolidated accounts amounted to kEUR 22,259 in 2006 or 72.9% of revenue.

Excluding DIS, gross profit in pro forma consolidated accounts for 2006 stood at 70.0% of revenues compared to 64.5% in 2004. The gross profit margin increase between 2004 and 2006 results from a change in revenue mix and better purchasing terms. Transics' revenue mix has evolved to include a greater proportion of service revenues that do not involve physical procurement and delivery of goods and therefore carry a higher gross profit margin (see section 7.4.4). Like most electronics companies, Transics also benefits from the general decrease in the price of electronic components and from improved purchasing terms as its procurement volume increases. The R&D department is also continuously seeking to improve product design to reduce the total bill of material.

6.1.4. Operating expenses

Operating expenses include both fixed and variable expenses split between research and development expenses, sales and marketing expenses and general and administrative expenses. The discussion of operating expenses by department below excludes DIS operating expenses.

Research and development expenses

Transics International NV In kEUR	31/12/2006 Consolidated 12 months Pro forma	31/12/2005 Consolidated 12 months	31/12/2004 Consolidated 12 months
Outside services	5	120	152
Personnel expenses	173	174	77
Depreciation and amortisation	923	906	866
Total	**1,101**	**1,200**	**1,095**
Headcount at year end	*22*	*18*	*20*
% of sales	*4.4%*	*6.5%*	*8.4%*
Total incl. DIS	**1,655**		

The outside services relate to external R&D expenses incurred. Personnel expenses include the salaries of employees focusing on quality control and the internal IT-infrastructure.

The salaries of the other employees within the R&D team are capitalised and amortised over a period of 4 (short cycle development) or 8 years (long cycle development). Amortisation of capitalised internal and outsourced R&D amounted to kEUR 923 in 2006, outside services stood at kEUR 5 and the personnel expenses amounted to kEUR 173. The decrease in outside services in 2006 to kEUR 5 from kEUR 120 in 2005 is mainly due to a deliberate reduction in outsourced services in favor of internal resources; the increase of internal R&D resources is reflected in the increase in capital expenditures for internally developed R&D (see section 6.3.2). The decrease in headcount in 2005 (from 20 in 2004 to 18) was the result of a small internal reorganisation of human resources.

Sales and marketing expenses

Transics International NV In kEUR	31/12/2006 Consolidated 12 months Pro forma	31/12/2005 Consolidated 12 months	31/12/2004 Consolidated 12 months
Outside services	3,652	2,347	1,653
Personnel expenses	4,032	3,389	3,377
Depreciation and amortisation	239	177	104
Total	**7,923**	**5,913**	**5,134**
Headcount at year end	*76*	*59*	*64*
% of (non recurring) sales	*39.1%*	*37.6%*	*43.5%*
Total incl. DIS	**8,661**		

Sales and marketing expenses increases are explained by the growth strategy that Transics is implementing both in its core markets as well as in the development markets.

Sales and marketing expenses relate to the following activities among others: direct sales, sales support, logistics, marketing, customer care, documentation and training. The headcount dedicated to these activities has increased substantially in 2006 from 59 in December 2005 to 76 in December 2006.

Outside services mainly relate to expenses from telecom and hosting services, marketing expenses, expenses related to company cars, selection fees, travel expenses and other services provided by third parties. The 28.7% increase from 2004 to 2005 can be attributed to the growing expenses linked to the telecom and hosting recurring sales. The 56.4% increase from 2005 to 2006 is explained by an increase in personnel related expenses and higher marketing expenses in addition to the growing hosting and telecom expenses.

The increase of personnel expenses in 2006 notably relates to Transics' investment in the development of a commercial presence in development markets. The decrease in headcount in 2005 (to 59 from 64 in 2004) was the result of a small internal reorganisation of human resources.

Depreciation relates to the leased building, IT and office equipment. The increase between 2004 and 2006 is explained by the increase in headcount.

As a percentage of non recurring revenue (product sales & field services) sales and marketing expenses decreased from 43.5% in 2004 to 37.6% in 2005 and increased slightly in 2006 to reach 39.1%.

General and administration expenses

Transics International NV In kEUR	31/12/2006 Consolidated 12 months Pro forma	31/12/2005 Consolidated 12 months	31/12/2004 Consolidated 12 months
Outside services	1,661	1,021	1,192
Personnel expenses	749	469	469
Depreciation and amortisation	1,036	24	13
Total	**3,446**	**1,514**	**1,674**
Headcount at year end	*13*	*9*	*8*
% of sales	*13.6%*	*8.2%*	*12.8%*
Total incl. DIS	**3,886**		

Outside services relate to the following activities among others: fees paid to the management companies, insurances, office equipment, maintenance and facilities, service contracts and external fees. The increase in 2006 is mainly attributable to the fees paid to the management companies, which increased as a consequence of the performance-based incentive scheme put in place in connection with the MBO of the Company and external fees.

The growth in headcount over the last year explains the increase in personnel expenses from kEUR 469 in 2005 and 2004 to kEUR 749 in 2006.

The increase of depreciation and amortisation in 2006 is related to the amortisation of the customer list, for an amount of kEUR 1,000. Following the acquisition of the operating entity Transics NV by Transics International NV, the Company recognised the customer list acquired as an intangible asset valued at kEUR 5,000.

6.1.5. Operating result

Including DIS, operating result in pro forma consolidated accounts amounted to kEUR 7,912 in 2006 or 25.9% of revenue.

Excluding DIS, operating result in pro forma consolidated accounts for 2006 stood at kEUR 5,128 representing 20.3% of revenues, compared to (1.6%) in 2004. The growth in operating result between 2004 and 2005 is testament to Transics' operational leverage (a better absorption of fixed costs). The further increase in 2006 is related to the increased gross margin. The operating margin in 2006 is influenced by an extra depreciation of kEUR 1,000 related to the amortisation of the customer list.

6.1.6. EBITDA

Including DIS, EBITDA in pro forma consolidated accounts amounted to kEUR 10,207 in 2006 or 33.4% of revenue.

Excluding DIS, EBITDA in pro forma consolidated accounts for 2006 stood at kEUR 7,218 or 28.6% of revenues, compared to kEUR 840 or 6.4% of revenues in 2004. This improvement in EBITDA results from growing revenues, improved gross profit margins and a better absorption of fixed costs (or operating leverage).

6.1.7. Financial income / expenses

Transics International NV **In kEUR**	**31/12/2006** **Consolidated** **12 months** **Pro forma**	**31/12/2005** **Consolidated** **12 months**	**31/12/2004** **Consolidated** **12 months**
Interest leasing (-)	(61)	(61)	(60)
Interest loans (-)	(2,634)	(137)	(246)
Interest current accounts (-)	0	0	(23)
Interest income	88	9	2
Other interests			(13)
Loan expenses	(217)		
Total	**(2,825)**	**(190)**	**(339)**
Total incl. DIS	**(3,323)**		

The financial charges associated with the MBO of May 2006 have had a negative impact on the financial result for that year (for an overview of borrowing amounts and interest rates applied, refer to section 7.4.28). In the pro forma consolidated accounts (excluding DIS) for the year to December 2006, financial expenses are assumed to be incurred over the whole year. A substantial portion of these financial expenses (kEUR 2,607) are non cash charges as the interests on the shareholders' loans are capitalised and the initial interests on the bank debt only become payable in May 2007.

Financial expenses for 2006 also include a portion of the fees incurred in conjunction with the MBO. Total transaction fees amounted to kEUR 2,097 and are partially accounted for in the income statement: kEUR 1,501 of the fees are attributable to the debt financing (bank debt and shareholders' loans) put in place for the transaction and this amount is expensed on a straight line basis in the income statement over the period of the borrowing, which leads to a charge of kEUR 217 in 2006. The remainder of the fees were capitalised and added to the purchase price.

With the inclusion of DIS, the higher financial expenses are mainly related to the additional interest expense (kEUR 547) resulting from the straight loan considered to be used as from 1 April 2006 till 31 March 2007 for the acquisition of DIS by the Company. The straight loan was issued at an interest rate of 5,614% (Euribor + margin).

6.1.8. Income tax

The high effective tax rate of 77.6% in 2006 pro forma consolidated accounts (excluding DIS) is a result of the tax treatment of the transaction fees and financial expense related to the acquisition of Transics NV by Transics International NV in 2006.

There is no tax consolidation at the Transics group level. Consequently, losses incurred by Transics International NV have not been deducted from the taxable income of Transics NV. Furthermore, the Company did not recognise a deferred tax asset resulting from these losses in 2006. The Company is currently exploring ways to optimise its group structure in order to be able to use all or part of these potential deferred tax assets but had not completed this exercise as of 31 December 2006.

The Company benefited in 2005 and 2006 from losses carried forward which were recognised in the balance sheet as a deferred tax asset, decreasing from kEUR 3,109 at the end of 2004 to kEUR 95 at the end of 2006. As a result the Company effectively paid no income tax in 2005 and a marginal amount of kEUR 253 in 2006.

6.1.9. Net result

Including DIS, net profit in the pro forma consolidated accounts amounted to kEUR 1,874 in 2006 or 6.1% of revenue.

Excluding DIS, net profit margin stood at 2% in 2006, as compared to 11% in 2005 and (3%) in 2004.

As detailed above, 2006 net profit was impacted by kEUR 3,824 of charges related to the acquisition of Transics NV by Transics International NV:

- kEUR 2,607 of additional interest expenses;
- kEUR 217 of transaction fees; and
- a non cash cost of kEUR 1,000 for the amortisation of the customer list.

6.2. BALANCE SHEET ACCORDING TO IFRS

The table below sets out the balance sheets for the years 2004 to 2006 of the Company in accordance with IFRS. In 2006 the consolidated pro forma balance sheet relates to the consolidated 12 months pro forma income statement and cash flow statement.

Transics International NV In kEUR	31/12/2006 Conso incl. DIS 12 months Pro forma	31/12/2006 Consolidated 12 months Pro forma	31/12/2005 Consolidated 12 months	31/12/2004 Consolidated 12 months
Non Current Assets	**44,828**	**35,496**	**6,588**	**7,357**
Goodwill	34,336	26,028	137	137
Intangible assets	7,437	6,677	2,089	2,081
Property, plant and equipment	2,896	2,640	2,555	1,919
Investments	4	0	0	0
Deferred tax assets	99	95	1,807	3,109
Receivables	56	56	0	111
Current Assets	**23,955**	**19,305**	**10,466**	**10,086**
Inventories	1,851	1,627	1,977	1,856
Tax receivables	149	149	257	280
Trade receivables	9,712	8,836	5,880	6,473
Other receivables	33	0	0	166
Prepayments	79	79	97	82
Cash and cash equivalents	12,061	8,548	2,195	1,177
Other current assets	70	66	60	52
TOTAL ASSETS	**68,783**	**54,801**	**17,054**	**17,443**
Shareholders' Equity	**7,379**	**6,022**	**9,392**	**7,303**
Share capital	5,505	5,505	8,007	8,008
Reserves	0	0	(705)	(261)
Result of the year	1,874	517	2,090	(444)
TOTAL EQUITY	**7,379**	**6,022**	**9,392**	**7,303**
Non Current Liabilities	**38,263**	**37,618**	**1,373**	**1,083**
Bank borrowings	15,672	15,337	258	0
Finance leases	1,067	1,011	1,115	1,034
Other loans	19,749	19,749	0	42
Deferred tax liabilities	1,775	1,521	0	7
Current liabilities	**23,141**	**11,161**	**6,289**	**9,057**
Current interest-bearing borrowings	12,057	2,285	364	1,657
Bank overdrafts	0	0	0	1,947
Deferred income	762	762	717	654
Provisions	54	22	43	7
Tax payables	1,352	686	438	555
Trade payables	4,987	4,683	3,496	2,729
Other payables	3,735	2,529	1,073	1,412
Other current liabilities	194	194	158	96
TOTAL EQUITY AND LIABILITIES	**68,783**	**54,801**	**17,054**	**17,443**

6.2.1. Non current assets

Goodwill

In 2004 and 2005, goodwill stood at kEUR 137 and resulted from the acquisition of the transport business unit of ICS Computers in 2000. In 2006, additional goodwill was booked for kEUR 25,891 following the acquisition of Transics NV by Transics International NV. With the inclusion of DIS, the goodwill in 2006 amounted to kEUR 34,336, as the DIS acquisition led to kEUR 8,308 of additional goodwill (for more details on the calculation of the goodwill regarding the business combination of DIS, we refer to section 7.7.4(b)).

Intangible assets

As of 31 December 2006, intangible assets amounted to kEUR 6,677, up from kEUR 2,089 in 2005. They consist of kEUR 2,677 of capitalised internal development costs, external (bought-in) development costs and software licenses, and kEUR 4,000 that relate to the value of the customer list that has been recognised as an intangible asset following the acquisition of Transics NV by Transics International NV. The customer list has been valued at kEUR 5,000 and is amortised over 5 years.

Including DIS, the intangible assets in 2006 also include the fair value of the DIS customer list, which is estimated on the basis of the DIS recurrent revenue, and has been valued at kEUR 950 (also amortised over 5 years).

Property, plant and equipment

The amount of property, plant and equipment of kEUR 2,640 as of 31 December 2006 mainly relates to the leasing rights of the headquarter building, IT equipment and office improvements.

Other non current assets

The other non current assets are composed of deferred tax assets and receivables. In 2005, deferred tax assets decreased from kEUR 3,109 to kEUR 1,807, which is mainly due to the offsetting of taxable profit. In 2006, deferred tax assets further decreased to kEUR 95 for the same reason.

6.2.2. Current assets

Inventories

Inventories have remained stable between 2004 and 2006 whilst revenue grew by almost 40% annually, which implies that the Company has been able to reduce the number of days inventory outstanding (related to cost of goods sold) from 144 days in 2004 to 77 days in 2006. Transics restricts its inventory of finished goods to a limited buffer level, the subcontractors assuming the majority of inventory risk.

Trade receivables

Trade receivables decreased from kEUR 6,473 in 2004 to kEUR 5,880 in 2005 and increased to kEUR 8,836 in 2006, which implies a decrease in days sales outstanding from 179 in 2004 to 114 in 2005, and an increase to 126 in 2006. The increase in 2006 can be explained by the strong sales activity observed during the last months of that year. The overall positive trend demonstrates the efficiency of Transics' credit control policy. This policy entails intense monitoring and follow-up of receivables and the use of credit insurance for all trade receivables, covered to a level of approximately 85%.

Cash & cash equivalents

Excluding DIS, the cash position amounted to kEUR 8,548 as of 31 December 2006, up from kEUR 2,195 as of 31 December 2005. This increase is mainly due to the operating cash flow generated by the Company's activity. Another contributor was the kEUR 2,113 capital increase resulting from an exercise of warrants that took place concurrently with the acquisition of Transics NV by Transics International NV (for more information regarding these warrant schemes, we refer to section 7.4.26-27).

6.2.3. Shareholders' equity

The shareholders' equity in 2006 should not be compared to previous years as the share capital of that year (kEUR 5,505) reflects the amount of equity that was contributed for the acquisition of Transics NV in May 2006. In 2005, the equity increased to kEUR 9,392 from kEUR 7,303 as a result of the increase of accumulated profits. The Company has not declared dividends in the past.

6.2.4. Non Current Liabilities

Bank borrowings

The acquisition of Transics NV by the Company in May 2006 was partly financed with kEUR 18,000 of senior debt, which is categorised under bank borrowings. The bank borrowings are stated net of transaction costs incurred (kEUR 898), the latter being recognised on a straight-line basis in the income statement over the period of the borrowings. Per 31 December 2006, the non-current portion of this debt amounted to kEUR 15,337.

Other loans

Other loans relate to the kEUR 18,787 of shareholders' loans which were raised to finance part of the MBO in May 2006. These other loans are stated net of transaction costs incurred (kEUR 602), the latter being recognised on a straight-line basis in the income statement over the period of the loans. Other loans amounted to kEUR 19,749 as of 31 December 2006, and included kEUR 1,503 of capitalised interests.

Other

Non-current liabilities as of 31 December 2006 also included an outstanding financial lease of kEUR 1,011 related to the financing of the land and building, and deferred tax liabilities of kEUR 1,521. Deferred tax liabilities mainly relate to the recognition of the customer list.

6.2.5. Current Liabilities

Current interest-bearing borrowings

Current interest-bearing borrowings have increased in 2006, due to the acquisition of Transics NV by Transics International NV. As of 31 December 2006, kEUR 2,194 related to bank borrowings and kEUR 91 to the financial lease. The current interest bearing borrowings in 2004 consisted of the financial lease, bank borrowings, a debt towards supplier Myla and a bond loan.

Including DIS, the current interest-bearing borrowings stood at kEUR 12,057 in 2006, which includes kEUR 9,749 of straight loan debt, which was considered to be used for the financing of the acquisition of DIS by the Company as from 1 April 2006 till 31 March 2007. The straight loan was issued at an interest rate of 5,614% (Euribor + margin).

Trade Payables

Trade payables amounted to kEUR 4,683 as of 31 December 2006, compared to kEUR 3,496 a year earlier and kEUR 2,729 in 2004, implying the following number of days trade payables (related to COGS and outside services) 129 in 2004 and 2005 and 131 in 2006.

Other Payables

Accrued senior debt interest costs resulting from the acquisition of Transics NV account for kEUR 1,104 of other payables as of 31 December 2006. These accrued interests explain most of the increase in other payables compared to 2005 and 2004. Other items in other payables relate to taxes on employment, social security, provisions for holiday pay, remuneration, bonuses and other. The increase of these other items in 2006 was broadly proportionate to the headcount growth of the Company.
Including DIS, the other payables also include kEUR 547 of capitalised interests as of 31 March 2007 related to the straight loan which was considered to be used for the acquisition of DIS (cf supra).

Other

As of 31 December 2006, these included deferred income (kEUR 762), provisions (kEUR 22), tax payables (kEUR 686), and other current liabilities (kEUR 194).

6.3. CASH FLOW STATEMENTS ACCORDING TO IFRS

The table below sets out the cash flow statements of 2004-06 for the Company in accordance with IFRS.

Transics International NV **In kEUR**	**31/12/2006** **Conso incl. DIS** **12 months** **Pro forma**	**31/12/2006** **Consolidated** **12 months** **Pro forma**	**31/12/2005** **Consolidated** **12 months**	**31/12/2004** **Consolidated** **12 months**
Cash and cash equivalents, beginning balance	**0**	**0**	**1,177**	**317**
Cash flows relating to operations	**8,584**	**6,382**	**5,813**	**683**
Profit (loss) from operations	*7,912*	*5,128*	*3,574*	*(207)*
Profit of the year	1,874	517	2,090	(444)
Interest expense	3,465	2,913	198	341
Interest income (-)	(142)	(88)	(8)	(2)
Income tax expense (income)	2,715	1,786	1,294	(102)
Non cash adjustments	*2,249*	*2,069*	*1,197*	*1,010*
Depreciation and amortisation	2,403	2,198	1,107	983
Write off inventory	(108)	(108)	54	64
Increase (decrease) in provisions	(46)	(21)	36	(37)
Decrease (increase) in working capital	*(1,155)*	*(766)*	*1,042*	*(120)*
Decrease (increase) in inventories	391	458	(175)	(184)
Decrease (increase) in trade and other receivables	(2,698)	(2,892)	717	(178)
Increase (decrease) trade and other payables	1,152	1,668	500	242
Income tax (paid)/refunded	*(422)*	*(49)*	*0*	*0*

Transics International NV In kEUR	31/12/2006 Conso incl. DIS 12 months Pro forma	31/12/2006 Consolidated 12 months Pro forma	31/12/2005 Consolidated 12 months	31/12/2004 Consolidated 12 months
Cash flows relating to investing activities	**(46,713)**	**(38,173)**	**(1,429)**	**(805)**
Acquisitions	(44,956)	(36,388)	(103)	0
Internally developed R&D	(1,175)	(1,175)	(841)	(817)
Purchases of other intangibles	(248)	(248)	(44)	(8)
Purchases of property, plant and equipment	(491)	(465)	(612)	(70)
Disposals	15	15	1	0
Government grants received	0	0	162	89
Interest received	142	88	8	1
Cash flows relating to financing activities	**50,190**	**40,339**	**(3,366)**	**982**
Capital increase	5,512	5,512	0	0
New loans	45,177	35,288	385	616
Repayment of finance leases (-)	(142)	(130)	(100)	(109)
Repayment of loans (-)	(255)	(234)	(1,441)	(496)
Bank overdrafts increased (decreased)	0	0	(1,947)	1,247
Interest paid (-)	(102)	(97)	(263)	(276)
Net increase in cash and cash equivalents	**12,061**	**8,548**	**1,018**	**860**
Cash and cash equivalents, ending balance	**12,061**	**8,548**	**2,195**	**1,177**

6.3.1. Cash flows relating to operations

Including DIS, net cash generated from operations in pro forma consolidated accounts amounted to kEUR 8,584 in 2006, representing a 47.7% increase over 2005.

Excluding the effect of the DIS acquisition, net cash generated from operations was kEUR 6,382 in 2006 up from kEUR 5,813 in 2005. The increase is due to a higher profit from operations and higher non-cash adjustments partly compensated by an increase in working capital.

Between 2004 and 2006, the Company has placed a strong emphasis on working capital management and has managed to maintain the level of working capital relatively stable despite its rapid revenue growth.

Transics International NV In kEUR	31-12-2006 Conso incl. DIS 12 months Pro forma	31-12-2006 Consolidated 12 months Pro forma	31-12-2005 Consolidated 12 months	31-12-2004 Consolidated 12 months
Cash flows relating to operations	**8,584**	**6,382**	**5,813**	**683**
Profit (loss) from operations	*7,912*	*5,128*	*3,574*	*(207)*
Profit of the year	1,874	517	2,090	(444)
Interest expense	3,465	2,913	198	341

Transics International NV In kEUR	31-12-2006 Conso incl. DIS 12 months Pro forma	31-12-2006 Consolidated 12 months Pro forma	31-12-2005 Consolidated 12 months	31-12-2004 Consolidated 12 months
Interest income (-)	(142)	(88)	(8)	(2)
Income tax expense (income)	2,715	1,786	1,294	(102)
Non cash adjustments	*2,249*	*2,069*	*1,197*	*1,010*
Depreciation and amortisation	2,403	2,198	1,107	983
Write off inventory	(108)	(108)	54	64
Increase (decrease) in provisions	(46)	(21)	36	(37)
Decrease (increase) in working capital	*(1,155)*	*(766)*	*1,042*	*(120)*
Decrease (increase) in inventories	391	458	(175)	(184)
Decrease (increase) in trade and other receivables	(2,698)	(2,892)	717	(178)
Increase (decrease) trade and other payables	1,152	1,668	500	242
Income tax (paid)/refunded	*(422)*	*(49)*	*0*	*0*

6.3.2. Cash flows relating to investing activities

Including DIS, cash used in investing activities in pro forma consolidated accounts amounted to kEUR 46,713 in 2006, compared to kEUR 1,429 in 2005.

Excluding DIS, cash used in investing activities in 2006 amounted to kEUR 38,173 and was strongly influenced by the acquisition of Transics NV which resulted in a net cash investment of kEUR 36,388.

The net cash consideration paid for FLC in December 2005 amounted to kEUR 103 (see section 7.4.41).

The majority of capital expenditures relates to R&D, which represents an important cornerstone in the Company's strategy. The salaries of the R&D team (with the exception of employees within the R&D team focussing on quality control and the internal IT infrastructure) are capitalised and amortised over a period of 4 (short cycle development) or 8 years (long cycle development). The increase in investments in R&D is related to the increase in headcount in 2006 and reflects managements' strong focus on R&D. R&D activities are driven by market analysis and knowledge of customer needs. R&D seeks to continuously reduce the bill of materials of the products and screens the market for new technologies and applications, which can be included in the FMS solution to respond to market needs.
Purchases of other intangibles mostly relate to software licenses and external R&D fees.

As Transics has outsourced its production and does not own real estate, purchases of property, plant and equipment remain limited to IT equipment and office improvements.

Including DIS, the net purchase price of acquisitions mentioned in the cash flow statement amounts to kEUR 44,956. The difference with the net purchase price mentioned in the cash flow statement of the pro forma financial information amounts to kEUR 8,568. This is the purchase consideration related to the DIS acquisition minus the cash as of 1 April 2006, which amounts to kEUR 1,181.

Transics International NV In kEUR	31/12/2006 Conso incl. DIS 12 months Pro forma	31/12/2006 Consolidated 12 months Pro forma	31/12/2005 Consolidated 12 months	31/12/2004 Consolidated 12 months
Cash flows relating to investing activities	**(46,713)**	**(38,173)**	**(1,429)**	**(805)**
Acquisitions	(44,956)	(36,388)	(103)	0
Internally developed R&D	(1,175)	(1,175)	(841)	(817)
Purchases of other intangibles	(248)	(248)	(44)	(8)
Purchases of property, plant and equipment	(491)	(465)	(612)	(70)
Disposals	15	15	1	0
Government grants received	0	0	162	89
Interest received	142	88	8	1

6.3.3. Cash flows relating to financing activities

Including DIS, net cash relating to financing activities in pro forma consolidated accounts amounted to kEUR 50,190 in 2006, compared to kEUR (3,366) in 2005.

Excluding DIS, net cash provided by financing activities in 2006 stood at kEUR 40,339. It mostly relates to the equity and debt financing raised for the acquisition of Transics NV. In addition, the transaction triggered the exercise of warrants that led to a kEUR 2,113 capital increase of Transics NV.
Including DIS, the new loans in 2006 amounted to kEUR 45,177 which includes the straight loan considered to be used for the financing of the acquisition of DIS by the Company as from 1 April 2006 till 31 March 2007.

Transics International NV In kEUR	31-12-2006 Conso incl. DIS 12 months Pro forma	31-12-2006 Consolidated 12 months Pro forma	31-12-2005 Consolidated 12 months	31-12-2004 Consolidated 12 months
Cash flows relating to financing activities	**50,190**	**40,339**	**(3,366)**	**982**
Capital increase	5,512	5,512	0	0
New loans	45,177	35,288	385	616
Repayment of finance leases (-)	(142)	(130)	(100)	(109)
Repayment of loans (-)	(255)	(234)	(1,441)	(496)
Bank overdrafts increased (decreased)	0	0	(1,947)	1,247
Interest paid (-)	(102)	(97)	(263)	(276)

6.4. OUTLOOK FOR 2007 AND BEYOND

Since 1 January 2007, the following notable events took place:

6.4.1. Debt refinancing

Transics International NV partially refinanced the debt used for the acquisition of Transics NV in order to reduce its borrowing costs (see section 7.4.28). Approximately half of the aggregate amount of the shareholders' loans, *i.e.,* kEUR 10,000, and the entire senior acquisition debt were refinanced on 26 March 2007, for a total amount of kEUR 28,000. An additional working capital facility for kEUR 3,000 was part of the refinancing package.

This EUR 31 million facility agreement consists of (i) a EUR 16 million term loan to be repaid in semi-annual instalments during five years, (ii) a EUR 12 million bullet loan to be repaid upon maturity (*i.e.,* on 26 March 2013) and (iii) a EUR 3 million revolving facility.

The said facility agreement allows the Company to repay up to EUR 10,300,000 of the shareholders' loans from any proceeds of the offering and to distribute dividends to the extent such dividend distribution is for an amount corresponding to the lower of (i) 50% of the current earnings for the preceding financial year of the Company which are distributable in accordance with Belgian GAAP and (ii) the amount of excess cash flow which remains available after giving effect to the cash sweep (*i.e.*, the Company's contractual obligation towards its bankers to repay a certain percentage (which percentage depends on its leverage ratio, varying from 50% when the leverage ratio exceeds 2.5 to 0% when the leverage ratio is lower than 2.0) of its excess cashflow (but excluding the IPO proceeds) exceeding EUR 250,000 on a yearly basis).

The facility agreement also provides in a partial early repayment obligation when CETP Transics ceases to own directly or indirectly more than 25% of the voting shares of the Company. At such occasion, the Company will have to repay part of its outstanding debt under the facility so as to ensure that following such repayment, the gross leverage ratio (debt / EBITDA) does not exceed 2.5.

6.4.2. Acquisition of DIS

On 2 April 2007, Transics acquired the French company DIS. The acquisition of DIS could lead to the payment of a maximum consideration of kEUR 17,307 to its previous shareholders. The total consideration is made up of (i) an up-front amount of kEUR 9,307 that was paid at closing and (ii) an earn-out of maximum kEUR 8,000 that could be due during 2009 (see section 5.16).

6.4.3. Outlook for the full year 2007 and beyond

It is the Company's intention to use part of the proceeds of the offering to reduce its net financial debt position in order to have greater flexibility to finance its future growth. More specifically, it is the Company's intention to reimburse the remainder of the shareholders' loans, which carries an annual paid in kind ("PIK") interest of 8%.

Supported by strong market fundamentals and its good competitive positioning (further enhanced by the acquisition of DIS), Transics' business strategy is to concentrate on finding additional opportunities for sustainable profitable growth by (i) maintaining its product leadership in FMS and other ICT solutions through the continuous incorporation of the latest available technology, (ii) expanding the range of applications, functionalities and services of its FMS solutions, (iii) expanding its commercial reach into new countries, notably by reinforcing its presence in Central and Eastern Europe and by growing its direct sales force, and (iv) identifying and acquiring companies that offer synergies with its business.

It is Transics' aim to further build on the revenue momentum developed over the last years to outperform overall market growth in the coming years. In terms of revenue mix, the share of recurring sales in total revenue is expected to increase further.

The Company's organic growth will be complemented by the revenues and profits generated by the sale of DIS products. It should be noted that Transics will only consolidate 9 months of DIS activity in its full year 2007 accounts.

With regard to profitability, the gross profit and EBITDA margins are expected to remain relatively stable on a stand-alone basis in the foreseeable future. EBITDA margin is expected to benefit from the operational leverage effect of Transics' scalable business model but will also be affected by costs related to the investments in R&D and its commercial presence in the development markets.

The net margin in 2007 will be negatively influenced by one-off charges related to the debt refinancing. The offering will however allow the Company to reduce its net debt position and therefore to lower its financial costs in the future.

7. FINANCIAL INFORMATION

7.1. CONSOLIDATED FINANCIAL STATEMENTS 2004-2005-2006

The consolidated financial statements of Transics International NV and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS):

- Consolidated balance sheet, equity statement and notes of Transics NV as of 31 December 2004.
- Consolidated income statement, cash flow statement and notes of Transics NV from 1 January 2004 till 31 December 2004.
- Consolidated balance sheet, equity statement and notes of Transics NV as of 31 December 2005.
- Consolidated income statement, cash flow statement and notes of Transics NV from 1 January 2005 till 31 December 2005.
- Consolidated balance sheet, equity statement and notes of Transics International NV as of 31 December 2006.
- Consolidated income statement, cash flow statement and notes of Transics International NV from 10 May 2006 till 31 December 2006.
- Pro forma consolidated balance sheet of Transics International NV as of 31 December 2006 (section 7.6).
- Pro forma consolidated income statement and cash flow statement of Transics International NV from 1 January 2006 till 31 December 2006 (section 7.6).
- Pro forma consolidated balance sheet of Transics International NV as of 31 December 2006 including the acquisition of Delta Industrie Service SA (section 7.7).
- Pro forma consolidated income statement and cash flow statement of Transics International NV from 1 January 2006 till 31 December 2006, including the results of DIS from 1 April 2006 till 31 March 2007 (section 7.7).

These consolidated financial statements have been approved by the board of directors.

7.1.1 Consolidated income statement

Transics International NV In kEUR	Note	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Gross Profit		**12,394**	**12,297**	**8,410**
Revenue	7.4.3	17,692	18,567	13,042
Cost of sales (-)	7.4.4	(5,298)	(6,270)	(4,632)
Operating Expenses		**(8,159)**	**(8,627)**	**(7,903)**
Research and development expenses	7.4.5	(754)	(1,200)	(1,095)
Sales and marketing expenses	7.4.6	(5,136)	(5,913)	(5,134)
General and administration expenses	7.4.7	(2,269)	(1,514)	(1,674)
Other Operating Income/(expenses)	**7.4.10**	**(68)**	**(96)**	**(714)**
OPERATING RESULT		**4,167**	**3,574**	**(207)**
Finance income/(expenses)	**7.4.11**	**(1,738)**	**(190)**	**(339)**
RESULT BEFORE TAX		**2,429**	**3,384**	**(546)**
Income tax expense (income)	**7.4.12**	**1,442**	**1,294**	**(102)**
NET RESULT		**987**	**2,090**	**(444)**
Basic earnings per share	**7.4.13**	**0.18**	**0.16**	**(0.03)**
Shares used in computing per share amount – basic		**5,512,536**	**12,753,374**	**12,753,374**
Diluted earnings per share	**7.4.13**	**0.15**	**0.02**	**(0.03)**
Shares used in computing per share amount – diluted		**6,600,096**	**94,885,717**	**12,753,374**

7.1.2 Consolidated balance sheet

Transics International NV In kEUR	Note	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Non Current Assets		**35,031**	**6,588**	**7,357**
Goodwill	7.4.14	25,188	137	137
Intangible assets	7.4.14	7,052	2,089	2,081
Property, plant and equipment	7.4.15	2,640	2,555	1,919
Deferred tax assets	7.4.16	95	1,807	3,109
Receivables	7.4.18	56	0	111
Current Assets		**19,305**	**10,466**	**10,086**
Inventories	7.4.19	1,627	1,977	1,856
Tax receivables	7.4.20	149	257	280
Trade receivables	7.4.21	8,836	5,880	6,473
Other receivables	7.4.22	0	0	166
Prepayments	7.4.23	79	97	82
Cash and cash equivalents	7.4.24	8,548	2,195	1,177
Other current assets		66	60	52
TOTAL ASSETS		**54,336**	**17,054**	**17,443**
Shareholders' Equity		**6,492**	**9,392**	**7,303**
Share capital	7.4.25	5,505	8,007	8,008
Reserves		0	(705)	(261)
Result of the year		987	2,090	(444)
TOTAL EQUITY		**6,492**	**9,392**	**7,303**
Non Current Liabilities		**37,137**	**1,373**	**1,083**
Bank borrowings	7.4.28	15,278	258	0
Finance leases	7.4.28	1,011	1,115	1,034
Other loans	7.4.28	19,199	0	42
Deferred tax liabilities	7.4.16	1,649	0	7
Current liabilities		**10,707**	**6,289**	**9,057**
Current interest-bearing borrowings	7.4.28	2,285	364	1,657
Bank overdrafts	7.4.30	0	0	1,947
Deferred income	7.4.31	762	717	654
Provisions	7.4.32	22	43	7
Tax payables	7.4.33	686	438	555
Trade payables	7.4.34	4,683	3,496	2,729
Other payables	7.4.35	2,075	1,073	1,412
Other current liabilities	7.4.36	194	158	96
TOTAL EQUITY AND LIABILITIES		**54,336**	**17,054**	**17,443**

7.1.3 Consolidated cash flow statement

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Cash and cash equivalents, beginning balance	**0**	**1,177**	**317**
Cash flows relating to operations	**3,631**	**5,813**	**683**
Profit (loss) from operations	*4,167*	*3,574*	*(207)*
Profit of the year	987	2,090	(444)
Interest expense	1,816	198	341
Interest income (-)	(78)	(8)	(2)
Income tax expense (income)	1,442	1,294	(102)
Non cash adjustments	*1,284*	*1,197*	*1,010*
Depreciation and amortisation	1,413	1,107	983
Impairment losses	0	0	0
Write off inventory	(108)	54	64
Increase (decrease) in provisions	(21)	36	(37)
Other non cash adjustments			
Decrease (increase) in working capital	*(1,784)*	*1,042*	*(120)*
Decrease (increase) in inventories	348	(175)	(184)
Decrease (increase) in trade and other receivables	(2,460)	717	(178)
Increase (decrease) trade and other payables	328	500	242
Other increase (decrease) in working capital	0	0	0
Income tax (paid)/refunded	*(36)*	*0*	*0*
Cash flows relating to investing activities	**(35,681)**	**(1,429)**	**(805)**
Acquisitions	(34,594)	(103)	0
Internally developed R&D	(734)	(841)	(817)
Purchases of other intangibles	(155)	(44)	(8)
Purchases of property, plant and equipment	(291)	(612)	(70)
Disposals	15	1	0
Government grants received	0	162	89
Interest received	78	8	1
Cash flows relating to financing activities	**40,598**	**(3,366)**	**982**
Capital increase	5,512	0	0
New loans	35,288	385	616
Repayment of finance leases (-)	(52)	(100)	(109)
Repayment of loans (-)	(87)	(1,441)	(496)
Bank overdrafts increased (decreased)	0	(1,947)	1,247
Interest paid (-)	(63)	(263)	(276)
Net increase in cash and cash equivalents	**8,548**	**1,018**	**860**
Cash and cash equivalents, ending balance	**8,548**	**2,195**	**1,177**

7.1.4 Consolidated Shareholders' Equity Statements

Transics International NV In kEUR	Issued Capital	Transaction Costs	**Total Share Capital**	**Reserves**	**Result of the year**	**Total Equity**
As of 01/01/2004	8,100	(91)	**8,009**	**(261)**	**0**	**7,748**
Addition in transaction costs		(1)	(1)			(1)
Transfer			0			0
Result of the year			0		(444)	(444)
As of 31/12/2004	8,100	(92)	**8,008**	**(261)**	**(444)**	**7,303**
Addition in transaction costs		(1)	(1)			(1)
Transfer			0	(444)	444	0
Result of the year			0		2,090	2,090
As of 31/12/2005	8,100	(93)	**8,007**	**(705)**	**2,090**	**9,392**
Change in perimeter	(8,100)	93	(8,007)	705	(2,090)	(9,392)
Capital increase	5,513	(8)	5,505			5,505
Addition in transaction costs			0			0
Transfer			0			0
Result of the year			0		987	987
As of 31/12/2006	5,513	(8)	**5,505**	**0**	**987**	**6,492**

7.2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

7.2.1 Presentation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union.

The consolidated financial statements have been prepared under the historical cost convention. Any exceptions to the historical cost convention are disclosed in the valuation rules described hereafter.

The "Operating Group" should be read as Transics NV and its subsidiaries. As from 2006 this forms a sub consolidation group of Transics International NV (the "Company"), hereafter referred to as the Transics group. The functional currency for the financial statements applied by each of the subsidiaries and in the consolidation is the Euro currency.

Transics' subsidiaries prepared their financial statements in compliance with statutory regulations of the countries in which they are incorporated and registered. Several adjustments to the financial statements under local GAAP were recorded in order to present the consolidated financial statements in accordance with IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Transics Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 7.4.

7.2.2 Consolidation

The financial statements have been prepared on a consolidated basis. Corporate entities meeting the definition of a subsidiary set out in IAS 27 'Consolidated and Separate Financial Statements' and that are part of the Operating Group have been included in the consolidated financial statements from the date that control passed to Transics NV or Transics International NV. No subsidiaries have been de-consolidated.

As from 2006 the Operating Group's sub consolidated financial statements are included in the consolidated financial statements of Transics International NV, incorporated on 10 May 2006 and as from that date the acting parent company of the Transics Group. The Transics Group's income statement of 2006 reports on the period from 10 May till 31 December 2006.

The group uses the purchase method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of the acquisition, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of the acquisition over the fair value of the Transics Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between subsidiaries are eliminated.

The Company's presentation currency is the Euro, the monetary unit in which all group entities are denominated.

7.2.3 Foreign currency translation

Foreign currency translations are recorded at the rate of exchange prevailing on the date of the transition. Monetary assets and liabilities in foreign currencies are translated at the closing year-end exchange rates, with the resulting gains and losses recorded in the income statement of the period.

Assets and liabilities of foreign entities included in the consolidation are translated into Euro at the closing exchange rates. Exchange differences arising on a monetary item that in substance forms part of a company's net investment in a foreign entity is classified as equity until disposal of the net investment at which time this will be recognised as profit or loss.

Income statement items are converted into Euro at the average exchange rates for the period. The resulting translation differences are posted to the equity item "currency translation adjustments".

Upon the disinvestment of a foreign subsidiary, the cumulative currency translation differences are recorded as a profit or a loss.

7.2.4 Segment reporting

Business segmentation of the financial reporting has not been applied. No differentiation can be identified or established in business components, assets or group of assets, operations, products or services, customers, business risks, returns or management that could lead to a meaningful segmentation of the financial reporting. The Transics group is principally a one-solution business. The solution sold is an integrated combination of hard- and software device that cannot be sold separately or in parts, maintenance is only related to these products. Furthermore, the Transics group's operations are strongly vertically integrated, except for the production of hardware, which is outsourced. The products and product maintenance are commercialised directly to a well and strictly identified market: companies engaging in the road transportation of goods.

The products are developed, produced (software), tested and packaged (hardware) and dispatched at the Belgian headquarters of Transics. From there, they are sold to the subsidiaries. These subsidiaries are only involved in the sale of the product and local customer relations. Warehousing, implementation, dispatching and product handling is conducted from the Belgian headquarters and therefore no inventories are kept locally.

The business risk is estimated to be in line with the European Union transport market and is not subjected to exchange or currency risks. In order to provide the geographical segment reporting, revenues have been split between the various E.U. countries where Transics generates revenues greater than 10% of total revenues.

7.2.5 Intangibles

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Transics group's share of the net identifiable assets of the acquired subsidiary at the date of the acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Customer list

The customer list of the Operating Group is identified and recognised as a separate intangible asset as part of the acquisition goodwill resulting from the acquisition in 2006 by Transics International NV. The customer list value is accounted for at its carrying amount less the accumulated amortisation. The customer list value is related to the acquired recurrent revenue. The amortisation is done on a straight-line basis over the period of its expected future benefit that is estimated at 5 years.

(c) Research and development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge, is recognised in the income statement as an expense as incurred. Expenditures incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets to the extent that such expenditure is expected to generate economic benefits and meets the recognition criteria set out in IAS 38 'Intangible Assets'.

The revaluation model is not considered as a reliable valuation principle in this case as the fair value cannot be determined by reference to an active market. In all instances the residual value of the intangible assets is assumed to be zero.

Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as assets in a subsequent period.

The recognition of development costs as intangible assets is limited to:

- direct development personnel costs
- programming and coding by external programmers
- direct development consultancy by third party consultants
- cost of testing performed by third parties

Overhead and general expenses are not included, in compliance with IAS 38 • 29 (c).

Development projects are subdivided into two identifiable and separate development activities:

- long cycle items' development
- short cycle items' development

<u>Long cycle development</u>
Relates to the development of a new product (hard- and software) to replace a prior generation product. Development will typically take place over a period of several years before it is released for commercial production.

<u>Short cycle development</u>
Relates to the development of accessories, updates, upgrades, application extensions or improvements of an existing product. Short cycle developments are typically not exclusively software related and will typically take place over a period of less than one year before being released for commercial production.

Subsequent development expenditure of products already released is recognised in the month of the expenditure and the amortisation starts the month following this recognition.

Development costs that have been capitalised are amortised from the start of the commercial production of the product on a straight-line basis over the period of its expected benefit. The period of expected benefit for short cycle development is determined at 4 years and for long cycle at 8 years.

The capitalised development costs are assessed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

(d) Computer software

Acquired computer software licences are capitalised on the basis of the purchase and installation costs of the specific software. These costs are amortised on a straight-line basis over their estimated useful lives (three to five years).

7.2.6 Property, plant and equipment

Items from property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The historical cost includes the expenditure that is directly attributable to the acquisition of the items, purchase price or production cost.

Subsequent expenditures, e.g. for the improvement, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Transics group. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising from the revaluation of land and buildings are credited to the consolidation goodwill resulting from a business combination.

Land is not depreciated. Property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the item, starting from the month of purchase, except for the office furniture which is depreciated according to the double declining method. Assets under construction are not depreciated until the assets are available for use.

The estimated useful lives of the various identified asset categories are as follows:

Improvements of the building	5 - 10 years
Office computer hardware	4 years
Office electronic equipment	4 years
Small equipment and tools	4 years
Software	5 years
Office furniture	10 years
Vehicles	5 years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable value.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other losses/gains - net, in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

7.2.7 Impairment of fixed tangible assets and goodwill/intangible assets

Assets that have an indefinite useful live (goodwill) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation (other than inventories, deferred tax assets, employee benefits and derivative financial instruments) are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount (being the higher of its fair value less costs to sell and its value in use), an impairment loss is recognised in the income statement. The fair value less costs to sell is the amount obtainable from the sale of an asset in an at arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the assets belong. Non-financial assets, other than goodwill, that have suffered and recognised an impairment in prior years, are reviewed for possible reversal of the impairment at each year-end closing. An impairment loss recognised for goodwill and other intangible assets is not reversed in a subsequent period.

7.2.8 Government grants

Government grants received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants related to interest are netted against the incurred expenses.

Where retention of a government grant is dependent on the Company satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied or when the criteria are more than likely to be fulfilled in the future, the deferred income balance is released to the income statement or netted against the asset purchased as appropriate.

7.2.9 Leases

(a) Finance leases

Leases of property, plant and equipment where one or more companies, part of the Transics group, have substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the present value of the minimum lease payments.

The leased assets are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. If there it is not more than likely that the ownership will be acquired by the end of the lease term, the asset is depreciated over the shorter of the lease term and its useful life.

The estimated useful lives of the various identified leased asset categories are as follows:

Office buildings (leased)	30 years
Office telephone installation (leased)	7 years

(b) Operating leases

Payments made under operating leases are recognised as a charge in the income statement on a straight-line basis over the term of the lease.

7.2.10 Inventories

Inventories only include items purchased from third parties. They are recognised at the "lower of cost or net realisable value" principle. The cost is determined according to the FIFO (first in –first out) method. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of packing, order completion, software inclusion and decoding, dispatching and selling expenses.

7.2.11 Trade Receivables

Trade receivables are carried at the original invoice amount less the provision for doubtful receivables. A provision for doubtful receivables is recorded when there is objective evidence that the Transics group will not be able to collect all amounts due according to the original terms of the trade receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement as other operational expenses. When a trade receivable is definitely uncollectible, it is written off against the allowance account for trade receivables. Subsequent collections of receivables written off are credited in the income statement as a realised other operational income.

7.2.12 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, short-term bank deposits and other short-term highly liquid investments.

7.2.13 Share capital and share premium

Incremental costs directly attributable to the issue of new shares are shown as a deduction in equity.

When the Company or its subsidiaries purchase its own or its parent Company's equity share capital, the consideration paid, including any attributable transaction costs is deducted from the total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

7.2.14 Provisions

Provisions are recognised when the Transics group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

7.2.15 Borrowing costs and interest

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method; any difference between proceeds (net of transaction costs) and the redemption amounts is recognised in the income statement over the period of the borrowing.

When borrowings are repurchased or settled before maturity, any difference between the amount repaid and the carrying amount is recognised immediately in the income statement.

7.2.16 Employee benefit costs

(a) Pension obligations

The Company offers defined contribution pension plans to its employees with an employment contract for an indefinite period. Pension obligations are fully funded through annual premiums paid to independent insurance companies. The Company has no other obligations to contribute additional premiums if the pension fund would not have sufficient resources to fulfil all pension obligations to which the personnel is entitled based on past and present contributions.

The pension plan expenses, representing the net periodic pension plan cost less the employee contributions, are included in the personnel expenses.

(b) Mandatory post- employment benefits

Transics France SA recognises a provision for its net obligation in respect of the mandatory employee termination benefit due upon retirement of an employee. The provision for this termination benefit upon retirement ("Indemnités de depart à la retraite") is the amount of the future termination benefit that an employee has earned in return for their service in current and prior periods. The obligation is annually calculated by an independent actuary using the projected unit credit method and is discounted to its present value, considering mortality and general employee turnover rates. The discount rate used is the legal interest rate in France.

Currently no other mandatory employees' benefits have been identified for which a provision should be recognised under IFRS.

(c) Other termination benefits

Mandatory, contractual or voluntary termination benefits are payable when employment is terminated by the Transics group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Transics group recognises a provision upon the formal notification or the formal agreement to terminate employment without possibility to withdrawal.

Pre-retirement pensions are treated as termination benefits. The costs are recognised when individuals agree to terminate their employment under these programs.

(d) Employee Compensation Benefits

All employees benefit payments, social security contributions, withholding taxes were either paid in cash or provided for and expensed to the income statement.

7.2.17 Dividend distribution

Equity dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors.

7.2.18 Deferred taxes

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs to its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

7.2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Transics group's activities. Revenue is shown net off value-added tax, returns, rebates and discounts and after eliminating sales within the Transics group.

Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the enterprise, meets the specific criteria for each of the activities described below and the amount of the revenue can be measured reliably.

(a) Product Sales

Revenue from product sales (hardware including operational software) is recognised when the products are shipped and the transfer of risks and rewards has been completed and the Transics group has objective evidence that all criteria for acceptance have been met.

Revenue from sales of software (new software or updates to be installed in prior sold hardware) is recognised when the software has been delivered and installed into the customer's devices, the transfer of risks and rewards has been completed and the Transics group has objective evidence that all criteria for acceptance have been met.

(b) Recurrent sales

Recurrent sales, comprising hosting services, telecom subscriptions and maintenance contracts are typically prepaid. Revenue from recurrent sales is recognised in accordance with the substance of the contractual terms. To the extent the recurrent service is not invoiced on a monthly basis, the revenue is deferred and subsequently recognised on a straight-line basis over the term of the contract.

(c) Field services

Revenue from rendering field services within the framework of fixed-price contracts is recognised by reference to the stage of completion when this can be measured by reference to labour hours incurred prior to the year-end as a percentage of total estimated labour hours for the contract (percentage of completion method). When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from time and material contracts is recognised at the contractual rates as labour hours are performed and direct expenses have incurred.

7.2.20 Earnings per share

Basic earnings per share are computed based on the weighted average number of ordinary shares outstanding during the period, excluding treasury shares.

Diluted earnings per share are computed based on the weighted-average number of ordinary shares outstanding including the dilutive effect of warrants. Warrants should be treated as dilutive, when and only when their conversion to ordinary shares would decrease net profit per share from continuing ordinary operations.

7.3. FINANCIAL RISK MANAGEMENT

7.3.1. Financial risk factors

As Transics' activities are not greatly exposed to financial risks, no derivative financial instruments are needed, and therefore not used to hedge financial risk exposures.

7.3.2. Foreign exchange risk

Foreign exchange risk is virtually non-existent as most business is conducted in Euro and, up till now, only deployed in Europe. There are no assets expressed other than in Euro. Only a limited part of purchases are imported from none Euro-countries, mostly from the U.K. and the U.S.A. Exchange risks are very limited in relation to the total amounts purchased.

7.3.3. Interest rate risk

Major long term borrowings are issued at interest rates that are fixed over the contractual term. One long term bank borrowing is with a variable interest rate (based on Euro-market rates), but this loan is re-financed in 2007.

Variable interest rates on short term borrowings and liabilities are based on Euro-market rates.

The Transics group has no significant interest-bearing assets. The Transics group assets and operating cash flows are substantially independent of changes in market interest rates. The Company decided not to use hedging instruments to cover the potential risk related to variable interest rates because its borrowings were re-financed in 2007. Reference is made to section 7.4.42.

7.3.4. Credit risk

The Transics group has no significant credit risks to report. Policies and procedures are in place to monitor the credit risks on old and new customers. Credit insurance is requested for each customer or trade receivable and the proposed credit limits are strictly followed. Customers which cannot be insured are requested to pay in advance or by use of guaranteed bills of exchange.

7.3.5. Liquidity risk

Liquidity risk is linked to the evolution of the Transics group's working capital. The Transics group monitors the change in working capital through focussed actions.

7.4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2004-2005-2006

7.4.1 Fully consolidated investments

7.4.1.1 Changes to the consolidation perimeter 2004-2006

Transics NV acquired 100% of the shares of FLC NV in December 2005.

Transics International NV has been incorporated in Belgium on 10 May 2006. It has acquired the Operating Group as from 18 May 2006 and from this date it operates as the parent company of the Transics group.

Transics Deutschland GmbH has been incorporated on 10 October 2006 by Transics International NV. The company became operational as of 1 January 2007.

7.4.1.2 Overview of the consolidation perimeter

Company	Country	31/12/2006	31/12/2005	21/12/2004
Transics International NV	Belgium	100%		
Transics NV	Belgium	100%	100%	100%
Transics Benelux NV	Belgium	100%	100%	100%
FLC NV	Belgium	100%	100%	
Transics France SARL	France	100%	100%	100%
Transics Nederland BV	The Netherlands	100%	100%	100%
Transics Deutschland GmbH	Germany	100%		

The Operating Group includes all companies that are held by Transics NV. The Operating Group's consolidation perimeter was the parent company of the consolidation up until 31 December 2005. As from the acquisition of the Operating Group by Transics International NV in 2006, Transics International NV operates as the parent company and the group is referred to as the Transics Group.

7.4.2 Geographical segment information

Transics International NV In kEUR	France	Spain	BD
Revenue	6,669	706	855
Cost of sales (-)	(2,014)	(234)	(284)
Operating Expenses	(3,253)	(202)	(244)
Other Operating income/(expenses)	(32)	0	0
OPERATING RESULT	**1,370**	**270**	**327**
Finance income/(expenses)			
RESULT BEFORE TAX			
Income tax expense (income)			
NET RESULT			
Total Assets	**21,161**	**1,761**	**2,157**
Liabilities (excl equity)	**(18,004)**	**(1,784)**	**(2,159)**
Capex	**477**	**44**	**53**
Depreciation and amortisation	**547**	**54**	**65**

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	Belgium	The Netherlands
Revenue	17,692	5,692	3,770
Cost of sales (-)	(5,298)	(1,449)	(1,317)
Operating Expenses	(8,159)	(3,017)	(1,443)
Other Operating income/(expenses)	(68)	(30)	(6)
OPERATING RESULT	**4,167**	**1,196**	**1,004**
Finance income/(expenses)	(1,738)		
RESULT BEFORE TAX	**2,429**		
Income tax expense (income)	1,442		
NET RESULT	**987**		
Total Assets	**54,336**	**17,618**	**11,639**
Liabilities (excl equity)	**(47,844)**	**(15,936)**	**(9,961)**
Capex	**1,180**	**367**	**239**
Depreciation and amortisation	**1,413**	**456**	**291**

Transics International NV In kEUR	31/12/2005 Consolidated 12 months IFRS	Belgium	The Netherlands
Revenue	18,567	5,530	2,830
Cost of sales (-)	(6,270)	(1,965)	(978)
Operating Expenses	(8,627)	(3,094)	(1,167)
Other Operating income/(expenses)	(96)	(75)	29
OPERATING RESULT	**3,574**	**396**	**714**
Finance income/(expenses)	(190)		
RESULT BEFORE TAX	**3,384**		
Income tax expense (income)	1,294		
NET RESULT	**2,090**		
Total Assets	**17,054**	**5,186**	**3,006**
Liabilities (excl equity)	**7,662**	**2,484**	**1,267**
Capex	**1,497**	**433**	**200**
Depreciation and amortisation	**1,107**	**345**	**172**

Transics International NV In kEUR	France	Spain	BD
Revenue	8,128	1,531	548
Cost of sales (-)	(2,618)	(522)	(187)
Operating Expenses	(3,513)	(584)	(269)
Other Operating income/(expenses)	(45)	(5)	0
OPERATING RESULT	**1,952**	**420**	**92**
Finance income/(expenses)			
RESULT BEFORE TAX			
Income tax expense (income)			
NET RESULT			
Total Assets	**7,639**	**942**	**281**
Liabilities (excl equity)	**3,293**	**455**	**163**
Capex	**721**	**106**	**37**
Depreciation and amortisation	**472**	**87**	**31**

Transics International NV In kEUR	31/12/2004 Consolidated 12 months IFRS	Belgium	The Netherlands	France	BD
Revenue	13,042	5,066	1,879	5,315	782
Cost of sales (-)	(4,632)	(1,928)	(699)	(1,738)	(267)
Operating Expenses	(7,903)	(3,501)	(1,167)	(3,098)	(137)
Other Operating income/(expenses)	(714)	(329)	(92)	(289)	(4)
OPERATING RESULT	**(207)**	**(692)**	**(79)**	**190**	**374**
Finance income/(expenses)	(339)				
RESULT BEFORE TAX	**(546)**				
Income tax expense (income)	(102)				
NET RESULT	**(444)**				
Total Assets	**17,443**	**5,476**	**3,055**	**8,366**	**546**
Liabilities (excl equity)	**10,140**	**3,706**	**1,269**	**4,745**	**420**
Capex	**895**	**353**	**126**	**364**	**52**
Depreciation and amortisation	**983**	**395**	**145**	**387**	**56**

Capex is related to the capital expenditures in tangible and intangible assets.

7.4.3 Revenue

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	% growth	31/12/2005 Consolidated 12 months IFRS	% growth	31/12/2004 Consolidated 12 months IFRS
Product Sales	13,658	N.M.	14,505	36%	10,677
Recurrent Sales	3,185	N.M.	2,846	130%	1,238
Field Services	849	N.M.	1,216	8%	1,127
Total	**17,692**	N.M.	**18,567**	42%	**13,042**

N.M. = Not Meaningful

In absolute terms the largest contribution to revenue growth in 2006 is attributable to Product Sales. Recurrent Sales are however growing faster than Product Sales (reference is made to 6.1.1. regarding the pro forma 12-month figures).

A definition of Product Sales, Recurrent Sales and Field Services can be found in section 7.2.20.

7.4.4 Cost of sales

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Cost of goods sold	(5,058)	(6,390)	(4,752)
Change in inventory	(348)	174	184
Write off inventory	108	(54)	(64)
Total	**(5,298)**	**(6,270)**	**(4,632)**
Gross Profit	12,394	12,297	8,410
%Gross Profit/Revenue	70%	66%	64%

The cost of goods sold mainly entails the purchase cost of OBCs from third party manufacturers that handle component procurement and inventory, as well as third party software. Costs of sales have increased at a slower pace than overall sales. Transics' overall sales include a growing proportion of service revenues that do not include any cost of goods sold as they do not generate physical procurement and delivery of goods. Like most electronics companies, Transics also benefits from the general decrease in the price of electronic components and from improved purchasing terms as its procurement volume increases.

7.4.5 Research and development expenses

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Outside services	35	120	152
Personnel expenses	106	174	77
Depreciation and amortisation	613	906	866
Total	**754**	**1,200**	**1,095**

Personnel expenses include the salaries of employees focusing on quality control and the internal IT-infrastructure. The outside services relate to external R&D expenses incurred.

Salaries of employees focusing on development are capitalised as development costs and amortised over a period of 4 (short cycle development) or 8 years (long cycle development) for an amount of kEUR 814 in 2004, kEUR 789 in 2005 and kEUR 671 in 2006. Those capitalised personnel expenses are not included in the table above.

The projects undertaken by the R&D department can be subdivided into 3 main groups:

- version projects
- innovative projects
- research projects

The "version" activity leads to the incremental evolution of our product within the current product generation. Every 6 to 8 months a new version is defined, analysed, developed and tested. The activities related to the development of a new version are labelled as short cycle.

The incremental versions are mostly pure software developments and are running on a base platform of hard- and software. The development of such platform is done in the "innovation projects". The creation of a platform follows another development cycle. Once a platform is finalised it is used for a long time and will be the basis for the version projects. The platform development and activities related to the creation of adherent innovative products are labelled as long cycle.

Research activities are typically activities that might result in a marketed product only after several years. Occasionally, partial sub results might be identified for separate development. As research projects have an uncertain outcome, it might not result in a product at all. Otherwise, if it ends up in a product development, the research and development effort can lead to a unique positioning of the Transics Group in relation to the competition. The activities relating to research activities are not recognised as an intangible asset and are recorded as expense when incurred.

The total expenses regarding research and development are provided below. All development expenses were capitalised.

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Research expenses	0	1	20
Outside services	*0*	*1*	*20*
Development expenses	734	841	817
Outside services	*63*	*52*	*3*
Personnel expenses	*671*	*789*	*814*
Total R&D expenses	734	842	837

7.4.6 Sales and marketing expenses

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Outside services	2,370	2,347	1,653
Personnel expenses	2,617	3,389	3,377
Depreciation and amortisation	149	177	104
Total	**5,136**	**5,913**	**5,134**

The evolution of sales and marketing expenses is in line with the evolution of non recurrent sales. For comparison of the 12-month figures of 2006 to 2004 and 2005 reference is made to section 6.1.4.

7.4.7 General and administration expenses

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Outside services	1,079	1,021	1,192
Personnel expenses	539	469	469
Depreciation and amortisation	651	24	13
Total	**2,269**	**1,514**	**1,674**

The decrease of the general and administration expenses in 2005 compared to 2004 is related to the reduction of outsourced services. The increase in 2006 is related to the amortisation of the customer list (kEUR 625) resulting from the acquisition of the Operating Group by Transics International NV. The increase in personnel expenses in 2006 is related to the increase in headcount. For comparison of the 12-month figures of 2006 to 2004 and 2005 reference is made to section 6.1.4.

7.4.8 Total personnel expenses

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Wages and salaries	2,546	3,158	3,058
Social costs	686	844	836
Pension costs - Defined contribution plans	25	23	28
Pension costs - Defined benefit plans	5	7	1
Total personnel costs	**3,262**	**4,032**	**3,923**

The Company has several pension plans with fixed contributions for its employees. The yearly contribution paid by the Company for each employee is based on his gross salary.

The pension cost for the defined benefit plan relates to the accrual for the legally required pension benefits at retirement date in France. The obligation is calculated annually by an independent actuary using the projected unit credit method and is discounted to its present value, considering mortality and general employee turnover rates. The discount rate used as of 31 December 2006 is 2.11%. The future annually salary increase rate has been set at 1% of the current salary by the Company.

The table below summarises the number of employees (headcount) at year end in each department.

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Research & Development	22	18	20
Selling and Marketing personnel	76	59	64
General and administrative personnel	13	9	8
Total employees (headcount) at year-end	**111**	**86**	**92**

The number of Research and Development employees mentioned includes the employees to which the capitalised personnel expenses relate (Development costs, see also section 7.4.5). The capitalised personnel expenses are not included in the total personnel expenses shown above.

7.4.9 Operating lease expenses

The following lease expenses were accounted for:

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Lease of cars	228	281	261
Total	**228**	**281**	**261**

The minimum payments for the following years with respect to the car leases are as follows:

	Future payments in kEUR
2007	263
2008	177
2009	80
2010	43
2011	3
Total commitments	**566**

7.4.10 Other operating income/(expenses)

Transics International NV In kEUR	**31/12/2006 Consolidated 7.5 months IFRS**	**31/12/2005 Consolidated 12 months IFRS**	**31/12/2004 Consolidated 12 months IFRS**
Other taxes	(2)	(8)	(44)
Losses on trade receivables	(54)	(16)	(273)
Other financial expenses	(18)	(19)	(96)
Other financial income	3	27	15
Other expenses	(9)	(126)	(349)
Other income	12	46	33
Total	**(68)**	**(96)**	**(714)**

Other taxes include local and regional taxes on assets or business activities in general, penalties, contributions or other charges from government administrations.

The amount of losses on trade receivables in 2004 is principally related to a dispute with a former distributor located in France. The loss recorded is a provision for the expected debt write-off. The dispute has been settled at the end of 2005 and the recorded provisions were adequate to cover the actual losses incurred. The net charge on losses for trade receivables returned to a normal level in 2005 and 2006.

Other financial expenses and income, mainly bank related, consist of all expenses and income that are not interest related. The higher level of financial expenses in 2004 is related to a bank guarantee charge of kEUR 67 in connection with a major contract in The Netherlands.

Other expenses are related to provisions for litigations. In 2004, the settlement of a legal issue with an agent in Scandinavia was booked as other expense.

7.4.11 Financial income/(expenses)

Transics International NV In kEUR	**31/12/2006 Consolidated 7.5 months IFRS**	**31/12/2005 Consolidated 12 months IFRS**	**31/12/2004 Consolidated 12 months IFRS**
Interest leasing (-)	(43)	(61)	(60)
Interest loans (-)	(1,637)	(137)	(246)
Interest current accounts (-)	0	0	(23)
Loan expenses	(135)	0	0
Interest income	77	8	2
Other interests	0		(12)
Total	**(1,738)**	**(190)**	**(339)**

The major component of the leasing interest is the interest paid on the finance lease of the Company's headquarters.

The interests on loans in 2006 consist primarily of interests accrued on the Dexia facility of EUR 18 million and the shareholders' loans of EUR 18.8 million. The amount in 2004 is partially related to interests paid on a bond loan of EUR 1 million, which has been repaid in 2005.

The loan expenses consist of transaction fees relating to the Dexia facility and shareholders' loans recorded net of the outstanding loan amounts and expensed on a straight-line basis in the income statement over the period of the borrowing.

7.4.12 Income tax expense (income)

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Deferred income taxes	1,299	1,294	(102)
Current income taxes	123	0	0
Current income taxes previous year	20	0	0
Total	**1,442**	**1,294**	**(102)**

The details regarding the deferred taxes are set out below (see sections 7.4.16 and 7.4.17).

In 2006 the Company has not recognised the net deferred tax asset related to the tax losses of the parent company.

There is no tax consolidation at Transics Group level. Consequently, losses incurred by the entity Transics International NV have not been deducted from the taxable income of Transics NV. Furthermore the Company did not recognise a deferred tax asset resulting from these losses in 2006. The Company is currently exploring ways to optimise its group structure in order to be able to use all or part of these potential deferred tax assets but has not completed this exercise yet.

The Company benefited in 2005 and 2006 from tax losses carried forward which were recognised in the balance sheet as a deferred tax asset, decreasing from kEUR 3,109 at the end of 2004 to kEUR 95 at the end of 2006.

Income taxes for the current year in 2006 relate to estimated income taxes of the Belgian and French subsidiaries.

7.4.13 Earnings per share

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Basic earnings per share	0.18	0.16	(0.03)
Shares used in computing per share amount – basic	5,512,536	12,753,374	12,753,374
Diluted earnings per share	0.15	0.02	(0.03)
Shares used in computing per share amount – diluted	6,600,096	94,885,717	12,753,374

The number of shares used in computing per share amounts is the weighted average number of shares outstanding during the period.

7.4.14 Goodwill and intangible assets

Transics International NV **In kEUR**	Goodwill	Customer list	Development costs	Software	**Total**
As of 01/01/2004	137	0	1,995	59	**2,191**
Acquisition cost	137	0	4,298	132	**4,567**
Accumulated amortisation (-)	0	0	(2,303)	(73)	**(2,376)**
Net book value	137	0	1,995	59	**2,191**
Additions from internal development			817		**817**
Additions				8	**8**
Disposals (-)					**0**
Amortisation (-)			(775)	(23)	**(798)**
Impairment (loss) reversal					**0**
As of 31/12/2004	137	0	2,037	44	**2,218**
Acquisition cost	137	0	5,115	140	**5,392**
Accumulated amortisation (-)	0	0	(3,078)	(96)	**(3,174)**
Net book value	137	0	2,037	44	**2,218**
Additions from internal development			841		**841**
Additions				44	**44**
Disposals (-)					**0**
Amortisation (-)			(853)	(24)	**(877)**
Impairment (loss) reversal					**0**
As of 31/12/2005	137	0	2,025	64	**2,226**
Acquisition cost	137	0	5,956	184	**6,277**
Accumulated amortisation (-)	0	0	(3,931)	(120)	**(4,051)**
Net book value	137	0	2,025	64	**2,226**
Change in perimeter	25,188	5,000	2,199	143	**32,530**
Additions from internal development			734		**734**
Additions				155	**155**
Disposals (-)					**0**
Amortisation (-)		(625)	(524)	(30)	**(1,179)**
Impairment (loss) reversal					**0**
As of 31/12/2006	25,188	4,375	2,409	268	**32,240**
Acquisition cost	25,188	5,000	7,120	427	**37,735**
Accumulated amortisation (-)	0	(625)	(4,711)	(159)	**(5,495)**
Net book value	25,188	4,375	2,409	268	**32,240**

In 2000, Transics NV has acquired the accounting and administration software activities, the customer base, the maintenance contracts, and the know-how related to transport companies of Toppower NV ("ICS"). Paragraph 79, of IFRS 3 "Business Combinations" has been applied as from 1 January 2004. Consequently, in 2004 the net opening balance of the goodwill related to ICS has been established at kEUR 137 (acquisition value less accumulated amortisation as of 1 January 2004).

According to management the ICS goodwill represents the customer base, software and know how of the ICS business, which is fully integrated in the current activities and products. Therefore, no impairment has to be taken into consideration.

The change in perimeter regarding the development costs and the software relates to the acquired intangibles in the business combination of Transics NV.

In 2006 the goodwill relates to the Business Combination of Transics NV (kEUR 25,051) and the Business Combination of ICS (kEUR 137). Reference is made to section 7.4.41 for the goodwill regarding Transics NV.

Regarding the recognition of the customer list value, reference is made to 7.2.6. (b). It is based on the value of recurrent sales. The customer list has been valued at kEUR 5,000 and is amortised on a straight-line basis over 5 years.

Developments costs relate to the internal development personnel costs and development consultancy by third parties (see section 7.2.6 (c)).

The software relates to acquired computer licenses for R&D and internal IT.

7.4.15 Property, plant and equipment

Transics International NV **In kEUR**	Land and buildings	Leased buildings	Building improvements	Plant and equipment	Leased equipment	Furniture and vehicles	**Total**
As of 01/01/2004	41	1,663	9	297	21	3	**2,034**
Acquisition cost	51	1,792	9	1,017	53	134	**3,056**
Accumulated depreciation (-)	(10)	(129)	0	(720)	(32)	(131)	**(1,022)**
Net book value	41	1,663	9	297	21	3	**2,034**
Additions from internal development							**0**
Additions				70			**70**
Disposals (-)							**0**
Depreciations (-)	(5)	(60)	(1)	(110)	(6)	(3)	**(185)**
Impairment (loss) reversal							**0**
As of 31/12/2004	36	1,603	8	257	15	0	**1,919**
Acquisition cost	51	1,792	9	1,087	53	134	**3,126**
Accumulated depreciation (-)	(15)	(189)	(1)	(830)	(38)	(134)	**(1,207)**
Net book value	36	1,603	8	257	15	0	**1,919**
Additions from internal development							**0**
Additions				612			**612**
Change in perimeter	254						**254**
Disposals (-)							**0**
Depreciations (-)	(5)	(60)	(1)	(158)	(6)		**(230)**
Impairment (loss) reversal							**0**
As of 31/12/2005	285	1,543	7	711	9	0	**2,555**
Acquisition cost	305	1,792	9	1,699	53	134	**3,992**

Transics International NV In kEUR	Land and buildings	Leased buildings	Building improvements	Plant and equipment	Leased equipment	Furniture and vehicles	Total
Accumulated depreciation (-)	(20)	(249)	(2)	(988)	(44)	(134)	**(1,437)**
Net book value	285	1,543	7	711	9	0	**2,555**
Change in perimeter	283	1,521	7	779	8	0	**2,598**
Additions from internal development							**0**
Additions				290	1		**291**
Disposals (-)				(15)			**(15)**
Depreciations (-)	(3)	(37)	(1)	(189)	(4)		**(234)**
Impairment (loss) reversal							**0**
As of 31/12/2006	280	1,484	6	865	5	0	**2,640**
Acquisition cost	305	1,792	9	2,150	55	90	**4,401**
Accumulated depreciation (-)	(25)	(308)	(3)	(1,285)	(50)	(90)	**(1,761)**
Net book value	280	1,484	6	865	5	0	**2,640**

Transics NV acquired FLC NV in 2005. FLC NV is the owner of the land on which the leased building was build. The net book value of the land in the books of FLC NV amounts to kEUR 218. The goodwill resulting from the acquisition of FLC NV, which amounted to kEUR 36, has been allocated to the land as the fair value of the land was higher than the book value.

The leasing contract of the building with Fortis Lease NV has a term of 15 years, ending in 2016. Under IFRS, since it is more than probable that Transics NV will obtain the ownership of the building at the end of the lease term, the building is depreciated on a straight line basis over its estimated useful life of 30 years.

As a result of the Business Combination of Transics NV on 18 May 2006, Transics International NV acquired the tangible assets of Transics NV for a total amount of kEUR 2,598. This acquisition is shown as “change in perimeter” in the table above. The main assets are the leased building and land, IT- and office equipment.

7.4.16 Deferred taxes

Transics International NV **In kEUR**	**31/12/2006** **Consolidated** **7.5 months** **IFRS**	**31/12/2005** **Consolidated** **12 months** **IFRS**	**31/12/2004** **Consolidated** **12 months** **IFRS**
Post employment benefit obligations	7	5	3
Tax losses	1,335	1,919	3,243
Total deferred tax assets	**1,342**	**1,924**	**3,246**
Depreciation and amortisation	162	117	144
Customer list	1,487	0	0
Capitalisation of transaction fees	669	0	0
Total deferred liabilities	**2,318**	**117**	**144**
Unrecognised deferred tax asset on tax losses	(578)	0	0
Net deferred taxes	**(1,554)**	**1,807**	**3,102**

Transics International NV	31/12/2006	31/12/2005	31/12/2004
In kEUR	Consolidated	Consolidated	Consolidated
	7.5 months	12 months	12 months
	IFRS	IFRS	IFRS
Recognised in balance sheet			
Net deferred tax assets	**95**	**1,807**	**3,109**
Net deferred tax liabilities	**1,649**	**0**	**7**

The post employment benefit obligations relate to the "indemnité de départ à la retraite" booked by Transics France.

All deferred tax assets on the tax losses of the subsidiaries were recorded under IFRS, except for Transics International NV, as it is probable that all companies will generate future taxable income. For the deferred tax asset on the losses of Transics International, reference is made to section 7.4.12

7.4.17 Reconciliation statutory tax-effective tax rate

Transics International NV	31/12/2006	31/12/2005	31/12/2004
In kEUR	Consolidated	Consolidated	Consolidated
	7.5 months	12 months	12 months
	IFRS	IFRS	IFRS
Net profit before taxes	2,429	3,384	(546)
Statutory tax rate	33.99%	33.99%	33.99%
Tax expense using statutory tax rate	**826**	**1,150**	**(186)**
Impact of different rates in other jurisdictions	(21)	(11)	(1)
Impact of changes in tax rates	0	46	0
Permanent differences: non tax-deductible expenses	105	86	44
Impact of movement of excessive depreciations	0	22	41
Notional interest deduction	(46)	0	0
Deferred tax assets, not previously recognised	578	0	0
Tax expense recognised	**1,442**	**1,294**	**(102)**
Effective tax rate	59%	38%	19%

The non tax-deductible expenses consist of car expenses, representation costs and meal allowances.

The high effective tax rate in 2006 results from the fact that the tax losses of Transics International NV were not recognised as a deferred tax asset (see also section 7.4.12).

7.4.18 Long term receivables

Transics International NV	31/12/2006	31/12/2005	31/12/2004
In kEUR	Consolidated	Consolidated	Consolidated
	7.5 months	12 months	12 months
	IFRS	IFRS	IFRS
Trade receivables > 1 year	56	0	111
Total	**56**	**0**	**111**

7.4.19 Inventories

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Inventories trade goods	1,627	1,977	1,856
Total	**1,627**	**1,977**	**1,856**

Inventories are kept at Transics and include hardware items purchased from third parties. Items not rotating for one year are depreciated at 25% and each additional six months an additional depreciation of 25% is accounted for.

The amounts of the inventory, which are shown, are net amounts, after depreciation of slow moving inventory.

7.4.20 Tax receivables

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Income tax receivables	13	1	8
VAT recoverable	136	256	272
Total	**149**	**257**	**280**

7.4.21 Trade receivables

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Trade receivables	8,659	5,617	5,935
Invoices to be drawn up	128	250	491
Credit notes to be received	42	3	47
Cash advances	7	10	
Total	**8,836**	**5,880**	**6,473**

7.4.22 Other receivables

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Grants to be received	0	0	162
Other receivables	0	0	4
Total	**0**	**0**	**166**

Grants to be received contain capital and interest grants on employment. The grant was received in 2005.

7.4.23 Prepayments

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Prepaid interests	5	0	6
Other prepaid charges	74	97	76
Total	**79**	**97**	**82**

Other prepaid charges relate to the deferred costs and interests.

7.4.24 Cash and cash equivalents

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Cash	3	2	5
Bank accounts	2,516	1,193	1,172
Short term bank deposits	6,029	1,000	0
Total	**8,548**	**2,195**	**1,177**

The short term bank deposits of kEUR 1,000 as of 31 December 2005, was invested from 27 December 2005 till 3 January 2006 at an interest rate of 2.28%.

The short term bank deposits of kEUR 6,029 as of 31 December 2006 were invested for an amount of kEUR 3,000 from 7 December 2006 till 8 January 2007 at an interest rate of 3.55% and for an amount of kEUR 3,029 at an interest rate of 3.52%.

7.4.25 Share capital

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Class A Shares			
- number of issued shares	4,380,876	3,241,180	3,241,180
- share capital	4,381	2,059	2,059
Class B Shares			
- number of issued shares	1,076,536	1,293,600	1,293,600
- share capital	1,077	822	822
Class C Shares			
- number of issued shares	55,124	481,500	481,500
- share capital	55	306	306
Class D Shares			
- number of issued shares		0	0
- share capital		0	0

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Class E Shares			
- number of issued shares		1,360,560	1,360,560
- share capital		864	864
Class F Shares			
- number of issued shares		6,376,534	6,376,534
- share capital		4,050	4,050
Transaction costs	(8)	(93)	(92)
Total number of issued and outstanding shares	**5,512,536**	**12,753,374**	**12,753,374**
Total share capital	**5,505**	**8,007**	**8,008**

The share capital of Transics International NV was raised through the following transactions:

Date	Transaction	Number and class of shares issued	Issue price per share (EUR) (incl. issuance premium)	Capital increase (EUR)	Share capital after transaction	Aggregate number of shares after capital increase
INCORPORATION						
10 May 2006	Incorporation	61,500 Class A 0 Class B	EUR 1	EUR 61,500	EUR 61,500	61,500
CAPITAL INCREASE						
17 May 2006	Capital increase in cash	4,363,476 Class A 1,087,560 Class B	EUR 1	EUR 5,451,036	EUR 5,512,536	5,512,536
CONVERSION OF WARRANTS						
Immediately prior to IPO	Conversion	(to be completed)	EUR 1	(to be completed)	(to be completed)	(to be completed)

The evolution of the share capital and the rights related to those shares are described in section 3.4 of this document. All shares shall be converted to ordinary shares upon the completion of the offering.

7.4.26 Warrants

The extraordinary shareholders' meeting of Transics NV held on 25 April 2003, created the Class F Shares. A total of 6,376,534 Class F Shares were issued to increase the capital of Transics NV with EUR 3,999,999.78.

The extraordinary shareholders' meeting also decided to issue a bond loan of EUR 999,999.63, which will consist of 1,594,133 bonds with a value of EUR 0.6273 each. A warrant F was attached to each bond. The bond loan of EUR 999,999.63 has been repaid in 2005 and the warrants F were exercised on 18 May 2006.

Finally the shareholders of Transics NV decided to attach 10 anti-dilution warrants to each Class F Share and to each Bond cum Warrant F. Consequently 79,706,670 anti-dilution warrants F were created. The anti-dilution warrants F were never exercised and were all forfeited as of 18 May 2006.

7.4.27 Share-based compensation plans

The Company created several Stock Option Plans ("SOP") to grant options on its own shares to its personnel, directors and business associates. The following SOPs have been created in the past:

Date of creation of SOP	Number of created stock options	Grant date	Number of granted stock options	Exercise price EUR	Beneficiary
27/09/1999	416,640	27/09/1999	278,740	1.3386	Employees, consultants and directors
		03/04/2000	127,060	1.3386	Employees and consultants
24/03/2000	499,320	24/03/2000	499,320	1.3386	Directors
18/05/2006	1,087,560	18/05/2006	1,087,560	1.0000	Directors

SOP 1999

This stock option plan (SOP 1999) was created by the board of directors of Transics NV in September 1999. The board created 416,640 stock options of which 405,800 were granted in 1999 and 2000 to employees, consultants and directors.

The term of the stock options is 10 years starting from the grant date. The stock options can only be exercised starting from the earliest of six months after the first day that the shares of Transics NV are listed on a public stock exchange market or five years after the grant date. The stock options can not be exercised by employees who left the company, unless there is a formal approval by the board of directors. All options were granted for free. There is no vesting period.

As of 18 May 2006 all granted stock options were exercised and the 10,840 stock options which were never granted were forfeited.

SOP 2000

This stock option plan (SOP 2000) was created by the board of directors of Transics NV in March 2000. The board created 499,320 stock options. All created stock options were granted to directors.

The term of the stock options is 10 years starting from the grant date. The stock options can only be exercised starting from the earliest of six months after the first day that the shares of Transics NV are listed on a public stock exchange market or five years after the grant date. The stock options can not be exercised by employees who left the company, unless there is a formal approval by the board of directors. All options were granted for free. There is no vesting period.

As of 18 May 2006 all granted stock options were exercised.

SOP 2006

The extraordinary shareholders' meeting of Transics International NV held on 18 May 2006 created the stock option plan of 2006. Each Class B shareholder received a Warrant B for each Class B Share. In total 1,087,560 Warrants B were issued and granted.

Each warrant will give the right to subscribe to one share of Transics International NV for EUR 1. Upon the exercise of the warrants the Company shall issue a number of shares equal to the number of exercised warrants. The warrants can only be exercised under the following cumulative conditions:

- Shareholder A realises a complete exit, by way of a (single or consecutive) transfer of all its shares. For the purpose of this provision an IPO shall be deemed to be a complete exit; and
- Shareholder A realises a return on investment on all funds invested (both through equity and through shareholders' loans) in Transics International NV with a minimum multiple exceeding 2-times the invested funds.

The number of warrants which is exercisable will hence be dependent on the final offering price, as described in section 2.3.2.

Accounting policy of SOPs

IFRS 2 was not applied for the SOP 1999 and 2000, as both SOPs were granted before 7 November 2002.

IFRS 2 was not applied for the SOP 2006 as the cumulative conditions to exercise the stock options are not met as of 31 December 2006.

The evolution of the outstanding stock options and the weighted average exercise price is as follows:

		2006		**2005**		**2004**
	Weighted average exercise price EUR	**Number of options**	**Weighted average exercise price EUR**	**Number of options**	**Weighted average exercise price EUR**	**Number of options**
As of 1 January			1.3386	405,800	1.3386	405,800
Granted	1.0000	1,087,560		0		0
Forfeited				0		0
Exercised				0		0
As of 31 December	**1.0000**	**1,087,560**	**1.3386**	**405,800**	**1.3386**	**405,800**

The number of options outstanding in 2004 and in 2005 refers to the stock option plans issued by Transics NV. The number of options outstanding in 2006 refers to the stock option plan created by Transics International NV.

7.4.28 Loans

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Bank borrowings	15,278	258	
Finance leases	1,011	1,115	1,034
Other loans	19,199		42
Non current liabilities	**35,488**	**1,373**	**1,076**
Bank borrowings	2,180	167	129
Finance leases	105	107	100
Other loans		90	1,428
Current interest-bearing borrowings	**2,285**	**364**	**1,657**
Total	**37,773**	**1,737**	**2,733**

The bank borrowings relate to the Dexia facility of kEUR 18,000 and to loans for the acquisition of the land, holiday pay and year-end premiums.

The finance leases consist of a lease extended by Fortis Lease for the land and building and for equipment.

The other loans in 2004 were a debt towards supplier Myla regarding a settlement, which was paid off in 2006 and a bond loan against related parties of kEUR 1,000, which was paid off in 2005.

In 2006 other loans relate to the kEUR 18,787 of shareholders' loans. The interests on these shareholders' loans are capitalised as long term debt and paid at expiry date of the loan.

Transics International NV In kEUR Detail outstanding loans outstanding as of 31/12/2006	Year	Original amount	Currency	Securities	Interest rate	Term	First payment	Frequency of payments
Bank Borrowing								
Dexia Loan 15mio€	2006	15,000,000	Euro	pledge on shares	Euribor+ margin	7yrs	30/06/2007	yearly
Dexia Loan 3mio€	2006	3,000,000	Euro	pledge on shares	Euribor+ margin	3yrs	30/06/2009	on expiry date
Fortis loan	2005	295,111	Euro	underlying assets (land)	4.95%	8yrs	25/06/2006	yearly
Finance leases								
Fortis Lease 1	2001	1,788,827	Euro	underlying assets	5.32%	15yrs	09/11/2001	quarterly
Fortis Lease 2	2004	212,000	Euro	underlying assets	5.863%	13yrs	09/03/2004	quarterly
Other loans								
Shareholders' loans	2006	18,787,464	Euro	none	8%	10yrs		on expiry date
Total		**39,083,402**						

7.4.29 Finance leases

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Payable within one year	157	165	154
More than one year, but less than five years	584	603	531
More than five years	653	786	771
Total Payments Finance leases	**1,394**	**1,554**	**1,456**
Less interest payments	**278**	**332**	**322**
Net present value of lease obligations	**1,116**	**1,222**	**1,134**
Less lease obligations within one year	**105**	**107**	**100**
Net present value of long-term lease obligations	**1,011**	**1,115**	**1,034**

7.4.30 Bank overdrafts

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Straight loan Artesia	0	0	952
Straight loan Dailly	0	0	995
Total	**0**	**0**	**1,947**

The straight loan Artesia relates to a loan that was outstanding between 6 December 2004 and 5 January 2005 and was bearing an interest rate of 3.67%. Straight loan Credit du Nord (Dailly) relates to loans against pledge of invoices of Transics France for an average period of 3 months.

7.4.31 Deferred income

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Deferred maintenance contracts	681	591	457
Deferred interests	0	0	5
Deferred income	81	98	118
Other	0	28	74
Total	**762**	**717**	**654**

Maintenance contracts are invoiced in advance and recognised as revenue on a straight-line basis. Deferred income contains interest grants received, which are spread over the interest payments of the related loan.

7.4.32 Provisions

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Provision pensions	22	14	7
Provision litigations	0	22	0
Other provisions	0	7	0
Total	**22**	**43**	**7**

Pension provisions relate to provisions for the “indemnité de départ à la retraite” for employees of Transics France. The litigation provision relates to a legal issue that has been resolved in 2006.

7.4.33 Tax payables

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Income tax payables	219	0	36
VAT payable	467	438	519
Total	**686**	**438**	**555**

7.4.34 Trade payables

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Trade payables	3,537	3,222	2,504
Invoices to receive	922	181	225
Credit notes to be made	224	93	0
Total	**4,683**	**3,496**	**2,729**

7.4.35 Other payables

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Taxes on employment	152	117	149
Social security	178	157	219
Remuneration	2	16	361
Bonuses	292	280	82
Provision holiday pay	573	435	429
Accrued interest	647	1	65
Other payables	231	67	107
Total	**2,075**	**1,073**	**1,412**

Remuneration, taxes on employment and social security end 2004 reflect severance costs incurred. Accrued interest is related to the interests on the Dexia facility.

7.4.36 Other current liabilities

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Prepayments received from customers	0	10	0
Guarantees	194	148	96
Total	**194**	**158**	**96**

7.4.37 Financial instruments

The Transics Group activities are not exposed to significant financial risks related to foreign exchange or interest rates. Therefore no derivative financial instruments are used or in use, nor hedging activities or transactions conducted, running or planned, neither for operational or speculative purposes.

7.4.38 Related party transactions

Transactions between consolidated entities were eliminated in the consolidation and are therefore not included in the disclosures.

(a) Trading activities

Trading activities relate to the purchases from Toppower NV of hardware for internal use and software to be resold. Mr. Ludwig Lemenu is a shareholder and director of Toppower NV. Mr. Walter Mastelinck is a shareholder of Toppower NV.

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
COS	150	183	161
Total compensation trading activities	150	183	161
Outstanding payables	28	13	30

(b) Other related parties transactions

The employee benefits of the executive management and other related parties are listed below.

The executive management consists of the Chief Executive Officer, Executive Director, Financial Officer, Research & Development Officer, Sales & Marketing Officer and Customer Care Officer. From 2 May 2007 onwards an Operational Manager will join the executive management.

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Executive management			
Outside services	565	728	441
Wages and salaries	237	330	278
Pension costs - Defined contribution plans	6	10	9
Other expenses	32	51	49
Interest expenses	57	0	1
Total compensation executive management	**897**	**1,119**	**778**
Number of granted warrants	1,087,560	0	0
Accumulated warrants	1,087,560	541,200	541,200
Outstanding payables	**407**	**271**	**12**
Outstanding shareholders' loans	**1,088**	**0**	**4**

The outside services relate to the management fees invoiced by the executive management. The interest expense relate to the interests regarding the shareholders' loan, which was granted partly by members of the executive management.

The other related parties refer to shareholders and (former) directors of the company.

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	31/12/2005 Consolidated 12 months IFRS	31/12/2004 Consolidated 12 months IFRS
Other related parties			
Outside services	804	33	109
Interest expenses	919	0	119
Total compensation other related parties	**1,723**	**33**	**228**
Number of granted warrants	0	0	0
Accumulated warrants	0	1,754,440	1,754,440
Outstanding payables	**0**	**1**	**18**
Outstanding shareholders' loans	**17,699**	**0**	**996**

The outside services relate to fees invoiced by non-executive shareholders. The interest expenses relate to the interests regarding the shareholders' loan.

7.4.39 Contingencies

In the normal course of business, the Company and its subsidiaries are parties to various legal claims and complaints. Although it is not possible to predict the outcome of these matters, the Company's management does not expect that the results in any of these legal proceedings will have a material adverse effect on the Company's results of operations, financial position or cash flows.

As of 31 December 2006, 80% of the shares of Transics NV are pledged to Dexia Bank NV. This is related to the financing of the acquisition of the Operating Group by Transics International NV in May 2006.

A floating charge ("pand op handelszaak") has been established in favour of Dexia Bank NV for a total consolidated amount of kEUR 1,124.

Dexia Bank NV has issued a bank guarantee in favour of a major customer for a total amount of EUR 200,000 as at 31 December 2006. This will be reduced to EUR 100,000 as of 31 December 2007.

Historically, the Company has maintained a good social dialogue and a constructive relationship with its workforce and expects to continue to do so in the future.

The Company's operations are subject to extensive sets of laws and regulations, including permits and environmental regulations, which are subject to modification, renewal and revocation by issuing authorities. On an ongoing basis, the Company incurs costs relating to compliance with such laws, regulations and operating permits.

7.4.40 Commitments

(a) Capital commitments

There is one significant capital expenditure commitment, regarding the acquisition of licenses and implementation of a new ERP-software system. The total remaining commitment as of 31 December 2006 amounts to kEUR 169.

(b) Financial Leases

Assets that are financed by means of a financial lease remain the legal property of the leasing company (the leased assets can be re-called in case the company does not fulfil its leasing obligations) up to the date of full redemption of the lease and execution and payment of the purchase option.

The land owned by FLC NV is a security for the Fortis Loan of 2005 (see section 7.4.28).

7.4.41 Business combinations

(a) FLC NV

In December 2005 the Operating Group acquired 100% of the shares of FLC NV. This legal entity operates as a real estate company for the Transics Group and is currently the owner of the land on which the office building of the group's headquarter is located. The right to use the land has been transferred to the building leasing company until 1 March 2021 and is renewable for an additional period of 29 years. As from that date, FLC NV will be given full ownership rights on the land and will acquire the office building and other attached real estate assets and rights.

FLC NV is fully compliant with the accounting principles and policies applied by the Transics Group.

Detail of the net assets acquired and goodwill are based on the balance sheet as at 31 December 2005 of FLC NV:

	kEUR
Purchase consideration	104
Net asset as at 31/12/2005	(68)
Goodwill	36

The goodwill was allocated to the re-evaluated fair value of the land.

The income statement and balance sheet of FLC NV as at 31 December 2005 can be summarised as follows:

	kEUR 31/12/2005 **12 months** IFRS unaudited
Gross Profit	**11**
Revenue	11
Cost of sales (-)	0
Operating Expenses	**(5)**
Research and development expenses	0
Sales and marketing expenses	0
General and administration expenses	(5)
Other Operating Income/(expenses)	**0**
OPERATING RESULT	**6**
Finance income/(expenses)	**2**
RESULT BEFORE TAX	**8**
Income tax expense (income)	**(3)**
NET RESULT	**11**
EBITDA	**6**
FREE CASH FLOW	**11**

The revenue relates to the right to use the land that is invoiced to Transics NV, which is the company that uses the land as of today. In the consolidation this amount is eliminated.

	kEUR 31/12/2005 **12 months** IFRS unaudited
Non current assets	**218**
Land	218
Current assets	**88**
Receivable land lease	9
Loan to Transics NV	77
Deferred charges	1
Cash and cash equivalents	1

	kEUR 31/12/2005 **12 months** IFRS unaudited
TOTAL ASSETS	**306**
Shareholders' equity	**68**
Share capital	74
Accumulated losses	-6
Non current liabilities	**175**
Bank borrowings	175
Current liabilities	**63**
Bank borrowings (part due within one year)	13
Other borrowings	48
Accrued charges	2
TOTAL EQUITY AND LIABILITIES	**306**

(b) Transics NV (Operating Group)

On 18 May 2006, Transics International NV acquired 100% of the shares of Transics NV and thus the Operating Group. The acquisition price amounted to EUR 40.1 million, plus the capitalised transaction costs, which amounted to kEUR 596.

	kEUR
Purchase consideration	40,696
Capital increase in Transics NV as of 18 May 2006	(2,113)
Net assets as of 18 May 2006	(10,232)
Goodwill before fair value adjustment	28,351

As a result of the acquisition of the Operating Group, the fair value of the customer list, based on the recurrent revenue, has been recognised as an intangible asset. The Company has valued its recurrent revenue over a period of 5 years, as most of the maintenance contracts run for a period of 4 to 5 years. The gross value of the customer list amounts to kEUR 5,000, the net value (after deferred taxes) amounts to kEUR 3,300.

The remaining goodwill, kEUR 25,051, has not been allocated as no other assets, liabilities and contingent liabilities are separately identifiable. All remaining intangible assets, such as intellectual property, know-how, brand and trademarks relate to the on-board computer solutions and are not separately identifiable and cannot be recognised as a separate intangible asset in accordance with IAS 38.

The acquisition of the Operating Group has been financed with the shareholders' equity, the shareholders' loans (EUR 18.8 million) and the Dexia Bank NV facility (EUR 18 million).

The unaudited consolidated balance sheet and income statement of Transics NV in IFRS as of 18 May 2006 are shown below (before fair value adjustments).

Transics NV **In kEUR**	**18/05/2006** **Consolidated** **4.5 months** **unaudited**
Non Current Assets	**6,540**
Goodwill	137
Intangible assets	2,342
Property, plant and equipment	2,598
Deferred tax assets	1,463
Current Assets	**12,583**
Inventories	1,867
Tax receivables	237
Trade receivables	6,250
Other receivables	0
Prepayments	179
Cash and cash equivalents	3,989
Other current assets	61
TOTAL ASSETS	**19,123**

Transics NV **In kEUR**	**18/05/2006** **Consolidated** **4.5 months** **unaudited**
Shareholders' Equity	**10,232**
Share capital	8,007
Reserves	1,385
Result of the year	840
Non Current Liabilities	**1,390**
Bank borrowings	258
Finance leases	1,115

Transics NV In kEUR	18/05/2006 Consolidated 4.5 months unaudited
Other loans	0
Deferred tax liabilities	17
Current liabilities	**7,501**
Current interest-bearing borrowings	139
Bank overdrafts	0
Deferred income	677
Provisions	43
Tax payables	329
Trade payables	4,402
Other payables	1,751
Other current liabilities	160
TOTAL EQUITY AND LIABILITIES	**19,123**

Transics NV In kEUR	18/05/2006
Gross Profit	**5,295**
Revenue	7,565
Cost of sales (-)	(2,270)
Operating Expenses	**(3,936)**
Research and development expenses	(347)
Sales and marketing expenses	(2,787)
General and administration expenses	(802)
Other Operating Income/(expenses)	**(22)**
OPERATING RESULT	**1,337**
Finance income/(expenses)	**(24)**
RESULT BEFORE TAX	**1,313**
Income tax expense (income)	**473**
NET RESULT	**840**
EBITDA	**1,748**
FREE CASH FLOW	**543**

7.4.42 Events after the balance sheet date

(a) Business combinations

The Transics Group acquired 100% of the shares of Delta Industrie Service SA (DIS) in France. DIS is a French company that develops and sells solutions for the retrieval, archiving and processing of information from analogue and digital tachographs.

The initial acquisition price was kEUR 9,307, which includes a consideration for the net cash position of DIS as of 31 March 2007. An additional earn-out of maximum kEUR 8,000 could become due in 2009. The earn-out will be determined by a formula based on the future gross margin (GM(DIS)) generated by the Company on the sale of DIS products between 1 April 2007 and 31 December 2008. The formula is defined as follows:

- If 12/21 x GM (DIS) < kEUR 5,500, Earn-out = 0;
- If kEUR 5,500 < 12/21 x GM (DIS) < kEUR 9,500, Earn-out = 2 x (12/21 x GM (DIS) – kEUR 5,500);
- If 12/21 x GM (DIS) > kEUR 9,500, Earn-out = kEUR 8,000.

As of today the Company has made an estimate for the financial performance of DIS through 31 December 2008 which only takes into account the sales of DIS products in France. Based on these estimates it is not justified to accrue a possible earn-out as the budgeted gross margin will not exceed kEUR 5,500. However, the Company intends to export the DIS products outside of France and it is expected that the revenue and thus the gross margin of DIS will grow as a result. The Company has already hired a business development manager to lead this operation. However, as the estimates were not drawn at the time of writing and because there are still too many unpredictable variables, no earn-out has been accrued.

The acquisition of DIS has been financed with the cash and existing credit lines of the Company.

The balance sheet and income statement of DIS in IFRS as of 31 March 2007 are shown below (before fair value adjustments).

DIS In kEUR	31/03/2007 Consolidated 12 months IFRS
Non Current Assets	**354**
Goodwill	90
Property, plant and equipment	256
Investments	4
Deferred tax assets	4
Current Assets	**4,650**
Inventories	224
Trade receivables	876
Other receivables	33
Cash and cash equivalents	3,513
Other current assets	4
TOTAL ASSETS	**5,004**

DIS In kEUR	31/03/2007 Consolidated 12 months IFRS
Shareholders' Equity	**2,929**
Share capital	250
Reserves	648
Result of the year	2,031
Non Current Liabilities	**391**
Bank borrowings	335
Finance leases	56
Current liabilities	**1,684**
Current interest-bearing borrowings	23
Provisions	32
Tax payables	666
Trade payables	304
Other payables	659
TOTAL EQUITY AND LIABILITIES	**5,004**

DIS In kEUR	31/03/2007 DIS 12 months IFRS
Gross Profit	**4,568**
Revenue	5,273
Cost of sales (-)	(705)
Operating Expenses	**(1,542)**
Research and development expenses	(554)
Sales and marketing expenses	(738)
General and administration expenses	(250)
Other Operating Income/(expenses)	**(52)**
OPERATING RESULT	**2,974**
Finance income/(expenses)	**49**
RESULT BEFORE TAX	**3,023**
Income tax expense (income)	**992**
NET RESULT	**2,031**
EBITDA	**2,989**
FREE CASH FLOW	**2,020**

(b) Refinancing bank borrowings

On 26 March 2007, the companies of the Transics Group signed a credit facility agreement for a total of kEUR 31,000, arranged by Fortis Bank NV and ING Belgium NV. As of 27 March 2007, kEUR 28,000 of the facility were drawn and used to repay the shareholders' loans for a total amount of kEUR 10,000 (part of the outstanding loans and part of the capitalised interests) and the existing bank borrowing from Dexia Bank for a total amount of kEUR 18,000.

The credit facility agreements consist of the following loans:

- Facility A commitments (term loan) for a total amount of kEUR 16,000 over a period of 5 years, from 26 March 2007 onwards;
- Facility B commitments (bullet loan) for a total amount of kEUR 12,000 over a period of 6 years, from 26 March 2007 onwards;
- Revolving facility commitments or a total amount of kEUR 3,000 over a period of 5 years, from 26 March 2007 onwards.

The interest rate of each loan is variable, depending on the euribor rates and an additional margin stipulated in the credit facility agreement applicable for the facility and the loan period.

Following the refinancing operation in, the pledge on the shares of Transics NV in favour of Dexia Bank NV was terminated and was at this occasion replaced by a pledge on 100% of the shares of Transics NV, Transics Belux NV, Transics France SARL and Transics Nederland B.V in favour of ING Belgium NV and Fortis Bank NV.

The floating charge in favour of Dexia Bank NV was also released after the refinancing operation and a new floating charge was established in favour of ING Belgium NV and Fortis Bank NV for a total amount of kEUR 3,300.

Additionally, an undisclosed pledge of the receivables of Transics Nederland B.V. and Transics France SARL was established in favour of ING Belgium NV and Fortis Bank NV.

7.5. AUDITOR'S REPORT

7.5.1. Auditor's report on the consolidated financial statements of Transics NV for the years ended 31 December 2005 and 31 December 2004

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF TRANSICS NV ON THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

In accordance with the legal requirements, we report to you on the performance of the mandate of statutory auditor, which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statements.

Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements for the years ended 31 December 2005 and 2004, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of respectively kEUR 17,054 and kEUR 17,443 and respectively a profit of the year of kEUR 2,090 and a loss of the year of kEUR 444. These consolidated financial statements include subsidiaries, which have been audited by other auditors. Within the framework of our assignment on the consolidated financial statements, we obtained their clearance on the accounts of the related subsidiaries.

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting principles and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Reviseurs d'Entreprises / Instituut der Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement, whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the group's accounting system, as well as its internal control procedures. We have obtained from management and the company's officials, the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the appropriateness of the accounting principles and consolidation principles, the reasonableness of the significant accounting estimates made by the company, as well as the overall presentation of the consolidated financial statements. We believe that these procedures, together with the reports of other auditors on which we have relied, provide a reasonable basis for our opinion.

In our opinion, and based, to the extent necessary, upon the reports of other auditors, the consolidated financial statements for the years ended 31 December 2005 and 2004 give a true and fair view of the group's financial position, the results of its operations and cash flows in accordance with International Financial Reporting Standards as adopted by the European Union.

Merelbeke, 11 May, 2007

BDO Atrio Bedrijfsrevisoren Burg. CVBA
Statutory auditor
Represented by

Veerle Catry

7.5.2. Auditor's report on the consolidated financial statements of Transics International NV for the year ended 31 December 2006

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF TRANSICS INTERNATIONAL NV ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

In accordance with the legal requirements, we report to you on the performance of the mandate of statutory auditor, which has been entrusted to us. This report contains our opinion on the true and fair view of the consolidated financial statements as well as the required additional statements.

Unqualified audit opinion on the consolidated financial statements

We have audited the consolidated financial statements for the year ended 31 December 2006, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which show a balance sheet total of kEUR 54,336 and a profit for the year of kEUR 987. These consolidated financial statements include subsidiaries, which have been audited by other auditors. Within the framework of our assignment on the consolidated financial statements, we obtained their clearance on the accounts of the related subsidiaries.

Management is responsible for the preparation and the fair presentation of these consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting principles and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the Auditing Standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Reviseurs d'Entreprises / Instituut der Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement, whether due to fraud or error.

In accordance with the above-mentioned auditing standards, we considered the group's accounting system, as well as its internal control procedures. We have obtained from management and the company's officials, the explanations and information necessary for executing our audit procedures. We have examined, on a test basis, the evidence supporting the amounts included in the consolidated financial statements. We have assessed the appropriateness of the accounting principles and consolidation principles, the reasonableness of the significant accounting estimates made by the company, as well as the overall presentation of the consolidated financial statements. We believe that these procedures, together with the reports of other auditors on which we have relied, provide a reasonable basis for our opinion.

In our opinion, and based, to the extent necessary, upon the reports of other auditors, the consolidated financial statements for the year ended 31 December 2006 give a true and fair view of the group's financial position, the results of its operations and cash flows in accordance with International Financial Reporting Standards as adopted by the European Union.

Additional statements

The preparation of the consolidated Director's report and its content are the responsibility of management.

Our responsibility is to supplement our report with the following additional statements which do not modify our audit opinion on the consolidated financial statements:

The consolidated Director's report includes the information required by law and is consistent with the consolidated financial statements. We are, however, unable to comment on the description of the principal risks and uncertainties which the consolidated group is facing, and of its financial situation, its foreseeable evolution or the significant influence of certain facts on its future development. We can nevertheless confirm that the matters disclosed do not present any obvious inconsistencies with the information that we became aware of during the performance of our mandate.

Merelbeke, 11 May, 2007

BDO Atrio Bedrijfsrevisoren Burg. CVBA
Statutory auditor
Represented by

Veerle Catry

7.6. PRO FORMA CONSOLIDATED FINANCIAL INFORMATION 2006

7.6.1 Pro forma consolidated income statement

Transics International NV **In kEUR**	**31/12/2006** **Consolidated** **7.5 months** **IFRS**	**Pro forma** **Adjustments**	**31/12/2006** **Consolidated** **Pro forma** **12 months** **IFRS**	**31/12/2005** **Consolidated** **12 months** **IFRS**
Gross Profit	**12,394**	**5,297**	**17,691**	**12,297**
Revenue	17,692	7,566	25,258	18,567
Cost of sales (-)	(5,298)	(2,269)	(7,567)	(6,270)
Operating Expenses	**(8,159)**	**(4,311)**	**(12,470)**	**(8,627)**
Research and development expenses	(754)	(347)	(1,101)	(1,200)
Sales and marketing expenses	(5,092)	(2,831)	(7,923)	(5,913)
General and administration expenses	(2,313)	(1,133)	(3,446)	(1,514)
Other Operating Income/ (expenses)	**(68)**	**(25)**	**(93)**	**(96)**
OPERATING RESULT	**4,167**	**961**	**5,128**	**3,574**
Finance income/(expenses)	**(1,738)**	(1,087)	**(2,825)**	**(190)**
RESULT BEFORE TAX	**2,429**	**(126)**	**2,303**	**3,384**
Income tax expense (income)	**1,442**	344	**1,786**	**1,294**
NET RESULT	**987**	**(470)**	**517**	**2,090**

7.6.2 Pro forma consolidated balance sheet

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	Pro forma Adjustments	31/12/2006 Consolidated Pro forma 12 months IFRS	31/12/2005 Consolidated 12 months IFRS
Non Current Assets	**35,031**	**465**	**35,496**	**6,588**
Goodwill	25,188	840	26,028	137
Intangible assets	7,052	(375)	6,677	2,089
Property, plant and equipment	2,640	0	2,640	2,555
Deferred tax assets	95	0	95	1,807
Receivables	56	0	56	0
Current Assets	**19,305**	**0**	**19,305**	**10,466**
Inventories	1,627	0	1,627	1,977
Tax receivables	149	0	149	257
Trade receivables	8,836	0	8,836	5,880
Other receivables	0	0	0	0
Prepayments	79	0	79	97
Cash and cash equivalents	8,548	0	8,548	2,195
Other current assets	66	0	66	60
TOTAL ASSETS	**54,336**	**465**	**54,801**	**17,054**
Shareholders' Equity	**6,492**	**(470)**	**6,022**	**9,392**
Share capital	5,505	0	5,505	8,007
Reserves	0	0	0	(705)
Result of the year	987	(470)	517	2,090
TOTAL EQUITY	**6,492**	**(470)**	**6,022**	**9,392**
Non Current Liabilities	**37,137**	**481**	**37,618**	**1,373**
Bank borrowings	15,278	59	15,337	258
Finance leases	1,011	0	1,011	1,115
Other loans	19,199	550	19,749	0
Deferred tax liabilities	1,649	(128)	1,521	0
Current liabilities	**10,707**	**454**	**11,161**	**6,289**
Current interest-bearing borrowings	2,285	0	2,285	364
Bank overdrafts	0	0	0	0
Deferred income	762	0	762	717
Provisions	22	0	22	43
Tax payables	686	0	686	438
Trade payables	4,683	0	4,683	3,496
Other payables	2,075	454	2,529	1,073
Other current liabilities	194	0	194	158
TOTAL EQUITY AND LIABILITIES	**54,336**	**465**	**54,801**	**17,054**

7.6.3 Pro forma consolidated cash flow statement

Transics International NV In kEUR	31/12/2006 Consolidated 7.5 months IFRS	Pro forma Adjustments	31/12/2006 Consolidated Pro forma 12 months IFRS	31/12/2005 Consolidated 12 months IFRS
Cash and cash equivalents, beginning balance	**0**	**0**	**0**	**1,177**
Cash flows relating to operations	**3,631**	**2,751**	**6,382**	**5,813**
Profit (loss) from operations	*4,167*	*961*	*5,128*	*3,574*
Profit of the year	987	*(470)*	517	2,090
Interest expense	1,816	*1,097*	2,913	198
Interest income (-)	(78)	*(10)*	(88)	(8)
Income tax expense (income)	1,442	*344*	1,786	1,294
Non cash adjustments	*1,284*	*785*	*2,069*	*1,197*
Depreciation and amortisation	1,413	*785*	2,198	1,107
Impairment losses	0	*0*	0	0
Write off inventory	(108)	*0*	(108)	54
Increase (decrease) in provisions	(21)	*0*	(21)	36
Other non cash adjustments				
Decrease (increase) in working capital	*(1,784)*	*1,018*	*(766)*	*1,042*
Decrease (increase) in inventories	348	*110*	458	(175)
Decrease (increase) in trade and other receivables	(2,460)	*(432)*	(2,892)	717
Increase (decrease) trade and other payables	328	*1,340*	1,668	500
Other increase (decrease) in working capital	0	*0*	0	0
Income tax (paid)/refunded	*(36)*	*(13)*	*(49)*	*0*
Cash flows relating to investing activities	**(35,681)**	**(2,492)**	**(38,173)**	**(1,429)**
Acquisitions	(34,594)	*(1,794)*	(36,388)	(103)
Internally developed R&D	(734)	*(441)*	(1,175)	(841)
Purchases of other intangibles	(155)	*(93)*	(248)	(44)
Purchases of property, plant and equipment	(291)	*(174)*	(465)	(612)
Disposals	15	*0*	15	1
Government grants received	0	*0*	0	162
Interest received	78	*10*	88	8
Cash flows relating to financing activities	**40,598**	**(259)**	**40,339**	**(3,366)**
Capital increase	5,512	*0*	5,512	0
New loans	35,288	*0*	35,288	385
Repayment of finance leases (-)	(52)	*(78)*	(130)	(100)
Repayment of loans (-)	(87)	*(147)*	(234)	(1,441)
Bank overdrafts increased (decreased)	0	*0*	0	(1,947)
Interest paid (-)	(63)	*(34)*	(97)	(263)
Net increase in cash and cash equivalents	**8,548**	**0**	**8,548**	**1,018**
Cash and cash equivalents, ending balance	**8,548**	**0**	**8,548**	**2,195**

7.6.4 Notes to the pro forma consolidated financial information of 2006

As a result of the business combination of Transics NV in May 2006, described in section 7.4.41, the income statement of 2006 and 2005 are not directly comparable (7.5-month results for 2006 compared to 12-month results for 2005).

In order to address this point and to improve the comparability of the income statements for 2006 and 2005, pro forma consolidated financial information for the 12 months of 2006 was prepared. The following restatements were made to establish the pro forma consolidated financial statements of Transics International NV for 2006:

(a) Results of Transics NV and subsidiaries for 12 months

The revenue and cost of sales of Transics NV and its subsidiaries were taken into account for 12 months in the pro forma consolidated financial information of 2006. The other operating income and expenses, financial income and expenses and the tax expenses were also taken into account for 12 months.

(b) Results of Transics International NV for 12 months

Transics International NV was constituted as of 10 May 2006. In the pro forma consolidated financial information of 2006 Transics International NV is assumed to have been constituted on 1 January 2006. As a result, the interest expenses on the Dexia Bank NV loans (EUR 18 million) and the shareholders' loans (EUR 18.7 million) of Transics International NV were taken into account for 12 months, instead of 7,5 months (from 18 May 2006 till 31 December 2006). Consequently the amount of other payables increased by kEUR 454 due to capitalised interests on the Dexia loans for the period from 1 January 2006 to 18 May 2006. The amount of non current other loans increased by kEUR 550 due to the capitalised interest on the shareholders' loans for the period from 1 January 2006 to 18 May 2006. Deferred taxes were adjusted accordingly.

(c) Goodwill regarding the business combination of Transics NV

Since the 12-month income statement of the Operating Group (Transics NV and its subsidiaries) is included in the pro forma consolidated financial information of 2006, the goodwill resulting from the business combination of Transics NV had to be restated. The goodwill as of 1 January 2006 for the pro forma information of 2006 is calculated as follows.

The acquisition price amounted to EUR 40.1 million, plus the capitalised transaction costs, which amounted to kEUR 596. The net assets of Transics NV amount to kEUR 9,392. Also the capital increase in Transics NV as of 18 May 2006 has been taken into account for the pro forma consolidated financial information of 2006 as if the capital increase took place on 1 January 2006.

	kEUR
Purchase consideration	40,696
Capital increase in Transics NV	(2,113)
Net assets as of 1 January 2006	(9,392)
Goodwill	29,191

As a result of the acquisition of the Operating Group, the fair value of the customer list, based on the recurrent revenue, has been recognised as an intangible asset. The Company has valued its recurrent revenue over a period of 5 years, as most of the maintenance contracts run over a period of 4 to 5 years. The gross value of the customer list amounts to kEUR 5,000, the net value (deferred taxes) amounts to kEUR 3,300. In the pro forma financial information the customer list has been amortised over 12 months. Deferred taxes were adjusted accordingly.

The remaining goodwill, kEUR 25,891, has not been further allocated as no other assets, liabilities and contingent liabilities are separately identifiable.

The net purchase price mentioned in the cash flow statement of the pro forma financial information of 2006 amounts to kEUR 36,388. The difference with the net purchase price mentioned in the consolidated cash flow statement of 2006 amounts to kEUR 1,794 and results from the difference between the cash acquired as of 1 January 2006 (kEUR 2,195) and as of 18 May 2006 (kEUR 3,989).

7.7. PRO FORMA CONSOLIDATED FINANCIAL INFORMATION 2006, INCLUDING DIS

7.7.1 Pro forma consolidated income statement

Transics International NV In kEUR	**31/12/2006 Consolidated Pro forma 12 months IFRS**	**31/03/2007 DIS 12 months IFRS**	**Pro forma Conso, incl. DIS Adjustments**	**31/12/2006 Conso incl. DIS Pro forma 12 months IFRS**
Gross Profit	**17,691**	**4,568**	**0**	**22,259**
Revenue	25,258	5,273	0	30,531
Cost of sales (-)	(7,567)	(705)	0	(8,272)
Operating Expenses	**(12,470)**	**(1,542)**	**(190)**	**(14,202)**
Research and development expenses	(1,101)	(554)	0	(1,655)
Sales and marketing expenses	(7,923)	(738)	0	(8,661)
General and administration expenses	(3,446)	(250)	(190)	(3,886)
Other Operating Income/(expenses)	**(93)**	**(52)**	**0**	**(145)**
OPERATING RESULT	**5,128**	**2,974**	**(190)**	**7,912**
Finance income/(expenses)	**(2,825)**	**49**	**(547)**	**(3,323)**
RESULT BEFORE TAX	**2,303**	**3,023**	**(737)**	**4,589**
Income tax expense (income)	**1,786**	**992**	**(63)**	**2,715**
NET RESULT	**517**	**2,031**	**(674)**	**1,874**

7.7.2 Pro forma consolidated balance sheet

Transics International NV In kEUR	31/12/2006 Consolidated Pro forma 12 months IFRS	31/03/2007 DIS 12 months IFRS	Pro forma Conso, incl. DIS Adjustments	31/12/2006 Conso incl. DIS Pro forma 12 months IFRS
Non Current Assets	**35,496**	**354**	**8,978**	**44,828**
Goodwill	26,028	90	8,218	34,336
Intangible assets	6,677	0	760	7,437
Property, plant and equipment	2,640	256	0	2,896
Investments		4	0	4
Deferred tax assets	95	4	0	99
Receivables	56	0	0	56
Current Assets	**19,305**	**4,650**	**0**	**23,955**
Inventories	1,627	224	0	1,851
Tax receivables	149	0	0	149
Trade receivables	8,836	876	0	9,712
Other receivables	0	33	0	33
Prepayments	79	0	0	79
Cash and cash equivalents	8,548	3,513	0	12,061
Other current assets	66	4	0	70
TOTAL ASSETS	**54,801**	**5,004**	**8,978**	**68,783**
Shareholders' Equity	**6,022**	**2,929**	**(1,572)**	**7,379**
Share capital	5,505	250	(250)	5,505
Reserves	0	648	(648)	0
Result of the year	517	2,031	(674)	1,874
TOTAL EQUITY	**6,022**	**2,929**	**(1,572)**	**7,379**
Non Current Liabilities	**37,618**	**391**	**254**	**38,263**
Bank borrowings	15,337	335	0	15,672
Finance leases	1,011	56	0	1,067
Other loans	19,749	0	0	19,749
Deferred tax liabilities	1,521	0	254	1,775
Current liabilities	**11,161**	**1,684**	**10,296**	**23,141**
Current interest-bearing borrowings	2,285	23	9,749	12,057
Deferred income	762	0	0	762
Provisions	22	32	0	54
Tax payables	686	666	0	1,352
Trade payables	4,683	304	0	4,987
Other payables	2,529	659	547	3,735
Other current liabilities	194	0	0	194
TOTAL EQUITY AND LIABILITIES	**54,801**	**5,004**	**8,978**	**68,783**

7.7.3 Pro forma consolidated cash flow statement

Transics International NV **In kEUR**	**31/12/2006** **Consolidated** **Pro forma** **12 months** **IFRS**	**31/03/2007** **DIS** **12 months** **IFRS**	**Pro forma** **Conso, incl. DIS** **Adjustments**	**39,082** **Conso incl. DIS** **Pro forma** **12 months** **IFRS**
Cash and cash equivalents, beginning balance	**0**	**0**	**0**	**0**
Cash flows relating to operations	**6,382**	**2,202**	**0**	**8,584**
Profit (loss) from operations	*5,128*	*2,974*	*(190)*	*7,912*
Profit of the year	517	2,031	(674)	1,874
Interest expense	2,913	5	547	3,465
Interest income (-)	(88)	(54)	0	(142)
Income tax expense (income)	1,786	992	(63)	2,715
Non cash adjustments	*2,069*	*(10)*	*190*	*2,249*
Depreciation and amortisation	2,198	15	190	2,403
Write off inventory	(108)	0	0	(108)
Increase (decrease) in provisions	(21)	(25)	0	(46)
Other non cash adjustments				
Decrease (increase) in working capital	*(766)*	*(389)*	*0*	*(1,155)*
Decrease (increase) in inventories	458	(67)	0	391
Decrease (increase) in trade and other receivables	(2,892)	194	0	(2,698)
Increase (decrease) trade and other payables	1,668	(516)	0	1,152
Income tax (paid)/refunded	*(49)*	*(373)*	*0*	*(422)*
Cash flows relating to investing activities	**(38,173)**	**(8,540)**	**0**	**(46,713)**
Acquisitions	(36,388)	(8,568)	0	(44,956)
Internally developed R&D	(1,175)	0	0	(1,175)
Purchases of other intangibles	(248)	0	0	(248)
Purchases of property, plant and equipment	(465)	(26)	0	(491)
Disposals	15	0	0	15
Interest received	88	54	0	142
Cash flows relating to financing activities	**40,339**	**9,851**	**0**	**50,190**
Capital increase	5,512	0	0	5,512
New loans	35,288	9,889	0	45,177
Repayment of finance leases (-)	(130)	(12)	0	(142)
Repayment of loans (-)	(234)	(21)	0	(255)
Interest paid (-)	(97)	(5)	0	(102)
Net increase in cash and cash equivalents	**8,548**	**3,513**	**0**	**12,061**
Cash and cash equivalents, ending balance	**8,548**	**3,513**	**0**	**12,061**

7.7.4 Notes to the pro forma consolidated financial information of 2006, including DIS.

The acquisition of Delta Industrie Service SA (DIS) occurred on 2 April 2007. In order to illustrate the effect of Delta Industrie Services on the balance sheet, the income statement and the cash flow statement of the Transics Group, the following financial information is provided:

- Pro forma consolidated balance sheet of Transics International NV as of 31 December 2006 including the acquisition of DIS as of 1 April 2006.
- Pro forma consolidated income statement and cash flow statement of Transics International NV from 1 January 2006 till 31 December 2006, including the results of DIS from 1 April 2006 to 31 March 2007.

Until 31 March 2007 the fiscal year of Delta Industrie Services covered the period from 1 April till 31 March. Starting from 2008 the fiscal year end of DIS will be aligned with that of the other entities of the Transics Group. Therefore, fiscal year 2007 will cover the 9-month period from 1 April 2007 to 31 December 2007.

The financial statements of the subsidiary DIS are prepared as of a different balance sheet date (31 March) than the reporting date of the Transics Group (31 December). According to IAS 27, as the difference between the reporting date of DIS and the reporting date of the Transics Group is limited to 3 months, the financial statements of DIS for the 12-month period ending on 31 March 2007 can be added to the pro forma consolidated statements of the Transics Group as of 31 December 2006.

In addition, the following restatements were made to the pro forma financial information of Transics International NV for 2006 (see section 7.6):

(a) Consolidation of DIS (12-month figures)

In the pro forma financial information of 2006, including DIS, the income statement of DIS for the 12-month period ended 31 March 2007 has been added to the pro forma financial information of 2006, which was provided under section 7.6.

(b) Goodwill regarding the business combination of DIS.

For the financial information provided in this section, the goodwill related to the DIS acquisition is calculated as of 1 April 2006.

The goodwill is calculated as follows:

Purchase consideration	9,749
Net assets as of 1 April 2006	(898)
Goodwill	8,851

The acquisition price of DIS was kEUR 9,307. The capitalised transaction costs amounted to kEUR 442. The net assets of DIS as of 1 April 2006 amounted to kEUR 898. The dividends paid in 2006 to the former shareholders of DIS on the result of fiscal year 2005-2006 are deducted from the net assets as of 1 April 2006.

Following the acquisition of DIS, the fair value of the DIS customer list, which is estimated on the basis of the DIS recurrent revenue, has been recognised as an intangible asset that amounts to kEUR 950. The customer list will be amortised over a period of 5 years. In the pro forma consolidated financial information including DIS, the customer list is amortised starting 1 April 2006 for a period of 12 months. The gross value of the customer list amounts to kEUR 950, the net value (after consideration of the deferred taxes) amounts to kEUR 633.

The remaining goodwill of kEUR 8,218 has not been allocated as no other assets, liabilities and contingent liabilities are separately identifiable in accordance with IAS 38.

The net purchase price of acquisitions mentioned in the cash flow statement of the pro forma financial information including DIS of 2006 amounts to kEUR 44,956. The difference with the net purchase price mentioned in the cash flow statement of the pro forma financial information amounts to kEUR 8,568. This is the purchase consideration related to the DIS acquisition minus the cash as of 1 April 2006, which amounts to kEUR 1,181.

(c) Financing of the DIS acquisition

In the pro forma consolidated financial information of 2006, the acquisition of DIS by the Transics Group was considered as being financed by a straight loan as from 1 April 2006 till 31 March 2007. The straight loan was issued at an interest rate of 5,614% (Euribor + margin). The debt (kEUR 9,749) and the capitalised interests (kEUR 547) as of 31 March 2007 were recorded respectively under the current interest-bearing borrowings and the other payables. This new debt is included in the cash flow statement under the financing activities, under the item “new loans”.

(d) Statutory financial statements of DIS as of 31 March 2007

The statutory financial statements of DIS as of 31 March 2007 are provided under section 7.4.42. Following matters need further explanatory comments.

The goodwill included in the financial statements of DIS (kEUR 90) relates to the incorporation of the company in 1992. DIS absorbed two limited liability companies in the past: ICI and IMF. The merger goodwill results form the surplus value between the purchase price of the shares and the fair value of the net assets of these companies. The goodwill has not been amortised. There are no indications that an impairment of the value should be considered.

No intangible assets are recognised by DIS. All research and development costs are expensed when incurred, as the criteria of IAS 38 to recognise intangible assets are not met.

The fixed assets mainly relate to the building which is depreciated over a period of 30 years. Part of the building is financed by a financial lease (“Crédit bail”). Under IFRS the lease of the building qualifies as a financial lease and the building and the lease debt are reflected in the balance sheet. The impact on deferred taxes has been recorded accordingly.

The investments relate to a minority participation (23.46%) in ANC Sytèmes SàRL. The assets are recorded at the historical cost. No impairment is needed.

A provision (kEUR 32) has been recorded under IFRS for the defined benefit plans of the employees of DIS. The impact on deferred taxes has been recorded accordingly.

7.8. INDEPEDENT ACCOUNTS' REPORT ON THE PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

To the Board of Directors
Transics International NV
Ieper, Belgium

We have examined the pro forma adjustments reflecting the transactions described in the pro forma notes and the application of those adjustments to the historical amounts of the accompanying pro forma consolidated financial information of Transics International NV. The pro forma consolidated financial information comprises pro forma consolidated balance sheets of Transics International NV as of December 31, 2006, and pro forma consolidated income statements and cash flow statements for the year then ended. The historical financial statements are derived from the historical consolidated financial statements of Transics International NV, which were audited by us, and from the historical financial statements of Delta Industrie Service SA, in accordance with French GAAP, which were audited by other accountants. Such pro forma adjustments are based upon management's assumptions described in the pro forma notes. Transics International NV's management is responsible for the pro forma consolidated financial information.

Our responsibility is to express an opinion on the pro forma consolidated financial information based on our examination. Our examination was conducted in accordance with the legal requirements and the standards and recommendations applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Reviseurs d'Entreprises / Instituut der Bedrijfsrevisoren) and, accordingly, included such procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The objective of this pro forma consolidated financial information is to show what the significant effects on the historical consolidated financial statements of 31 December 2006 might have been if the transactions had occurred at an earlier date and if the group had existed in the structure created by the transactions throughout the entire reporting period. However, the pro forma consolidated financial information is not necessarily indicative of the results of operations or related effects on the financial position that would have been attained had the above-mentioned transactions actually occurred earlier.

In our opinion, the pro forma consolidated financial information has been properly compiled on the basis stated in the pro forma notes. This basis is consistent with the accounting policies adopted by Transics International NV in its consolidated financial statements as of 31 December 2006.

Merelbeke, 11 May, 2007

BDO Atrio Bedrijfsrevisoren Burg. CVBA
Represented by

Veerle Catry

8. GLOSSARY

8.1. FINANCIAL GLOSSARY

Articles of association	The articles of association of Transics.
Belgian GAAP	Generally accepted accounting principles in Belgium
CAGR	Compounded Annual Growth
CBFA	Banking, Finance and Insurance Commission in Belgium (Commissie voor het Bank-, Financie- en Assurantiewezen / Commission Bancaire, Financière et des Assurances).
CET	Central European Time
CIK	The Inter-professional Securities Depositing Trust in Belgium (Interprofessionele Effectendeposito- en Girokas / Caisse Interprofessionnelle de Dépôts et de Virements de Titres).
EUR or Euro	Euro, the legal currency of the European Monetary Union, of which Belgium is one of the members.
Euronext Brussels	Euronext Brussels SA/NV, located in Brussels, Belgium.
Gearing ratio	The gearing ratio expresses, in percentages, how the total financial debt relates to the total equity.
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union.
VVPR	Reduced withholding tax (Verminderde Voorheffing / Précompte Réduit)

8.2. BUSINESS GLOSSARY

ASP	Application Service Provider model
CAN	Controller Area Network, a network for communications of data between components of a vehicle
ERP	ERP (enterprise resource planning) is an industry term for the broad set of activities supported by multi-module application software that helps a manufacturer or other business manage the important parts of its business, including product planning, parts purchasing, maintaining inventories, interacting with suppliers, providing customer service, and tracking orders. ERP can also include application modules for the finance and human resources aspects of a business. Typically, an ERP system uses or is integrated with a relational database system. The deployment of an ERP system can involve considerable business process analysis, employee retraining, and new work procedures.
FMS or Fleet Management System	Telematics can (amongst others) be used to manage resources, assets and/or goods in the transportation industry ("Fleet Management"). The aim of Fleet Management is to optimise daily operations by increasing efficiency and reducing costs and to improve customer services. The tools or solutions used to perform Fleet Management are generally referred to as Fleet Management Systems.
GPRS	General Packet Radio System, a package switched wireless communication protocol
GPS	Global Positioning System
GSM	Global System for Mobile Communication, a circuit switched wireless telecommunications protocol used in Europe.
Hosting	The providing of server capacity to third parties to store databases, to run applications, to publish websites, etc.
ICT	Information Communication Technology
JIT	Just in Time
OBC or on-board computer	These hardware devices are installed in the cabin of a truck and serve multiple purposes. It serves as a platform on which the truck applications can run. Furthermore it serves as a processing platform and communication gateway ('hub') where all data from the truck, driver and load are collected and sent to the transport company's back office. They are potentially suitable as hardware platform for a complete fleet management system allowing the controlling, monitoring and managing of trucks, drivers and cargos.
OBU or on-board unit	These devices are installed in the truck and are designed to perform a single specific task. Examples of such devices include vehicle tracking units, road charging units and basic sensors/switches alerting fleet managers if e.g. a door is open or temperature passes a predefined level. These devices operate in a closed hard-and software environment and can not be extended with other functionalities.
OEM or original equipment manufacturer	Original equipment manufacturer, or OEM, is a term that refers to a situation in which one company purchases a manufactured product from another company and resells the product as its own, usually as a part of a larger product it sells. In this context the term refers to truck manufacturers also selling FMS solutions and integrating these products in their trucks.

PDA	Personal Digital Assistant
PND	Personal Navigation Device
RFID	Radio Frequency Identification
RPM	Rotations per minute
SIM Card	A card that is embedded in a mobile communications device to allow the device to be identified by the wireless telecommunications provider.
SMS	Short Message Service
Telematics	Telematics stands for the integrated use of telecommunications and informatics, allowing to send, receive, store and process information via telecommunication devices. More commonly, the term "telematics" often refers to the use of Global Positioning System (GPS) technology integrated with computers and mobile communications technology.
WiMax	WiMax is the industry term for a long-range wireless networking standard. WiMax technology has the potential to deliver high-speed Internet access to rural areas and other locations not serviced by cable or DSL technology. WiMax also offers an alternative to satellite Internet services.
ZigBee	ZigBee is the name of a specification for a suite of high level communication protocols using small, low-power digital radios based on the IEEE 802.15.4 standard for wireless personal area networks (WPANs).

APPENDIX 1: PRESS RELEASES 2005-2007

Below is a summary of the press releases issued by Transics in 2005, 2006 and 2007. For further information relating to the contents of these press releases, referral is made to the Company's website www.transics.com.

APPENDIX 2: SUBSCRIPTION FORM

Limited Liability Company
(*naamloze vennootschap*)
Ter Waarde 91
8900 Ieper
Belgium
Registered with Register of Legal Entities (Ieper) under company number 0881.300.923

OFFERING FOR SUBSCRIPTION OF UP TO EUR 40 MILLION IN EXISTING AND NEWLY ISSUED SHARES

SUBSCRIPTION FORM (to be completed in duplicate)

The undersigned (first name and last name) ……………………………………………………………
Residing at ……………………………………………………………., street, n° …………………..
Having had the opportunity to read the prospectus, declares to subscribe for the offered shares:

❑ **In the institutional tranche**

Number of shares[1]	At a price below (in EUR)
……………….………	………………………...……
……………….………	………………………...……
……………….………	………………………...……

❑ **In the retail tranche: open to all investors**

…………...………. shares[2] at the price published in the press on or about 16 June 2007 as follows

The offering price that will be determined through a book building procedure with international investors within the price range but which will, for retail investors, never exceed the upper end of the initial price range published on or about 2 June 2007 must be debited from my account N° …………….............………, on the payment date expected to be on 21 June 2007.

I would like these offered shares:
❑ to be REGISTERED IN MY NAME in the Company's share register
❑ to be deposited in my securities account N° ……………...…...…… with ……...........…………..

Done in duplicate, at ………………….....……………., on …….......……………………… 2007

The financial institution   The subscriber

1 Fill out the number of offered shares requested
2 Fill out the number of offered shares requested
❑ Tick where appropriate

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Transics International NV
Ter Waarde 91 - 8900 Ieper - Belgium
Tel: +32 (0)57 34 61 71 - Fax: +32 (0)57 34 61 70
www.transics.com