

**EIGHTEENTH REPORT PURSUANT TO ARTICLE 73A OF THE BANKRUPTCY ACT AND REPORT PURSUANT TO ARTICLE 137 OF THE BANKRUPTCY ACT IN THE BANKRUPTCIES OF**

**Landis Group N.V.** (bankruptcy number 02/238F)

**Landis Group B.V.** (bankruptcy number 02/239F)

**Landis Group International B.V.** (bankruptcy number 02/146F)

**Landis ICT Group B.V.** (bankruptcy number 02/145F)

**Detron Zakelijke Netwerken B.V.** (bankruptcy number 02/154F)

**Detron Group B.V.** (bankruptcy number 02/333F)

all having their registered office in Utrecht

**Detron Metaal B.V.**, having its registered office in Zaltbommel (bankruptcy number 209/2002 MB)

**ICT.com B.V.**, having its registered office in Nieuw Vennepe (bankruptcy number F132/2002)

Bankruptcy judge: A.C. Schroten

Receivers: W.J.M. van Andel, P.O. Box 354, 3500 AJ, Utrecht  
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Utrecht, 5 November 2007

## INTRODUCTION

The receivers have opted to record their findings regarding the above companies in one report in view of the relationship between the various companies. Where necessary, the companies will be discussed individually.

The receivers are still involved in a number of claim validation proceedings and have had to spend time on the first distribution to creditors. In addition, the receivers have been busy winding up foreign subsidiaries. Next, the receivers have spent time on the preparation of a complaint against the former accountant of Landis. Insofar as necessary this report is to be read in conjunction with the previous reports.

A Dutch and an English version of this report are available. In the event of a difference in interpretation, the Dutch version shall prevail.

This report is intended to provide information to interested parties pursuant to Article 73a of the Bankruptcy Act. No rights can be derived from this report.

### 1. **Bank consortium**

For the time being, this has been completed.

### 2. **Description per company**

Supplementary to previous reports, a description per (bankrupt) company follows insofar as there is anything to report on the company in question.

#### 2.1. ***Landis UK Plc / Landis ICT Services Ltd./ Data Connectivity***

According to planning, the liquidation of the English companies should be completed in the course of 2007. Pursuant to this, the bankrupt estate of Landis ICT Group BV has still received a payment in the amount of € 909,487.02.

#### 2.2. ***Landis ICT Group S.A. (France)***

The French receiver has acknowledged some of the claims presented in these bankruptcy proceedings. However, claims of Landis ICT Group B.V., among others, have been contested. Landis ICT Group B.V. has approached the creditors with acknowledged claims and offered to buy their claims. The goal of this operation is to accelerate the winding-up of the French bankruptcy. Landis ICT Group B.V. now owns more than 74% of the acknowledged claims in the French bankruptcy. All claims in the bankruptcy contested by the receiver are held by Dutch Landis companies. The winding-up of this French bankruptcy (Liquidation Judiciaire) will mean that the receiver will pay 100% of all acknowledged claims; the creditors with contested claims held by Dutch Landis companies will not object thereto. The receivers are currently considering how this French company can best be wound up. The choice is between conversion of the current Liquidation Judiciaire into the so-called Liquidation Amiable (can be compared with a liquidation) and a Transmission Universale du Patrimoine (TUP). The last solution provides that all assets and liabilities of the Landis ICT Group SA are incorporated in the 100% parent company, with as consequence that the French company ceases to exist. The receivers are investigating if this solution is wise under the circumstances and, in particular, if it has no unforeseen tax consequences.

#### 2.3. ***Denmark, Norway and Sweden***

The liquidation of these companies has meanwhile been completed. In the period of the report, Landis ICT Group received a liquidation payment from the Danish subsidiary in the amount of € 1.2 million rounded.

2.4. **Landis ICT Group SA (Spain)**

All affairs of this company have been wound up. It has been decided that this company will not be liquidated for the time being, but sold, as it represents some value.

2.5. **Landis ICT Group GmbH (Germany)**

For the time being wound up.

2.6. **Landis ICT Group N.V. (Belgium)**

By judgment dated 23 February 2006 the Commercial Court of Antwerp declared this company bankrupt by default judgment and appointed Mr. Henquin as receiver. This bankruptcy was pronounced on the petition of the Belgian revenue service with regard to an official claim of € 45 million. This demand is not actually owed; for this reason an objection has been lodged against the declaration of bankruptcy. In addition, an appeal has been filed against the wrongly imposed tax demands. At this point it is still unclear how these proceedings will end. Expectations are that this will become clear in the course of 2008.

2.7. **Landis ICT Group GmbH (Austria)**

This file has been completely wound up.

2.8. **Landis ICT Group B.V.**

2.8.1. Assets

a. **Personal property**

For the time being, this item has been completely wound up.

b. **Receivables and work in progress**

From 23 April 2002 an amount of € 23.5 million rounded was received with regard to receivables and work in progress. This amount is exclusive of the Intercompany claims pursuant to the first distribution, paid and collected between the Landis companies, but includes the reclaimed VAT on the estate period. Regarding intercompany claims, the Landis companies paid each other € 6.7 million rounded.

Currently there are still receivables claims (excluding intercompany claims) outstanding, totalling a limited amount. The receivers do not deem it the right time to give an opinion on the value of the remaining receivables portfolio

c. **Shares in subsidiaries**

These companies will be liquidated insofar as possible.

2.8.2. Takeovers accomplished

- *Datatec/Westcon*  
This takeover has now been fully completed.
- *Future Telecom B.V. and Westminster Capital B.V. (now Detron Corporation B.V.)* Fully completed.
- *Foundation*  
No new developments to report.

### 3. **Status of the estates**

The receivers have drawn up interim financial reports of the status as of 11 April 2007 for each bankruptcy and attached them to this report as **Appendix 1**.

On 1 November 2007 the total realised assets were € 41.7 million rounded. This is offset by € 10.1 million in bankruptcy costs and settled debts of the estates. Also to be deducted from the assets is an amount of € 4 million of the proceeds of the security, to which, pursuant to the settlement, the banks are entitled. Pursuant to the first distribution, an amount of € 12.4 million has been paid to the creditors and an amount of ± € 0.8 million must still be paid. In addition, the estate claims of the UWV in the amount of € 5.8 million must still be paid and the receivers have made a provision in the amount € 3 million for claims of the tax authorities. The currently remaining free assets are therefore € 5.6 million rounded.

The financial reports have a provisional character and no rights can be derived from them. In particular, in certain cases definite decisions have to be taken regarding the internal charging of estate costs to the various bankrupt companies.

#### 3.1. **Liabilities**

A number of claim validation proceedings have ended recently. A small number of claim validation proceedings is still pending.

With regard to the fiscal position reference is made to point 4.1.

### 4. **Other activities of the receivers**

#### 4.1. *Fiscal position*

The tax authorities have sent a list of assessments still not paid. A number of items to be set off are still under discussion.

#### 4.2. *Investigation into the background and causes of the bankruptcies*

The investigation has been completed. The receivers included their findings in the seventh report. It is evidenced that the annual accounts presented by Landis for 1999 and 2000 and the compliance certificates provided to the banks in 2001 contained systematically incorrect and misleading data. The annual accounts for 1999 and 2000 do therefore not give a true picture of Landis' capital and results. In the receivers' opinion, the accountant has wrongly issued an unqualified audit opinion with regard to the annual accounts and has wrongly issued review reports and an unqualified audit opinion with regard to the compliance certificates. On the basis thereof, the receivers have decided to file a complaint under disciplinary proceedings against the former accountant of Landis with the disciplinary court, which they have meanwhile done.

On the basis of the aforementioned findings, the receivers have decided to institute proceedings against managing directors, supervisory directors and the accountant in which they will claim from the managing directors and supervisory directors a: pursuant to Article 2:138 of the Dutch Civil Code (in conjunction with 2:149 of the Dutch Civil Code) or Article 2:248 of the Dutch Civil Code (in conjunction with 2:259 of the Dutch Civil Code) the deficit in the Landis bankruptcies and b: inter alia pursuant to Article 2.9 of the Dutch Civil Code (in conjunction with 2:149 of the Dutch Civil Code or Article 2:259 of the Dutch Civil Code) or Article 6:162 of the Dutch Civil Code the damage the companies or the creditors have suffered or will suffer due to the failure in the performance or the unlawful acts of the managing directors or supervisory directors, insofar as that damage is not already covered by the claim set out under a.

The receivers will claim against the accountant on account of default or unlawful act the damage the companies or the creditors have suffered or suffer due to the professional errors made by the accountant.

The former managing directors and supervisory directors have filed a complaint in disciplinary proceedings against Mr Scholten, partner of BDO, who was charged with the investigation into

the background and causes by the receivers. The disciplinary court has not yet ruled in these proceedings.

4.3. *Inquiry*

The receivers have reached agreement with the VEB, the Dutch association of stockholders, about the conditions subject to which the investigation report of the committee will be made available to the investigator to be appointed by the Enterprise Division. These are that the VEB will pay 50% of the costs of the investigation, dependent on the outcome of any proceedings conducted by it. The investigation report has been made available to the investigator at the end of June 2007.

4.4. *VEB*

Reference is made to what is stated in the 16<sup>th</sup> report. VEB has appealed from the judgment of the preliminary relief judge of the District Court in The Hague, by which the VEB was ordered to publish a rectification.

4.5. *Ongoing proceedings*

Reference is made to the 13<sup>th</sup> report.

4.6. *Organisation of the estate*

No new developments.

4.7. *Pension Fund*

The Pension Fund can be liquidated if an audit has been conducted and De Nederlandsche Bank has given permission. De Nederlandsche Bank has meanwhile given permission. The pension of the Landis Pension fund was administered by Delta Lloyd. Delta Lloyd will send all participants a letter with relevant information, among other things confirming that there is a possibility that the pension balances are going to be paid to the participants.

The Pension Fund is now facing the problem that a group of participants fails to react to letters from the Pension Fund. This may cause delays, as the fund can only be terminated after all balances have been paid to the persons entitled to them.

4.8. *NMa*

No new developments.

4.9. *Distribution to creditors*

The first distribution to creditors is largely completed. A part of the creditors has failed to provide the receivers with the data required to make payments. The receivers are looking for practical ways to pay the remaining balances.

5. **Outlook**

The receivers expect to be able to make a second payment to creditors in 2008, which will mainly depend on the developments in France and the other foreign subsidiaries.

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receiver

W.J.M. van Anandel,  
receiver