

Firts report pursuant to article 73a of the bankruptcy act in the matter of 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)
all having their registered offices 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 Venneep (bankruptcy number F132/2002)

Bankruptcy judge:

W.W. de Nijs Bik Receivers:

W.J.M. van Andel, Postbus 354, 3500 AJ, Utrecht

H. Dulack, Postbus 85008, 3508 AA, Utrecht

Utrecht, 16 July 2002

1. Introduction

The receivers have opted to lay down their findings relating to the above companies in one report, in view of the relationship between the various companies. The companies will be discussed separately where necessary.

At the request of the receivers and with the agreement of the director, the moratoriums of Landis Group International B.V. and Landis ICT Group B.V. were converted into bankruptcies by orders of the District Court of Utrecht dated 7 May 2002 and 6 May 2002 respectively. The bankruptcy of Detron Zakelijke Netwerken B.V. was pronounced on 13 May 2002 by the District Court of Utrecht, while on 7 May 2002 the District Court of Arnhem pronounced the bankruptcy of Detron Metaal B.V. Finally on 30 May 2002 the District Court of Haarlem pronounced the bankruptcy of ICT.com B.V.

At the request of the administrations and with the agreement of the director, the moratoriums of Landis Group N.V. and Landis Group B.V. were converted into bankruptcies on 8 July 2002 by the District Court of Utrecht.

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 on the basis of Article 73a of the Bankruptcy Act. No rights can be derived from this report.

2. Description of the Landis concern

Appendix 1 to this report is an organisation chart of the concern consisting of two pages. The first page relates to the Dutch companies. Page two concerns the foreign companies which fall under Landis Group International B.V.

3. Information on the companies

As regards the information in the Articles of Association of the bankrupt companies and the names of directors and supervisory directors, reference is made to the excerpts from the trade register of these companies attached as Appendix 2.

4. Description of operating activities and internal organisation

In the 2000 annual report Landis Group N.V. (Landis) describes itself as follows: "Landis Group N.V. is an international organisation which is active as a full service organisation in the market for Internet communication technology (ICT)(...). The core activities of Landis consist of providing specialised solutions, services and training in the area of network infrastructures for speech, data and image applications, application platforms based on Internet and the required security for these, supported by a centralised back-office organisation that provides financial, logistics and purchasing services via a transparent e-commerce infrastructure." According to this annual report, Landis was working on the basis of the strategy that data, speech and image technology will be combined into digital information which is communicated over the electronic super highway on the basis of Internet standards for both

entertainment and professional applications. Landis believed that this technological innovation would create a new network economy which would enable worldwide commercial applications without concern for borders, applying all available currencies, a universal language between digital citizens and for 24 hours a day.

The organisational structure of Landis is based on a division of markets relevant for Landis, i.e.: telecom companies, the top 500 companies in the Netherlands and the small and medium-sized business sector. These market sectors are controlled by the following market divisions:

- public networks;
- enterprise networks (networks for individual enterprises);
- business partners (distribution activities of network components).

The relative breakdown of turnover between the above-mentioned market divisions was 18%, 18% and 64% respectively in 2001.

The above-mentioned sales organisation was supported by an implementing organisation which is described below in key words:

- managed services (desktop management);
- professional services (ICT consultancy and network consultancy, such as via engineers who carry out activities on a project or secondment basis);
- application services (computerisation of business operations on the basis of the two product lines, namely Oracle and Microsoft);
- educational services (training related to software and hardware for an average of 25,000 participants per year);
- financial services (support of the financing of projects for customers by third parties; renting of walkie-talkies);
- logistical services (stock management, distribution and logistics);
- network services (the building of telecom and data networks).

Appendix 3 is an overview of this structure, showing the relationships.

5. History of Landis

Landis was created following a division of HCS Technology in 1992. Initially the company was primarily involved in distribution activities and was modest in size (60 employees and a turnover of NLG 58 million in 1995). In the following years, the company expanded rapidly. Substantial changes took place at the end of the nineties. In 1999 the English listed company Ilion Plc. was taken over. The objective of this takeover was to achieve a growth in scale, geographical distribution and an expansion of the portfolio. This was followed in June 2000 by the takeover of the Detron Group N.V. (a telecommunication integrator active in the Netherlands, Belgium, Germany and France), 7W&H (a consultancy in the area of network infrastructures for the top 500 commercial end users) and Data Connectivity (a distributor and integrator geared to the market segment of operators and carriers in the United Kingdom). These acquisitions were marked by a shift from distribution activities to activities with a higher added value. In this same context, there was the acquisition in 2001 of Citee B.V. (a Dutch ICT integrator) and Quay One B.V. (which provides consultancy and Application Service Provider (ASP) services in the area of Oracle application software).

Due to these developments, growth in 2000 was very significant. The number of employees increased from 1,150 to 3,212. According to the annual report, a turnover of € 667 million was realised over that year and a net profit of approx. € 24.7 million.

Partly to be able to finance its growth, Landis was listed on the AEX Stock Exchange in Amsterdam as from April 1998. The fund was included in de Midkap index. Landis was removed from this index in 2002.

6. Landis Financing

Until the middle of 2000 Landis was financed by the KBC Bank and The Royal Bank of Scotland (this was not the case for the components of the Ilion Group). Refinancing was necessary because of the substantial growth of the group. In August 2000 Landis obtained a loan from an international bank syndicate of € 175 million. Participating banks in this syndicate are set out in Appendix 4 to this report. The credit facility to Landis concerns an Unsecured Revolving Syndicated Loan facility. This entails that financing was provided on the basis of ratios such as solvency, maximum loan capacity, Interest Coverage Ratio, EBIT ratio and that it was loan in the framework of which Landis did not provide any security to the banks (see also section 9 under 4).

7. Causes of the collapse

Below is an overview of the operating result of Landis as from 1998 (source: annual accounts for 1999 and 2000 and half-year report for 2001).

Turnover € million
1999 / 643,2*
2000 / 667,3
first half of 2001 / 388,9

Net profit € million
1999 / 9,8
2000 / 24,7
first half of 2001 / 12,5

(* including Ilion over 12 months)

According to the half-year report for 2001 there was a relatively favourable trend with regard to turnover and profit. According to management, during the second half of 2001 Landis was confronted with an accumulation of problems which negatively influenced the operating result. There was an extensive slowdown in the telecommunication market. This caused Landis to be faced with overcapacity, while at the same time it became increasingly difficult to downsize quickly through natural staff turnover. The personnel complement of the implementing organisation decreased. An increasing number of employees were "sitting at home on the settee". Within the Business Partners division it became clear that the Cisco turnover (25%) would be lost in February 2002.

In order to decrease financing costs, a substantial part of the stock which was difficult to sell had already been "dumped" before the middle of 2001 (this fell from the middle of 2000 to the middle of 2001 from € 68 million to € 30 to € 35 million). This strategy was continued in the second half of 2001. This led to pressure on the margins. The poor results had an effect on the ratios, which meant Landis had less scope with the banks under the credit facility.

In August 2001 Landis decided to sell the distribution activities (which generated 64% of the turnover in 2001) as these no longer fit in with the profile it desired for the company.

From the beginning of December 2001 there were negotiations on a takeover of these activities with the South African Datatec. The negotiations broke down on several occasions, while over time the takeover price which Datatec wanted to pay developed in a negative sense, i.e. from € 135 million (including assets, which include movable property and claims and liabilities to a value of € 106 million) to € 4 million (exclusive of said assets and liabilities). This defeated a second objective of this transaction, i.e. to use the funds which were released to reduce the bank debt.

The intended transaction with Datatec entailed that the distribution activities in all countries (exclusive of the United Kingdom) were transferred to Datatec. These activities were placed within a large number of domestic and foreign companies of the Group. This transaction was finally effected after the date of the moratorium (see section 8).

After the beginning of April 2002, the negotiations with Datatec again fell through, and around 10 April 2002 the banks blocked the credit in such sense that no further payments were made. Without further action, this meant a bankruptcy in the short term. Landis did believe that a bankruptcy was unnecessary at that time and would not be in the interests of creditors and shareholders. A rescue plan was then devised, which required the cooperation of the banks. With an eye to the plan succeeding, the Board of Directors, in consultation with the Board of Supervisory Directors, stepped down and Mr C. van Steijn was appointed as interim manager. Clearly, the development of a rescue plan would only be possible if the financing of Landis was guaranteed in the short term. After lengthy consultation, the banks finally appeared willing to continue the financing for a period to 22 April 2002, on strict conditions (see section 9.4). Landis presented its rescue plan to the banks on 22 April 2002. The banks were asked to agree to a significant reduction of the debt. The banks were not willing to do so. Following this, a moratorium was requested for the most important Dutch components of Landis, which was granted on 23 April 2002.

8. Description per company

Following is a description per (bankrupt) company. Insofar as said company has operational subsidiaries, these will also be described.

8.1 Landis Group N.V.

This company is listed on the Amsterdam stock exchange. Since the moratorium this fund has been listed in the category "not officially listed".

The company has issued a "403 declaration" for the majority of the companies in the

Netherlands belonging to the Group.

Landis Group N.V. was a shareholder of Citee B.V., Landis Group B.V., Landis Group International B.V. and Detron Group B.V. During the moratorium the receivers sold the shares of Citee B.V. to the former shareholders for an amount of € 2.5 million, to be increased by an earn-out of € 0.5 million maximum. The earn-out is equal to 50% of the realised net result of Citee over the financial year 2003, insofar as this result is greater than € 500,000.

Detron Group B.V. is a company with no activities. The receivers still have to make a decision on the winding up of this company.

In addition, Landis Group N.V. owned Hewlett Packard Superdome Infrastructure. This was sold in the framework of an assets transaction with Inter Acces. (See "Realised Takeovers".)

8.2 Landis Group B.V.

This company is a 100% shareholder of Landis ICT Group B.V., Landis UK B.V. and ICT.Com B.V. respectively. For a description of Landis ICT Group B.V. and ICT. Com B.V., reference is made to what is set out below. Landis UK B.V. is a dormant company. Other assets are not known.

8.3 Landis Group International B.V.

Page 2 of the organisation chart (**see Appendix 1**) provides an overview of all subsidiaries. Below is a brief description per company.

8.3.1 Austria, Denmark, Norway and Sweden

The situation of the subsidiaries in Austria, Denmark, Norway and Sweden (Landis ICT Group GmbH, Landis ICT Group AS, Landis ICT Group AS and Landis ICT Group AB respectively) can be put more or less on one line. The activities with related employees were transferred to Datatec as part of the sale of the distribution activities. In these countries shareholders took a decision to liquidate. According to provisional insight, for Landis Group International B.V. this will lead to proceeds of approx. € 2 million.

8.3.2 Landis SA France

This is a virtually dormant company that must be liquidated.

8.3.3 Landis ICT Group GmbH (Germany)

Various activities took place within this company. The distribution activities were sold to Datatec. 70 staff were transferred at the same time.

The network services activities were transferred to Imtech by means of an assets transaction at a purchase price of over € 2 million. Some 80 employees were also transferred. The training activities (five employees) are expected to be sold in the near future. In the meantime a decision has been made to liquidate the company. For the shareholder this is expected to provide a result of € 0.8 million, unless it were to appear that the company has given an enforceable guarantee to the bank syndicate.

8.3.4. Landis ICT Group N.V. (Belgium)

The distribution activities were sold to Datatec whereby 35 employees were transferred. The network services activities were sold to Imtech. 75 employees were transferred in this context. The application services activities, which formerly formed part of Quay One, were sold to Inter Acces whereby all 15 employees were transferred. For the company this resulted in proceeds of € 200,000. For the time being it is assumed that the company will be able to wind up its remaining activities and after this is completed, it can go into voluntary liquidation.

8.3.5 Landis Holdings UK Ltd

This company has been in liquidation since 14 May 2002. P.J. Long and F.C. Satow of London are appointed as liquidators. This is a dormant company as the only asset consists of shares of insolvent subsidiaries. According to the liquidators the total shortfall was £ 145,167,932. According to statements of the liquidators, on balance the shareholder need not expect anything from the British companies.

Landis UK Plc is a 100% shareholder of Landis ICT Group S.A.

8.3.6 Ilion Group Plc

This is a dormant intermediate holding company.

8.3.7 Landis UK Plc/Landis ICT Services Limited

These companies are in administration, with P.J. Long and F.C. Satow appointed as administrators. The report of the administrators shows that after payment of preferred creditors, an amount of over £ 2 million will be available for ordinary creditors. The claim of the ordinary creditors is in total (including group companies) over £ 113 million (this is

including the debt to the bank syndicate, for which the company is severally liable). The report furthermore shows that the ordinary creditors of Landis ICT Services Limited can to a great extent be paid.

Landis UK Plc is a shareholder of Dataconnectivity Services Ltd., which company is in liquidation.

8.3.8 Landis ICT Group S.A. (France)

This company is a shareholder of a number of subsidiaries. The only relevant subsidiaries are Dynetcom S.A. and Landis ICT Group S.A. (Spain); the other companies are dormant or in liquidation. Landis ICT Group S.A. has sold the shares it held in Dynetcom to Dynetcom Holding SAS for an amount of € 1 million. In the framework of this transaction, Dynetcom has cleared the cash debt with Landis ICT Group S.A. of approx. € 2.4 million and this also applies for its cash debt vis-à-vis Landis ICT Group B.V. of € 338,788.39.

At the request of the president of the Tribunal de Commerce de Nanterres, an investigation was carried out by Patrick Legras de Grandcourt (Mandataire Judiciaire à la liquidation des entreprises) into the economic and financial situation of Landis ICT Group S.A. The results of the investigation were such that on 11 July 2002 the bankruptcy of this company was pronounced and Patrick Legras de Grandcourt was appointed the receiver.

8.3.9 Landis ICT Group S.A. (Spain)

This company has transferred its current activities, including personnel, to Datatec. The company is in liquidation. It is expected that after liquidation, an amount of € 4 million will remain for Landis ICT Group S.A. as a shareholder.

8.4 Landis ICT Group B.V.

Virtually all Dutch activities of Landis were placed in this company. This means that almost all staff members were in the employ of this company and that this company was the owner of almost all movable property assets and claims.

8.4.1 Employees

1208 employees were in the employ of the company on the bankruptcy date. With the permission of the bankruptcy judge, notice was given that the employment contracts were to be terminated as of the earliest possible date.

The company has paid the salaries to 1 May 2002. The UWV has taken over the obligations under the employment contracts as from 1 May 2002.

The receivers shall endeavour to ensure that Stichting Landis Pensioenfonds perform as many of its obligations vis-à-vis its employees as possible. Consultation is currently ongoing in this respect with the director of the fund, the reinsurer and the Pensions and Insurance Supervisory Board.

8.4.2 Lease cars

As at the bankruptcy date, some 950 employees made use of a lease car, made available by 29 different lease companies, usually on the basis of operational lease. The majority of the cars have now been returned to the lease companies.

8.4.3 Premises

The company made use of the business premises set out on the enclosed list (Appendix 5). Notice of termination of the leases was given as of the earliest possible date. The receivers expect that said premises will be vacated on time unless deviating agreements have been made in this respect.

8.4.4 Assets

Following is a description of the assets of Landis ICT Group B.V.

a. Property

The company does not own immovable property.

b. MovableProperty

The movable property has been inventoried and valued by Troostwijk Waardering en Advies B.V. and covers, inter alia, inventory items. It primarily involves office furniture and equipment distributed among all the premises referred to above. The inventory also consists partly of machines and tools. Some of the inventory items were sold in the various takeovers (see below). The remainder will be auctioned.

The stock is primarily related to network components. A large number of suppliers are demanding the return of goods on the basis of alleged retentions of title. These suppliers have been invited to prove their rights and will be given the opportunity – if they succeed in such – to retrieve their goods. The remainder of the stock will be sold in consultation with Troostwijk in the manner that will generate the highest proceeds.

In general, the movable property is owned by the company, although the bank syndicate has a pledge on these goods. The receivers assume for the time being that the revenue service has a claim on the company which implies that the priority of the revenue service on goods subject to attachment prevails over the rights of the pledgee. In the middle of 2001 the company made a sale and lease-back agreement with Compaq with regard to a large part of the computer equipment purchased in the period of 1 July 1999 to 1 July 2001. The receivers have given Compaq the opportunity to prove its ownership rights in respect of these goods.

c. Claims in respect of receivables and work-in-progress

In the first report published pursuant to Art. 227 of the Bankruptcy Act, the receivers have provisionally fixed the actual value of the claims in respect of receivables at € 10 to € 15 million. On the basis of the experience thus far it is feasible that this estimate will have to be adjusted in a negative sense. The claims have been pledged to the banks. The receivers are still estimating and realising the value of the work-in-progress. Reference is made to the section on "Realised Takeovers" (8.4.5).

d. Liquidations

Landis ICT Groep B.V. has dozens of accounts in the Netherlands and abroad. A few of those accounts had a considerable credit balance as at the bankruptcy date, for which the banks in question did not have any set-off of debit balances. In the meantime an amount of over € 1.1 million has been transferred from Belgium and Germany to the bankruptcy account. The requests for transfer of credit balances of accounts in the Netherlands (in total more than € 2 million) are still being reviewed by the banks in question.

e. Shares in subsidiaries

Reference is made to page 1 of the organisation chart (**Appendix 1**).

Quay One Netherlands B.V., Quay One GmbH, Quay One ASP B.V., Teletron Netwerks B.V., Mijnsen Civiele Techniek B.V., Landis Group Finance B.V., Hufa Holding B.V., Home Guard B.V. and 4U Training B.V. are apparently dormant companies. In the coming period the receivers will conduct further research and determine the fate of these companies.

Detron Zakelijke Netwerken B.V. en Detron Metaal B.V.

Insofar as the receivers have been able to establish, some 10 employees were in the employ of these companies. The receivers dismissed these employees after the bankruptcy. A number of the employees then joined the employ of Future Telecom B.V. (see section on "Realised Takeover"). The receivers must furthermore investigate what assets and liabilities are to be allocated to these companies.

Crown Castle Benelux Holding B.V.

The company holds 40.9% of the shares in Crown Castle Benelux Holding NV (CCBH), a joint venture, with the most important other partner (45.9%) being the American company Crown Castle Investment Corp. CCBH and its three subsidiaries exploit 17 masts in the Benelux. At present negotiations are ongoing between the shareholders regarding a divestment of (the assets of) CCBH. The expectation is that this will result in a substantial benefit for the bankrupt estate.

8.4.5 Realised takeovers

After the company was declared bankrupt the receivers realised a number of takeovers that are outlined below.

a. Datatec

After the date of the moratorium, the takeover of the distribution activities with Datatec was effected. This agreement entails, in essence, that the distribution activities of Landis were to be taken over by Datatec as of

16 May 2002. The tangible fixed assets and the relevant employees in the Netherlands have also been taken over. In addition to the purchase price for the tangible assets, Westcon is paying a fee for goodwill, the amount of which depends on a number of conditions being satisfied. For the Netherlands, the agreement with Datatec entails that Datatec took over approx. 160 employees as from 16 May 2002. Consultation is still ongoing regarding the further winding up of the transaction.

b. Future Telecom B.V.

The receivers have sold part of the activities of Network Services (Fixed Networks and Wireless Networks) and of Rental Services (walkie-talkie rental) to the above-mentioned company and subsidiaries. In total, 175 employees were transferred. The purchase price for the movable property assets of Network Services has been fixed at the private sale value, while the destination will remain the same. An amount of € 500,000 has been paid for the goodwill, in the form of an interest-free subordinated loan given by the bankrupt estate. Future Telecom undertakes to use 30% of its free cash-flow to repay this loan. An amount of € 900,000 has been paid for movable property and goodwill of Rental Services. Claims in respect of receivables and work-in-progress have not been transferred and will be collected

by the bankrupt estate itself. The value of the work-in-progress is estimated at € 2,000,000 to € 3,000,000. Agreements have been made between Future Telecom and the receivers regarding the collection by the receivers and the execution of the work-in-progress and collection of related receivables. In addition, it has been agreed with Future Telecom that the bankrupt estate would second some 80 employees on an on-demand basis to Future Telecom during the period that these employees were still in the employ of Landis ICT Group B.V. This allowed costs of the bankrupt estate to be earned back, while at the same time the employees in question gained better prospects for a new job.

c. Foundation

The receivers sold the activities of Landis Managed Services NL, Landis Professional Services NL, Landis Educational Services NL, Landis Enterprise Networks NL and part of Landis Application Services NL to Foundation ICT Group B.V.

The takeover concerned the trade names of a number of divisions, part of the inventory at the building Kobaltweg 44 in Utrecht, the customer database of said components and authorisations for certain training courses.

Some 166 employees were employed by Foundation in the framework of this transaction. Foundation is paying an amount of € 450,000, of which € 150,000 has already been paid, for the goodwill and intangible assets. Foundation will pay the remaining amount of € 300,000 by payment of 30% of its free cash-flow.

The tangible fixed assets will, in principle, be transferred at the private sales value, while the destination will remain the same. Troostwijk has in the meantime valued these assets, but Foundation still has the right to present a counter-valuation. At the takeover date Foundation did pay an advance on the final purchase price of € 150,000.

The receivers have not transferred the receivables and the work-in-progress and the receivers will invoice and collect said claims themselves. The value of the work-in-progress is provisionally fixed at over € 1,000,000.

d. Inter Acces

The receivers have sold part of the activities relating to Application Services, which were formerly concentrated within Quay One, to Inter Acces B.V.

This takeover concerned movable property assets (computer hardware) for an amount of € 611,500. In the framework of this transaction, Inter Acces employed 38 employees. Inter Acces paid an amount of € 100,000 for the goodwill. Receivables and work-in-progress were not transferred and will be invoiced and collected by the receivers themselves. The value of the work-in-progress is provisionally fixed at an amount of approx. € 1,500,000. Inter Acces has undertaken to cooperate with the receivers in this respect.

e. LIM

The receivers sold the activities of Landis Interactive Media Eindhoven to C. Schut Partner in Management Amstelveen B.V.

This takeover related to movable property assets (in particular computer hardware and inventory) to a valued amount of € 115,000, a receivables portfolio for which € 135,000 was paid and a fee for goodwill of € 75,000. In the framework of this transaction, approx. 20 employees entered the employment of C. Schut Partner in Management Amstelveen B.V. A large part of the purchase price has now been paid.

f. Special Projects

The component "Special Projects" was specifically involved in the sale of satellite communication equipment and the related services as supply and invoicing for air time, project management, project engineering and installation. These activities have been transferred to HSBJ Wireless Technologies B.V. A small part of the work-in-progress was transferred. An amount of € 97,500 was paid for work-in-progress and goodwill. The receivers will transfer the remainder of the work-in-progress (value approx. € 1,300,000) in consultation with the party taking over the activities. This includes a large assignment for NATO. Three employees were transferred in the framework of this transaction.

8.5 ICT.Com B.V.

The receivers have sold the operating activities of ICT.com B.V. (a subsidiary of Landis Group B.V.), insofar as such relate to the component NetworkPlaza, to SCA Automatisering B.V.

The takeover concerned the existing computers and inventory (€ 6,000), the web portal of NetworkPlaza, the customer database (€ 45,000 in goodwill), the _ external - receivables (approx. € 105,000) and the domain names www.ict.com and www.networkplaza.com. A substantial part of the purchase price has in the meantime been paid.

8.6 Liabilities

This paragraph relates to all seven bankrupt companies together. A division per company will

be set out in a following report. The final amount of the preferred and ordinary claims has not yet been fixed. Until now claims have been filed up to a total amount of € 13,212,067.89 (ordinary) and € 6,613,018.67 (preferred).

It is expected that the creditors, including the bank syndicate, have a claim between € 175 million and € 225 million on the bankrupt companies.

9. Other activities of the receivers

1. Accountant's audit

The first report pursuant to Art. 227 of the Bankruptcy Act sets out under Point 5 that an accountant was given instructions to audit the status of the administration and particularly to establish whether it meets the standards of Art. 2:10 of the Civil Code. The report on the first part of the audit is currently in the draft stage.

2. Receivables

Claims in respect of receivables form the most important asset in this bankruptcy. In this respect, in consultation with the banks, use has been made of the services of Mirus International B.V. Receivables are systematically collected under the management of this office, supported by a team of bankruptcy staff. The receivers will report on the results achieved up to that point in the next report.

3. Current legal proceedings

As at the moratorium date, the Landis companies were involved in various legal proceedings as both plaintiff and defendant. In some cases considerable interests are involved. It will be reviewed which proceedings will be taken over by the receivers.

4. Security for the banks

On 12 April 2002 - eleven days before the granting of the moratorium - the banks opened the credit facilities under the existing arrangement again up to a maximum amount of € 10 million. The Dutch Landis companies undertook to provide security for the banks as consideration, in which context the banks' right of recovery was maximised to an amount of € 25 million. The Dutch Landis companies then pledged virtually all their assets (receivables and movable property) on 17 April 2002 to the banks. The receivers have started an inquiry into the question as to what extent this transaction might be of a fraudulent nature.

5. Organisation of the bankrupt estates

The receivers foresee that the winding up of the various bankrupt estates will still take quite some time. In this context the receivers decided to continue the lease of one of the premises (Kobaltweg 33 in Utrecht) until the end of 2002. The receivers and their staff are housed in this building. In the same framework, the receivers have extended employment contracts with 15 employees to around 1 October 2002. In such case it will again have to be reviewed to what extent employment contracts have to be extended.

6. Investigation, backgrounds and causes of bankruptcies

The receivers have started an investigation into relevant facts which led to the collapse of Landis. Partly on the basis of this investigation the receivers will in due time formulate a conclusion on, among others, the question as to whether there has been apparent improper management.

7. Outside the Netherlands

Up to 23 April 2002 the foreign subsidiaries were to a significant extent steered by the Dutch holding. In a number of cases, members of the Landis Board of Directors were also personal directors of foreign subsidiaries. It has always been the receivers' policy that the foreign subsidiaries be led by their own interests, but that the winding-up was to take place in cooperation with the receivers. The transactions described in this report took place in that context. The receivers' objective is to realise, if possible, some shareholder value for Landis Group International B.V.

10. Perspective

It would be premature to make predictions on the winding-up of these bankruptcies. It does look as if there will not be a consolidated winding-up. This means that the outcome for the creditors will differ per company. Whether the bankruptcy creditors will receive any payout depends on, inter alia, the answer to the question to what extent the receivers succeed in actually realising the assets of the various bankrupt estates, or whether the pledging of virtually all assets of Landis ICT Group BV to the banks is valid and on the scope of the costs of the winding-up. In addition, for Landis Group International B.V. the scope of the potential benefits ensuing from the liquidation and winding-up of the foreign companies is particularly relevant.

In their next report the receivers will provide an overview of the realised assets, the costs of the winding-up and the liabilities in the various bankruptcies.

H. Dulack,receiver

W.J.M. van Andel,receiver