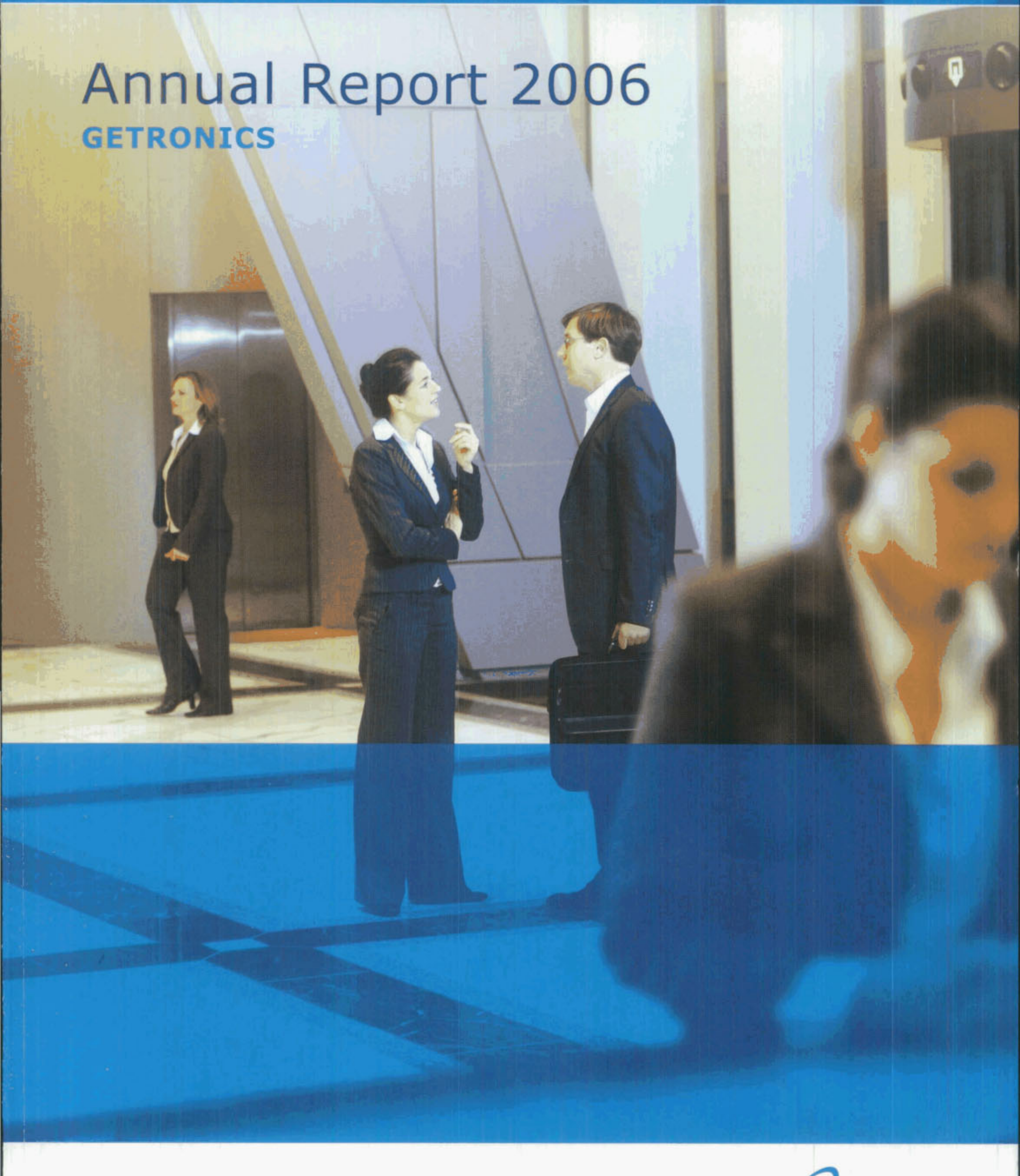
Annual Report 2006

GETRONICS



Getronics

ICT SOLUTIONS AND SERVICES

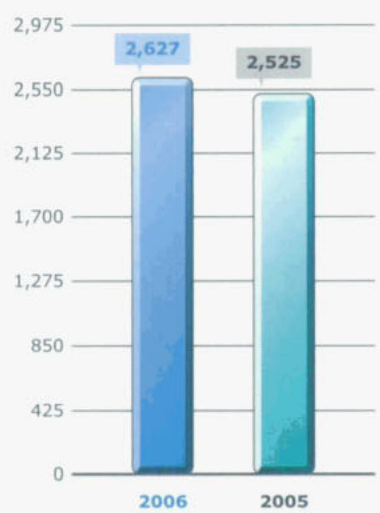
2006 Highlights

(in millions of euros, unless stated otherwise)

	2006	2005	Change
Selected income statement data (from continuing operations)			
Revenue	2,627	2,525	4%
• Service revenue	2,280	2,121	7%
• Product revenue	347	404	-14%
Gross profit	525	532	-1%
Service gross profit	481	487	-1%
Selling, general & administrative expenses	-424	-400	-6%
EBITAE	117	143	-18%
Operating result	23	99	-77%
Net result from continuing operations	-54	60	
Net result including discontinued operations	-145	4	
Ratios (from continuing operations)			
Service revenue/total revenue	86.8%	84.0%	
Service revenue/average number of employees (in euros)	92,472	92,390	0%
Gross margin	20.0%	21.1%	
Service margin	21.1%	23.0%	
EBITAE margin	4.5%	5.7%	

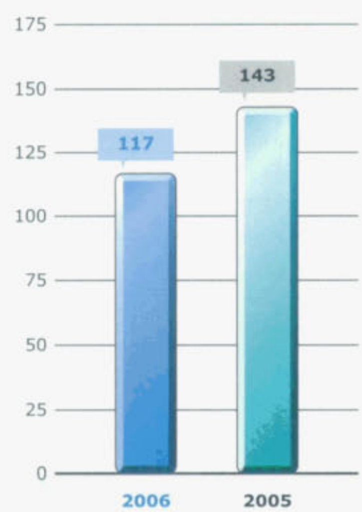
Revenue

In millions of euros



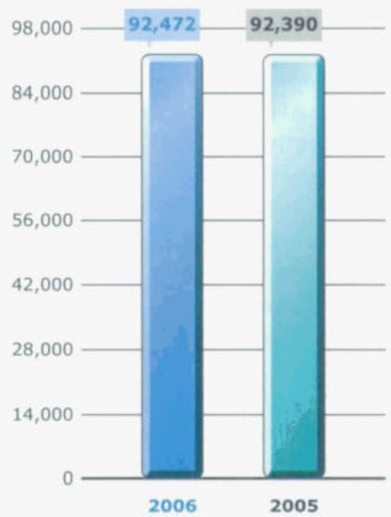
EBITAE

In millions of euros



Service revenue/average number of employees

In euros



	2006	2005	Change
Selected balance sheet data			
Working capital (excluding cash)	-232	-209	11%
Group equity	408	597	
Net borrowings	-285	-157	
Solvency	21.0%	24.9%	
Average 12 months DSO from continuing operations (in days)	64	64	
Employees (from continuing operations) (in FTE)			
At 31 December	24,780	24,484	1%
Average over the year	24,656	22,957	7%
Earnings per ordinary share (from continuing operations) (in euros)			
Basic	-0.44	0.54	
Fully diluted	-0.44	0.54	
Earnings per ordinary share (from total operations) (in euros)			
Basic	-1.18	0.03	
Fully diluted	-1.18	0.03	
Number of ordinary shares outstanding (x 1,000)			
At 31 December [1]	122,577	122,527	
Weighted-average basic	122,558	109,583	
Weighted-average fully diluted	122,558	109,739	
Share information (in euros)			
Highest price	11.88	13.01	
Lowest price	4.77	8.33	
Closing price at 31 December	6.14	11.36	-46%
Market capitalisation			
At 31 December [2]	753	1,392	-46%

1) Excluding 780 treasury shares (2006 and 2005).

2) Market capitalisation is the number of ordinary shares outstanding at 31 December multiplied by the closing price at 31 December.

Refer to page 120 for the Company's Five-Year Record.

Definitions

Getronics N.V. (Getronics or the Company) and its subsidiaries (together the Group) manages its operations using various commonly used as well as internally developed financial terms. Those financial terms are used throughout this Annual Report when discussing the Company's operating performance. Set out below is a list of such financial terms with their definitions.

Gross profit
Revenue less cost of revenue expressed as an amount.

Gross margin
Gross profit divided by revenue expressed as a percentage.

Service margin
Service gross profit divided by service revenue expressed as a percentage.

Operating result
Net result from continuing operations before interest income, finance costs, and income taxes.

EBITAE
Operating result from continuing operations before amortisation of acquired intangible assets, acquisition integration expenses, impairment of goodwill and gain on sale of subsidiaries.

EBITAE margin
EBITAE divided by total revenue expressed as a percentage.

Working capital
Current assets (excluding cash and cash equivalents) less current liabilities (excluding short-term interest bearing borrowings) less any current income tax assets or liabilities and assets and liabilities of disposal group held for sale.

DSO
Days Sales Outstanding.

Interest bearing borrowings
The total of long-term and short-term interest bearing borrowings.

Net cash/(borrowings)
Cash and cash equivalents, plus non-current restricted cash, less interest bearing borrowings.

Solvency
Group equity as a percentage of total assets.

Employees
The total of the Company's employees and directly subcontracted temporary workers expressed as full-time equivalents (FTEs).

Backlog
Backlog represents total revenue value from signed contracts to be recognised in the future.

Revenue on a comparable basis
Comparable revenue for 2005 and 2006 as if Getronics and PinkRoccade were combined as of 1 January 2005, instead of 14 March 2005.

Letter to our Shareholders and other Stakeholders

Klaas Wagenaar
Chief Executive Officer

Getronics specialises in workspace and applications services. Put simply, we provide our clients with information and communication technology (ICT) solutions in order to enable employees to work together productively, securely and effectively, wherever they need to do so. In 2006, we continued to evolve our portfolio in our core areas of expertise, providing our clients around the world with robust, efficient and cost-effective services, supported through our integrated network of Global Service Centres and Data Centres. Getronics now manages 4.5 million ICT assets and approximately 12 million helpdesk calls per year – enabling more than two million people globally to achieve their goals. In 2006, Getronics moved into the top four Workspace Services companies in the world.

A challenging year

2006 was a challenging year for our Company, but it was also a year of renewed determination, focus and progress. The unexpected serious losses in Italy in 2005 had unwelcome financial repercussions throughout the year. Looking at our continued operations, our organisation worked hard at, among other things, transitioning major international contracts with new clients, renewing and expanding existing client engagements, developing the global service delivery model and finding skilled professionals to service our clients. While we are confident these actions will lead to profitable growth, they had a definite impact on our operating margin in 2006. The operational performance in our key countries also reflects the country-specific challenges they faced. Although we saw relatively good services revenue growth across most of our operating companies, we saw further price pressure on renewals, a larger number of subcontractors to address the demand, and a relatively large number of international client engagements in transition.

Although we remain committed to the growth in our business plans for the US, Belgium and the United Kingdom, we recently concluded that we would recognise an impairment charge of EUR 65 million with respect to our US, Belgian and UK operations. The impairment relates to the high value of these assets on our financial books from the Wang Global acquisition in 1999. From an operational standpoint, all three operations are cash positive and have solid business plans for growth.

In light of these challenges, we took significant steps in 2006 to build Getronics into a more profitable and focused international ICT services company. We accelerated the roll-out of our global service delivery model, enhanced our certified service partner network, strengthened our balance sheet through divestments and improved cash management, invested in our industry-leading e-learning education for our employees around the world, and added a number of blue chip clients that helped validate our strategy.

Reducing financial risk

The financial year started badly for Getronics following the unexpected serious losses in Italy in 2005. These losses had an impact on the Company's cash flow and lending arrangements, and on the first half-year results. However, by the end of 2006, the financial status of the Company was improved, following the successfully executed divestment programme. This programme served both to reduce financial risks (with the sale of the Italian operations and the new strategic business partnership in France) and to improve our debt profile (with the sale of the profitable non-core businesses HRS and KZA in the Netherlands, as well as our operations in Poland, Austria, the Czech Republic and Slovakia). In addition, we successfully improved our cash flow management programme in the second half of the year, and refinanced our 2008 Convertible Bonds, putting the Company on a firmer financial footing.

Commercial progress

2006 was also a year of strong commercial progress. We continued to validate our international focused business model and strategy with an improved commercial backlog and pipeline, and with notable wins, particularly in the financial sector, with the Barclays and ING deals totalling half a billion euros in revenue over the contract period.

The highlight of 2006, in terms of our portfolio and offer development, was the November launch of our innovative Future-Ready Workspace. The Getronics Future-Ready Workspace brings together market-proven solutions in an innovative modular architecture in order to provide a secure, flexible and reliable workspace. It was defined and constructed using the best skills from across the Company and, most importantly, was developed in close collaboration with the Getronics service delivery arm to ensure effective and profitable delivery. The Future-Ready Workspace is strongly rooted in industry standards, including ITIL, Six Sigma, and has industry-leading technologies embedded in the solution. Market response has been very positive, and industry analysts have recognised it as both cutting edge and innovative.

In 2006, our service revenue continued to grow in all regions, except the United States. We expanded and improved our service delivery system, the Global Service Delivery Model, optimising it further around leading industry standards such as ITIL and Six Sigma. The Global Service Delivery Model enables us to deliver more of our services to our clients remotely, twenty-four hours a day, seven days a week.

The successful integration of Getronics PinkRoccade and our leadership position in the Netherlands is also starting to pay off, as we leverage our capabilities – in particular in the area of application, consulting and transformation services – in more of our key geographies.

As a result of the divestment programme and ongoing activities to optimise management, the Supervisory Board have decided for the beginning of 2007 that the Board of Management will consist of four positions, including a new Chief Financial Officer, working closely together with the newly appointed Getronics Management Committee. On a broader level, we continued to be successful in 2006 in recruiting key personnel throughout Getronics to drive our business forwards in 2007.

Sharpening our focus

As we enter 2007, our business is leaner and more focused than a year ago. As we communicated in the Extraordinary General Meeting of Shareholders in December 2006, we are pressing forward with our focused strategy, concentrating on our core capabilities (Workspace Management, Application Integration and Management Services, and Consulting and Transformation Services), on operational excellence, and on client intimacy, industrialisation and innovation.

We are dedicated to continuously innovating our service delivery to improve and extend the value and range of the services we provide to our clients worldwide. In line with this approach, our existing joint venture in the Middle East, the innovative business partnership that we created in 2006 with APX Synstar in France, and the recently announced proposed partnership with NTT Data Corporation in Japan is fully supported by our robust Global Service Delivery Model.

By combining our local operations with strong partners in countries where we have previously lacked scale or capabilities, we can ensure that our international clients continue to receive high quality services while also benefiting from our partners' additional strengths and local capabilities.

Restoring stakeholder value

Above all else, 2007 will be about restoring stakeholder value. Over the course of the year – and in line with general market predictions – we expect to drive continuing organic service revenue growth in all regions. We will also further strengthen our global workspace leadership position, and complement and leverage this strength with our consulting and transformation, and application services.

We will continue to strive to improve our margins, increase our operational cash flow generation and push forwards with our Breakout Programme.

We also intend to carry out more international personnel assignments to strengthen and stimulate our shared values and culture across the Company. Finally, we will concentrate our efforts on hiring and retaining our people by continuing to create an environment in which people can succeed and grow – an environment of passion, pro-activeness and pride.

Dedication, determination and a drive to succeed

During the 2006 Annual General Meeting, my period as CEO was extended by four years – something I take very seriously. Although 2006 was a challenging year, my belief in Getronics remains firm. We are well positioned, highly focused and ready to achieve our targets.

Amsterdam, 9 March 2007

On behalf of the Board of Management,

Klaas Wagenaar
Chief Executive Officer and Chairman
of the Board of Management

Members of the Board of Management At 31 December 2006

Klaas Wagenaar (1958)

Chief Executive Officer
and Chairman of the
Board of Management

Klaas Wagenaar, a Dutch national, has been Chairman of the Board of Management and CEO of Getronics since 1 December 2003. Klaas Wagenaar was previously Vice Chairman of Getronics from 21 February to 1 December 2003. Before this, Klaas Wagenaar held various executive positions with Capgemini, Baan Company and with the mobile internet company Sonera Zed. Previously, he rendered services in Europe from his own company specialised in interim management and corporate finance activities.

Klaas Wagenaar's background is strongly international, having lived and worked in the Netherlands, Belgium, the UK, Sweden and the USA. Klaas Wagenaar began his career in auditing and then working in his family business before moving into the telecommunications and information technology sector. Klaas Wagenaar is a member of the ABN AMRO Advisory Board.

Kevin Roche (1960)

Vice Chairman of the Board
of Management and Executive
Vice President for Americas

Kevin Roche, a US national, has three areas of responsibility: he is Executive Vice President of Getronics in the Americas; he leads service delivery for Getronics worldwide; and he is responsible for the Company's Solution and Service Portfolio. Kevin Roche joined Getronics in 1999 and has held a number of executive positions including General Manager of Getronics North America and leader for the Company's strategic global alliances. He has spent the last 12 years in international business.

Prior to his employment with Getronics, Kevin Roche spent two years at Wang Global (between 1990 and 1992) where he was responsible for service strategy. Between 1992 and 1998, Kevin Roche worked for Astea International, global leader in CRM software, leading the professional services software development and ultimately as Vice President, North American operations. His background also includes manufacturing, service delivery, and information technology. Kevin Roche graduated from Northeastern University in Boston with a B.S. degree in Marketing and Management.

Aart Klompe (1949)

Member of the Board of
Management and Executive
Vice President International
Business Support

Aart Klompe, a Dutch national, has several areas of responsibility including the Company's operations in Germany, Hungary and Switzerland, as well as for Corporate Legal and Compliance. In addition, he is responsible for cash management and the Company's information technology systems. Aart Klompe joined Getronics on its acquistion of PinkRoccade where he was a member of the Board of Management with responsibility for Finance. Prior to this, he was the Finance Director of the Getronics Human Resource Solutions business unit (now divested from Getronics).

Aart Klompe has ten years experience in the ICT sector, and has also worked as a controller for international agri-business leader Bunge and for the German Personal Care Division of Sara Lee. Aart Klompe is a graduate in Business Economics from Erasmus University, Rotterdam.

Members of the Supervisory Board As at 31 December 2006

Rinus Minderhoud (1946)

Chairman and member Remuneration & Selection Committee

- Current position: Chairman of Vodafone International Holdings B.V.
- Former positions: Member of the Executive Board of ING Groep N.V. and Chairman of the Executive Board of ING Bank N.V.
- Other memberships of Supervisory Boards: Rabobank Nederland, Heembouw Groep B.V., Vice Chairman of Eureko B.V. and Vice Chairman of Achmea Holding N.V.
- Number of securities in Company: 0
- Nationality: Dutch
- Appointed: 23 June 2003
- First term expires: 2007

Rob Westerhof (1943)

Chairman Remuneration & Selection Committee

- Current position: Director of MeDaVinci Plc. and Director of Westlake Investments B.V.
- Former positions: Chairman PSV N.V., CEO of Philips North America, CEO of Philips East Asia (including China), CEO of Global Sales Philips Medical Systems and non-executive director of The Netherlands American Chamber of Commerce
- Other memberships of Supervisory Boards: TCL Multimedia Ltd. and Teleplan Int. N.V.
- Number of securities in Company: 0
- Nationality: Dutch
- Appointed: 11 April 2005
- First term expires: 2009

Berend Brix (1949)

Vice Chairman and Chairman Audit Committee

- Current position: Partner at Lesuut Finance B.V.
- Former positions: Member of the Group Management Committee of Cap Gemini Ernst & Young, Chairman of the Board of Management of Cap Gemini N.V., and Member of the Board of Management of Volmac Software Group N.V.
- Other memberships of Supervisory Boards: ANP Holding B.V., Koninklijke Swets & Zeitlinger N.V., ASM International N.V., and non-executive director of Computer Patents Annuities Holding Limited
- Number of securities in Company: 0
- Nationality: Dutch
- Last appointed: 20 April 2006
- Second term expires: 2010

Pat Gallagher (1955)

Member Audit Committee

- Former positions: Non-executive Vice Chairman of FLAG Telecom, CEO of FLAG Telecom, President of BT Europe at British Telecom and member of British Telecom's Executive Committee as Group Strategy and Development Director
- Other memberships of Supervisory Boards: Golden Telecom Inc.
- Number of securities in Company: 0
- Nationality: British
- Appointed: 7 April 2004
- First term expires: 2008

Henk Bosma (1943)

Member Audit Committee

- Current position: Member of the Council for Public Health and Health Care in the Netherlands
- Former positions: Chairman of the Board of Management of PinkRoccade N.V.
- Other memberships of Supervisory Boards: Synergia Capital Partners B.V., Weathernews Benelux B.V., N.V. NOM and Tappan B.V.
- Number of securities in Company: 19,239 stock options
- Nationality: Dutch
- Appointed: 1 August 2005
- First term expires: 2009

Bernard Al (1945)

Member Remuneration & Selection Committee

- Former positions: Member of the Supervisory Board of PinkRoccade N.V., CEO of Wolters Kluwer Nederland B.V., member of the Supervisory Board of IDC Publishers B.V.
- Other memberships of Supervisory Boards: Jongbloed Printers & Publishers B.V., Krauthammer Investments Holding B.V., and Sopheon Plc.
- Number of securities in Company: 0
- Nationality: Dutch
- Appointed: 28 June 2005
- First term expires: 2009

Dirk Groen (1945)

- Current position: Director Ems (Marketing) Systems SA Business Consultants, CFO Avante Petroleum SA, Managing Director G&I Alliance B.V. and Member Financial Advisory Board of Bisdom Rotterdam
- Former positions: Member of the Supervisory Board of PinkRoccade N.V. and Board of Management of IHC Caland
- Number of securities in Company: 0
- Nationality: Dutch
- Appointed: 28 June 2005
- First term expires: 2007

About the Supervisory Board

The role of the Supervisory Board is to supervise the policies of the Board of Management and the general course of affairs of the Company and the Group, as well as to assist the Board of Management by providing advice. In discharging its role, the Supervisory Board is guided by the interests of the Company and its Group Companies, and takes into account the relevant interests of the Company's stakeholders. The Supervisory Board is also responsible for setting the remuneration of the Board of Management within the framework of the remuneration policy as adopted by the General Meeting of Shareholders. Members of the Supervisory Board cannot hold similar positions with companies where there is any risk of conflict of interest. The General Meeting appoints Supervisory Board members. Each member of the Supervisory Board is appointed to a maximum four-year term and may serve a maximum of three terms.

Composition Supervisory Board

There have been the following changes to the Supervisory Board in the year under review. At the Annual General Meeting of Shareholders in April 2006 (2006 AGM), Jens-Jürgen Böckel resigned after four years of service and commitment. Cees Spaan and Piter van der Woude resigned one year after appointment to the Getronics Supervisory Board, following the acquisition of PinkRoccade, in accordance with an earlier agreement which enabled a proper transfer of knowledge from the PinkRoccade Supervisory Board to the Getronics Supervisory Board. The Supervisory Board is very grateful to the aforementioned members for their contribution during the period they served the Company. At the 2006 AGM Berend Brix was reappointed for a period of four years. A curriculum vitae for each of the current members of the Supervisory Board can be found on pages 8 and 9 of this Annual Report.

In the opinion of the Supervisory Board, its composition is in accordance with the profile of the Supervisory Board and all members are independent in the meaning of best practice provision III.2.1 of the Dutch Corporate Governance Code (Code).

Getronics over the last twelve months

2006 was a challenging year for the Company. The Board of Management effectively addressed these challenges throughout the year, initiating a number of actions including:

- Selling the loss-making Italian and French operations;
- Successful completion of the divestment programme announced early 2006;
- Introducing the innovative, modular Future-Ready Workspace solution redefining workspace productivity in November 2006;
- Placing the 2014 Convertible Bonds allowing the repurchase of €89 million of the 2008 Convertible Bonds; and
- Announcing refocused and accelerated strategy at the Extraordinary General Meeting of Shareholders in December 2006.

Please refer to the CEO's Letter to our Shareholders and other Stakeholders for an extended discussion of the Company's accomplishments in 2006.

Summary of 2006 meetings and activities

During 2006, the Supervisory Board held twenty-three meetings with the Board of Management, much more than scheduled and mainly caused by the large number of actions in 2006. Ten of these meetings were face-to-face and thirteen were conducted by teleconference. All meetings were well attended by the members of the Supervisory Board.
The Supervisory Board kept in close and regular contact with the Board of Management and senior management team on areas such as the Company's general financial state of affairs and in particular its performance in general, its strategy and the divestments and partnerships that were realised in 2006. The Board of Management discussed with the Supervisory Board corporate strategy, business risks, and the result of the assessment by the Board of Management of the structure and operation of the internal risk management and control systems, as well as corporate governance.

As communicated during the 2006 AGM, the Supervisory Board met at length with the Board of Management early in 2006 to discuss and investigate the unexpected serious losses in Italy. The Audit Committee, with the assistance of external advisors, led the investigation and subsequent discussions with auditors. In addition, the Supervisory Board discussed throughout the year with the Board of Management the valuation of assets and, in relation thereto, whether goodwill impairments would be required.
The quarterly meetings of the Supervisory Board were preceded by meetings of the Audit Committee. Comprehensive information provided by the Board of

Management and reviews by the Audit Committee with the assistance of the internal and external auditors gave the Supervisory Board a good picture of the risks, results, capital and liquidity position of the Company.

Composition Board of Management

The Supervisory Board met on several occasions without Board of Management members to evaluate the functioning of the Board of Management and its individual members, as well as the functioning of the Board of Management as a team, the performance and remuneration of its individual members, and the governance and organisational model for the Company. The outcome of the evaluation of individual members was discussed with the members individually.
Given all of the changes in the Company during 2006, there were also changes in the Board of Management. Henny van Schaik, Stuart Appleton and Theo Janssen left Getronics in 2006. We are grateful for the contribution made by these former members of the Board of Management. As no predetermined severance package is included in the employment contracts of the members of the Board of Management when the aforementioned members left the Company, the Supervisory Board exercised its best judgment in approving an appropriate severance package for each of them applying several criteria, including the performance of the respective board member, the number of years of service, the performance of the Company compared with peer group companies, current business practices, common legal practices, the reasons for leaving and the principles and best practice provisions of the Dutch Corporate Governance Code. Financial details of these packages are disclosed on page 106 of this report.

Given the present depth of the Board of Management, its knowledge and experience and the challenges to be met, the Supervisory Board have decided that at the beginning of 2007 the Board of Management will consist of four positions including a new Chief Financial Officer. On 27 February 2007, the Company announced the proposed appointment of Maarten Henderson as Member of the Board of Management and Chief Financial Officer (CFO) for an interim period ending on 30 June 2008. At the Annual General Meeting of Shareholders in April 2007, Maarten Henderson will be proposed for election to the Board of Management as of 1 April 2007.
As expressed before in the Extraordinary General Meeting of Shareholders in December 2006, the Supervisory Board have full confidence in the quality, commitment and the strategy of the Board of Management and its individual members.

Audit Committee

The Audit Committee is appointed by the Supervisory Board from amongst its members and advises the full Supervisory Board on the Company's financial statements, risk management and audit-related issues.

During 2006, the Audit Committee held six meetings to review, amongst other things, the quarterly and half-year results and the annual financial statements as well as the financing of the Company, internal risk management, and control and reporting systems.
In addition, the Audit Committee paid special attention to tax, treasury, pension related matters, cash flow management, the valuation of assets and potential and actual impairment of goodwill. Such meetings took place in the presence of members of the Board of Management, the Company's auditors, the internal auditor and other relevant officers of the Company.
In addition, as considered necessary, the Audit Committee also met the external auditors without the members of the Board of Management being present.
The investigation of the unexpected serious losses in Italy was also led by the Audit Committee with the assistance of external advisors.

The Audit Committee also reviewed the Company's evaluation of the external auditors, its independence, remuneration and any non-audit services. Fees for non-audit services in 2006 amounted to €1.4 million, of which €1 million audit related.

In compliance with the Corporate Governance Code, the Supervisory Board and the Audit Committee assessed the functioning of the external auditor within the various entities and in its different capacities.
This process was accompanied by a detailed review procedure in which three other global external audit firms were given the chance to present themselves as potential new external auditors. As a result of this procedure and based on the recommendation by the Audit Committee, the Supervisory Board concluded, based on the predefined criteria (such as audit approach being aligned with the Getronics structure and business developments, the segregation of audit and non-audit services, the audit fee offered, the personality of the audit team, including the current quality of the working relationship), to propose the reappointment of PricewaterhouseCoopers Accountants as the worldwide external auditor of Getronics for the coming three years. Such appointment was confirmed at the 2006 AGM.

The Audit Committee is chaired by Berend Brix (Vice Chairman of the Supervisory Board since 1 January 2004 and financial expert in the meaning of best practice provision III.3.2). Pat Gallagher has been a member of the committee since October 2004 and Henk Bosma has been a member of the committee since August 2005.

Remuneration & Selection Committee

The Remuneration & Selection Committee is appointed by the Supervisory Board from amongst its members and advises the full Supervisory Board on both the remuneration and selection of the members of the Board of Management.

The Remuneration & Selection Committee held seven meetings in 2006, of which four were face-to-face and three were conducted by teleconference, to review and approve, amongst other things, the stock option allocation for 2006 and 2007, the incentive plan rules for 2007, a special incentive for members of the Board of Management as recognition for the successful integration of the PinkRoccade organisation, the performance against the assigned targets as part of the 2006 annual cash bonus, and the 2005/2006 Special Cash Incentive for members of the Board of Management. In addition, the Remuneration & Selection Committee initiated a review of the existing remuneration policy against current market standards with the assistance of outside specialists. This review led the Supervisory Board to conclude that the weight normally given to the various compensation elements did not sufficiently emphasise long-term value creation. The proposed rebalancing of the remuneration package was approved by the 2006 AGM. Please refer to the Remuneration Report of the Supervisory Board for an extended discussion of the results of the review.

The Remuneration & Selection Committee also assessed the size and composition of both Boards and the functioning of individual Board members. The Supervisory Board and the Remuneration & Selection Committee have together been involved in the changes that occurred during the year in the Board of Management.

Succession management and the Group's processes for developing high-potential employees were discussed with Company management. Other topics discussed with Company management included e-learning, governance and management structure, internal communication, e-development and staff ratios.

The Remuneration & Selection Committee has been chaired by Rob Westerhof since May 2005. Bernard Al has been a member of the committee since May 2005 and Rinus Minderhoud has been a member of the committee since January 2005.

Remuneration Report of the Supervisory Board

The Remuneration Report of the Supervisory Board concerning the remuneration policy of the Company is included as a separate chapter and forms a part of this Report of the Supervisory Board (see page 13).

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board was last amended at the 2004 AGM to better reflect their responsibilities in supervising the policies of the Board of Management and the general affairs of a company the size of Getronics. The current remuneration is discussed on pages 106 and 107 of this Annual Report.

Corporate governance

The Code recommends that companies should set out their corporate governance structures explicitly in the Annual Report. As in 2004 and 2005, the Supervisory Board discussed the Company's corporate governance structures and the Code with the Board of Management and concluded that Getronics is in compliance with the principles and best practice provisions of the Code, except for three best practice provisions where the Company has chosen not to comply. The reasons for such deviations are explained in the chapter on Corporate Governance of this Annual Report on page 16. During the 2006 AGM, the Supervisory Board shared with the shareholders the reasons for the applicable deviations to the Code as discussed in previous General Meetings of shareholders.

Please refer to the chapter on Corporate Governance of this Annual Report for details on corporate governance within Getronics.

Financial statements

With this Annual Report, we present the 2006 financial statements of Getronics, as drawn up by the Board of Management and audited by PricewaterhouseCoopers Accountants N.V. You will find the auditor's report on page 119 of this Annual Report.

This Annual Report was extensively discussed with the Board of Management in the presence of the auditors. Those discussions and the input of all those who took part in them have convinced us that the Annual Report forms a solid basis for the Supervisory Board's discharge of its accountability and supervisory function. We recommend that you adopt the 2006 financial statements presented on pages 49 to 110.

Accordingly, we propose to shareholders to discharge the Board of Management and the Supervisory Board in respect of their management and supervision, respectively. We will place these proposals as two separate items on the agenda of the 2007 AGM.

The Supervisory Board would like to express its special appreciation for the considerable efforts made in the past year by the Board of Management and by all employees. It has been a challenging year for all of them. We would like to thank them for their dedication and efforts to bring Getronics further back on track.

Amsterdam, 9 March 2007

Rinus Minderhoud, Chairman
Berend Brix, Vice Chairman
Bernard Al
Henk Bosma
Pat Gallagher
Dirk Groen
Rob Westerhof

Remuneration Report of the Supervisory Board

Overall remuneration

The objective of the Company's remuneration policy for the Board of Management is to enable the Company in a cost-efficient way to attract, motivate and retain talent for the Board of Management that will benefit all related stakeholders of the Company. The Supervisory Board will continue to evaluate and, as necessary, update the Company's remuneration policy to ensure it is aligned to drive the expected business results which are focused on creating sustainable long-term value creation.

The framework for implementing the Company's remuneration policy for the Board of Management, which was adopted by the 2004 AGM, is based on a defined approach using four compensation elements: base salary, annual cash bonus, long-term incentives and benefits. This framework enables the Company to look at all elements of total remuneration in a consistent and integrated way. While the remuneration policy provides an overall structure, there is flexibility within this structure to reflect important differences in the reward systems of local markets.

In light of the acquisition of PinkRoccade, the Remuneration & Selection Committee initiated a review of the remuneration policy against market standards with the assistance of both inside and outside specialists to ensure the remuneration policy is consistent with market standards and aligned with the underlying principles of the Company's overall remuneration structure. This review led the Supervisory Board to conclude that the weight normally given to the various compensation elements did not sufficiently emphasise long-term value creation. Consequently, the Supervisory Board proposed to the 2006 AGM a rebalancing of the remuneration package without changing the underlying compensation elements of the remuneration policy. The weight given to each compensation element is based on the following underlying principles:

- Ensure a competitive package against Dutch market standards with a balanced focus on short and long-term results;
- Emphasise the importance and reward the achievement of both long-term value creation and long-term Company objectives and strategies; and
- Show the long-term commitment of the Company to its Board of Management and encourage the commitment of the members of the Board of Management to the Company and its shareholders.

The rebalancing of the remuneration package, which was adopted by the 2006 AGM, had a limited impact on the overall remuneration levels as the increase in long-term incentive and other benefits was largely offset by a decrease in the annual cash bonus. Taking into account the rebalancing of the remuneration package in 2006, the current market standards and the current circumstances in which the Company operates, no adjustment to the remuneration policy is foreseen in 2007. The overall level of the remuneration package will be reviewed annually based on external benchmarking analysis.

In determining the individual remuneration for members of the Board of Management, the Supervisory Board considers factors such as the required competencies, individual responsibilities, relevant experience and performance of the individual concerned. The Chief Financial Officer's (CFO) remuneration package has a higher base salary and a lower cash incentive than other members of the Board of Management (with the exception of the CEO) to ensure the CFO's remuneration depends to a lesser extent on annual operational results. In addition, the performance criteria to be applied in establishing the CFO's annual cash bonus will, in contrast to other members of the Board of Management, have less emphasis on operational results and more emphasis on the specific function of the CFO. To reflect the responsibilities of the Vice Chairman within the Board of Management, his total remuneration is positioned 10% above the level for other members of the Board of Management (with the exception of the CEO).

In addition, the 2003 Stock Option Plan provides for the grant of options to the Board of Management subject to certain performance-related conditions that will be determined from time to time in accordance with a consistent policy and by reference to peer group companies. Notwithstanding the provisions of the 2003 Stock Option Plan, the Supervisory Board, in consultation with the Board of Management, has decided that at this point in time no options will be granted to the Board of Management.

The employment agreements of the current members of the Board of Management are for an indefinite period. The current members of the Board of Management are not entitled to a pre-determined severance package nor do their employment agreements provide for any additional compensation as a result of a change of control in the Company. Refer to pages 100 and 101 of the Company's separate Company financial statements for a disclosure of severance payments made in 2006.

Base salary

Base salary levels are intended to compensate members of the Board of Management for the responsibilities of their position and their particular set of competencies. These levels are generally set in the 50th percentile of the relevant market and are subject to regular review by the Remuneration & Selection Committee.

Annual cash bonus

An annual on-target cash bonus of up to 50% of the base salary rewards members of the Board of Management primarily for meeting the Company's annual financial performance goals, and to a lesser extent for meeting annual individual personal objectives. Unless there are unforeseen circumstances, the goals and objectives are not amended during the year. Such goals and objectives are consistent with the targets of the long-term incentive plan that are used to drive long-term value creation. Due to the sensitivity of such goals and objectives, no further details are disclosed in this report. If in the opinion of the Supervisory Board, the Board of Management have overachieved their targets, the on-target bonus may be increased, in line with market competitive standards, up to 180%. The financial performance goals and the individual personal objectives, as well as the maximum amount payable, are defined annually in January by the Supervisory Board based upon the recommendation of the Remuneration & Selection Committee. The bonus earned in any given financial year relates to the achievement in that financial year.

Long term incentives

The Long Term Incentive Plan (LTIP) providing an on-target incentive of up to 50% of the base salary is designed to reward sustainable long-term financial performance. The LTIP operates over continuing three-year performance cycles (e.g., 2006 - 2008, 2007 - 2009, etc.). At the beginning of each performance cycle, the amount payable assuming 100% achievement at the target level is established by the Supervisory Board based upon the recommendation of the Remuneration & Selection Committee. Due to the sensitivity of the underlying performance targets, no further details are disclosed in this report.
The Performance Share Plan and Bonus Conversion Plan discussed below provide opportunities to the members of the Board of Management to hold, over a longer period of time, a number of ordinary shares that adequately safeguards the alignment of their interests with the interests of shareholders.

Cash Incentive Plan

Under the LTIP, 40% of the on-target incentive is payable in cash and is linked to achieving 100% of various medium-term financial targets. If in the opinion of the Supervisory Board, the Board of Management have overachieved their targets, the on-target incentive payable in cash may be increased, in line with market competitive standards, up to 150%. While success is in large part measurable against defined objectives, the amount payable at the end of each performance cycle is at the discretion of the Supervisory Board.

Performance Share Plan

In order to further align the Board of Management's interests with the shareholders, the remaining 60% of the LTIP on-target incentive is payable in ordinary shares under the Performance Share Plan. The actual amount of ordinary shares to be received after each three-year performance cycle depends on the Company's total shareholder return (TSR) compared to the TSR of a defined group of ten competitors. To ensure comparability, such competitors are either headquartered in Europe, are comparable in size, have an international scope, have a focus on business-to-business activities, or share some combination of these traits. The actual amount of ordinary shares to be received is determined as follows:

Position compared to peer group	Percentage payout of shares at 100% target level
1	150%
2	125%
3	100%
4	75%
5	50%
lower than 5	0%

The ordinary shares received in connection with this incentive may not be sold for two years, except under limited circumstances such as to cover the tax liability resulting from receiving such ordinary shares.

Bonus Conversion Plan

In addition, under the Bonus Conversion Plan introduced in 2006, members of the Board of Management can voluntarily invest up to 50% of their actual net annual cash bonus into ordinary shares. If the ordinary shares are not sold during a three-year period, at the end of such period the Company will provide one ordinary share for each ordinary share of the applicable tranche that is still owned by the member of the Board of Management. Neither the ordinary shares held for the preceding three years nor the ordinary shares received in connection with this incentive may be sold for two years, except under limited circumstances such as to cover the tax liability resulting from receiving the matching ordinary shares.

Benefits

Pension arrangements

Members of the Board of Management are eligible for pension benefits under plans typically available to Getronics employees of the country where the board member resides. Consequently, the members of the Board of Management are covered by applicable local pension plans. Employee contributions to local pension plans are made by the Company for members of the Board of Management.

Additional arrangements

In addition to the aforementioned remuneration, a number of additional fringe benefit arrangements apply to members of the Board of Management. These additional arrangements, such as expense and medical cost allowances, company sponsored disability and life insurance, and company car provisions, are broadly in line with other companies of similar size and complexity.

Introduction

Getronics is a public limited liability company (naamloze vennootschap) established under the laws of the Netherlands. Its ordinary shares are listed on Eurolist by Euronext of Euronext Amsterdam N.V.

Getronics' management and supervisory structure is organised in a two-tier system comprising a Board of Management and a Supervisory Board. The Board of Management, which is chaired by a CEO, manages the Company's day-to-day operations, defines the strategic direction and establishes the policies. The Supervisory Board supervises the policies adopted by the Board of Management as well as the general course of affairs of the Company and its business.

Getronics seeks a balance of interests between all stakeholders. The Company has invested substantial time and effort in achieving open and clear lines of communication with all interested parties. To that end, the Company maintains stringent reporting systems and policies.

Corporate Governance Code

The ongoing public debate on responsibilities and behaviour of public companies in the Netherlands has led to the establishment of a Corporate Governance Committee in the Netherlands. This committee presented a Dutch Corporate Governance Code (Code) in 2003.

The Code contains the principles and best practice provisions that management board members, supervisory board members and stakeholders should observe towards one another. Each year in its annual report, a Dutch listed company should report how it has applied the principles of the Code in the past financial year. The principles contained in the Code have been translated into specific best practice provisions. Listed companies may depart from the best practice provisions but should then give an explanation ('Apply or Explain').

Getronics and the Corporate Governance Code

Getronics acknowledges the importance of good governance and welcomes the principles of the Code. During the 2006 AGM the Supervisory Board shared the then applicable status of compliance with the shareholders. In the course of 2006, the Supervisory Board and the Board of Management further discussed the Company's compliance with the Code and concluded that Getronics is largely in compliance with the principles and best practice provisions of the Code. For example, the Company has adopted the following rules which are in line with the best practice provisions of the Code (these rules can be viewed on the Company's website):

- Rules for the Supervisory Board;
- Profile of the membership of Supervisory Board members;
- Retirement schedule of the Supervisory Board;
- Rules for the Audit Committee;
- Rules for the Remuneration & Selection Committee;
- Rules for the Board of Management;
- Retirement schedule of the Board of Management;
- Rules of Conduct relating to suspected irregularities (whistleblower rules);
- Management Charter;
- Audit Charter; and
- Regulations on the holding and effecting of transactions in securities.

For the reasons explained below, the Company currently does not, or does not fully apply the following best practice provisions directed at the Board of Management and the Supervisory Board.

Best practice provision II.1.1.
Term of office of Board Members:
A member of a board of management is appointed for a maximum period of four (4) years. A member may be reappointed for a term of not more than four (4) years at a time.

Getronics' position
Members of the Board of Management are indeed appointed for a period of four (4) years. Their employment contracts, however, are entered into for an indefinite period of time given that relevant labour laws in the Netherlands and elsewhere are not consistent with this aspect of the Code.

Best practice provision II.2.6. (& III.7.3.)
Notification of ownership of shares:
A supervisory board shall draw up regulations concerning ownership of and transactions in securities by management and supervisory board members, other than securities issued by their 'own' company. The regulations shall be posted on the company's website. A management or supervisory board member shall give periodic notice, but in any event at least once a quarter, of any changes in his holding of securities in Dutch listed companies to the compliance officer or, if the company has not appointed a compliance officer, to the chairman of the supervisory board. A management or supervisory board member who invests exclusively in listed investment funds or who has transferred the discretionary management of his securities portfolio to an independent third party by means of a written mandate agreement is exempted from compliance with this last provision.

Getronics' position
In its regulations on the holding of and effecting transactions in securities, Getronics has included the possibility for the compliance officer to earmark securities in which members of the Board of Management and the members of the Supervisory Board may not effect transactions. The Company will, however, not follow the rule that prescribes periodic reporting as set out above. The Company is of the opinion that this is a private matter and is already adequately regulated by the relevant legislation and insider trading rules. Of course, should ownership of securities constitute a material conflict of interest as set out in best practice provision III.6.1., the relevant member of the Board of Management or Supervisory Board would have to comply with the rules on conflicts as set out therein.

Best practice provision II.2.7.
Severance package board member:
The maximum remuneration in the event of dismissal of a management board member is one year's salary (the 'fixed' remuneration component). If the maximum of one year's salary would be manifestly unreasonable for a management board member who is dismissed during his first term of office, such board member shall be eligible for a severance pay not exceeding twice the annual salary.

Getronics' position
No predetermined severance package is included in the employment contracts of the members of the Board of Management. When any such member leaves the Company, the Supervisory Board exercises its best judgment in approving an appropriate severance package applying several criteria, including the performance of the respective member of the Board of Management, number of years of service, the performance of the Company compared with peer group companies, current business practices, common legal practices, the reasons for leaving and the principles and best practices of the Code.

Regulatory matters

In the course of 2006, civil servants of the AFM asked questions to Getronics relating to certain aspects of the course of events within Getronics, amongst others the departure of Mr Janssen as CFO of the Company and the announcement of the 2006 half-year results. Getronics has responded to all of these questions and received a reply that for the time being there were no further questions. Subsequently, Getronics was requested to provide copies of documents, which were provided in January 2007.

Discussion during Annual General Meeting

Getronics will annually present the outline of its corporate governance structure and report on the application of the Code in its Annual Report.

Article 10 Takeover Directive Decree (Besluit artikel 10 overnamerichtlijn)

In accordance with article 10 of the Takeover Directive (Dertiende Richtlijn), companies with securities that are admitted to trading on a regulated market are obligated to disclose certain information in their annual report. This obligation has been implemented in Dutch law through Article 10 Takeover Directive Decree. Getronics must disclose certain information that might be relevant for companies considering making a public offer with respect to Getronics. Please find below the information which Getronics is required to disclose including a corresponding explanatory report.

Capital structure

On 31 December 2006, the total number of Getronics shares carrying voting rights was 123,356,254 ordinary shares (including 779,711 shares held by the Company that may not be voted on at General Meetings of Shareholders) and 35,211,568 cumulative preference shares A, B and C. The ordinary shares represent 87.79% of the total share capital, whereas the cumulative preference shares A represent 4.23%, the cumulative preference shares B 3.99% and the cumulative preference shares C 3.99% of the total share capital.

Reduction of capital

The General Meeting may resolve, upon the proposal of the Board of Management, which proposal is subject to the approval of the Supervisory Board as well as the relevant provisions of Dutch law and the Articles of Association, to reduce the outstanding share capital by cancelling shares or reducing the nominal value of shares pursuant to an amendment of the Articles of Association. In the event of the cancellation of all of the cumulative preference shares, the approval of the meeting of holders of the relevant class of cumulative preference shares is required in addition to that of the Supervisory Board, unless all cumulative preference shares to be cancelled are held by the Company.

Dividend distribution

The Board of Management shall determine the amount that shall be reserved from the profits as disclosed in the adopted annual accounts with the approval of the Supervisory Board. From the remaining profits, if any, a dividend shall be distributed to the holders of preference shares. From the then remaining profits, if any, a dividend shall be distributed to the holders of the cumulative preference shares. The remaining part of the profits, if any, shall then be paid to the holders of ordinary shares in proportion to the number of ordinary shares held by each of them. If in any financial year the profits do not allow for a full dividend distribution to the holders of preference shares and cumulative preference shares, such dividend shall be reduced proportionally and the shortfall shall be paid out of the unreserved profits generated in the following financial years. See for further details and conditions page 111.

The Board of Management may, with the approval of the Supervisory Board, resolve to distribute an interim dividend in accordance with the applicable provisions of Dutch law and the Articles of Association.

Limitation on the transfer of shares

Cumulative preference shares may, subject to certain conditions as stipulated in the Articles of Association, only be issued or transferred to natural persons (subject to dispensations by the Board of Management). A natural person may not, pursuant to an issue or transfer, acquire or hold 1% or more of the issued cumulative preference shares.

Obligation of Shareholders to disclose holdings

The following holders of ordinary shares, cumulative preference shares and/or issued depositary receipts for cumulative preference shares sent notice to the AFM of an equity interest as per 1 November 2006 in the range between five and twenty-five percent: AEGON N.V. (8.27%), ING Groep N.V. (7.5%), Fortis Utrecht N.V. (7.26%), Aviva Plc (5.72%) and Stichting Administratiekantoor van Cum Prefs in Getronics N.V. (22.21%).

Control mechanism of share participation plan

Getronics has a stock option plan (and some previous stock option plans under which no further options are granted) for certain eligible key employees and management and a performance share plan/bonus conversion plan for members of the Board of Management. Options can only be granted in accordance with the underlying stock option plan rules, and with the approval of the Supervisory Board (on the advice of the Remuneration & Selection Committee) if certain criteria are met and up to a maximum of 2% per annum of the then outstanding ordinary shares and on certain pre-announced dates during the year (see page 82 for further details). Performance shares as part of the Long Term Incentive Performance share plan can only be granted to members of the Board of Management in accordance with the underlying plan rules of the performance share plan. The total number of shares to be granted as part of the performance share plan depends on the Company's total shareholder return (TSR) compared to the TSR of a defined peer group of ten competitors (see page 14 for further details). Next to that, matching shares can be granted by the Company as part of the bonus conversion plan. The number of matching shares depends on the number of shares a member of the Board of Management has bought from his net annual cash bonus (voluntary plan), and a minimum holding period of five (5) years (see page 15 for further details).

Voting rights

Each share issued by Getronics entitles its shareholder to one vote. Resolutions by the General Meeting require the approval of an absolute majority of votes validly cast, unless otherwise required by Dutch law or the Articles of Association.

Attendance

Each shareholder shall be entitled to attend General Meetings of Shareholders, either in person or through a written proxy, to address such meetings and to exercise voting rights in such meetings, subject to the provisions of the Articles of Association. In order to gain admission to a General Meeting of Shareholders, the holders of registered shares are required to notify the Company in writing of their intention to attend the meeting or to have themselves represented at the meeting by a proxy holder, in each case not later than on the date mentioned in the convening notice for the relevant meeting. See for further details and conditions page 114.

The depository receipts for cumulative preference shares are issued in cooperation with Getronics.

Shareholders agreement on limitation of the exercise of voting rights

The cumulative preference shares are held by the Trust Office (see page 117), which shares represent approximately 22.21% of the votes that may be cast on the Getronics shares. In accordance with the administration conditions of the Trust Office, the Trust Office will issue a voting proxy to the holders of depositary receipts issued in respect of the cumulative preference shares. The voting rights are based on capital contribution in Getronics and will be recalculated annually. This results in the depositary receipt holders together representing approximately 16% of the votes that may be cast on the outstanding shares as at 31 December 2006. The remaining cumulative preference shares held by the Trust Office will not be voted on.

Appointment and suspension of members of the Board of Management

The members of the Board of Management are appointed by the General Meeting upon a binding nomination by the Supervisory Board of at least two (2) persons or a non-binding nomination of one or more persons. In the case of a binding nomination, the General Meeting may remove the binding nature by a resolution passed by an absolute majority of the votes cast, if that majority represents more than one-third of the issued capital. If the Supervisory Board have rendered a non-binding nomination, or if the General Meeting has removed the binding nature of such nomination as set out above, other persons may only be appointed by the General Meeting following a resolution adopted with a majority of at least two-thirds of the votes cast, if that majority represents more than one-third of the issued capital. A member may be reappointed for a term of not more than four years at a time. The Supervisory Board appoints one of the members of the Board of Management as chairman of the Board of Management.

The Supervisory Board may suspend a member of the Board of Management at all times. The General Meeting may at all time suspend or dismiss a member of the Board of Management. Unless at the proposal of the Supervisory Board, the General Meeting may only pass a resolution to suspend or dismiss a member of the Board of Management with a majority of at least two-thirds of the votes cast, if that majority represents more than one-third of the issued capital.

Appointment and suspension of members of the Supervisory Board

The Supervisory Board members are appointed by the General Meeting upon a binding nomination by the Supervisory Board of at least two (2) persons or a non-binding nomination of one or more persons. In case of a binding nomination, the General Meeting may remove the binding nature of such nomination by passing a resolution to such effect, on the condition that such resolution is passed with an absolute majority of the votes cast, which majority represents more than one-third of the issued capital. Each Supervisory Board member shall resign from the Supervisory Board, ultimately at the end of the General Meeting following a period of four (4) years following his or her appointment. Supervisory Board members may be reappointed for a maximum of two (2) terms. The General Meeting may at all times suspend or dismiss a member of the Supervisory Board, provided that the General Meeting may only adopt a resolution to suspend or dismiss a Supervisory Board member with an absolute majority of the votes cast, on the condition that that majority represents more than one-third of the issued share capital, unless the resolution is adopted following a proposal to such effect by the Supervisory Board.

Amendment of the articles of association

The Articles of Association may only be amended by a resolution of the General Meeting at the proposal of the Board of Management, made with the consent of the Supervisory Board. Such a resolution requires a majority of at least two-thirds of the validly cast votes. A proposal must always be listed in the convocation of the General Meeting of Shareholders and a copy of the proposal containing the literal text of the proposed amendment shall be deposited at the offices of Getronics for examination. If an amendment leads to affecting the rights of the holders of cumulative preference shares, the decision to amend the articles of association must also be approved by the meeting of holders of the classes of cumulative preference shares of those who are affected by that amendment.

Authority to issue shares

The General Meeting, in accordance with the Articles of Association, in each instance for a period not exceeding five (5) years, may grant the authority to issue ordinary shares in the capital of the Company to another corporate body, which may then resolve upon the issue of shares subject to the approval of the Supervisory Board. In addition, the General Meeting may grant authority to restrict or exclude pre-emptive rights, and to grant rights to subscribe for ordinary shares, to the same corporate body to whom the authority to resolve upon the issuance of the shares has been granted for a period not exceeding five (5) years. The approval of the Supervisory Board is also required if such corporate body resolves to restrict or exclude pre-emptive rights or to grant such rights to subscribe for ordinary shares.

At the April 2006 AGM, the General Meeting resolved to designate the Board of Management for a period of 18 months as the body authorised to resolve, subject to approval by the Supervisory Board, upon the issue of ordinary shares and/or granting of rights to subscribe for ordinary shares up to a maximum of 30% of the number of ordinary shares outstanding at the time. The Board of Management and the Supervisory Board have, however, confirmed that this right will only be exercised up to a maximum of 10% of the issued share capital, to be increased to a maximum of 10% of the issued capital in case of an acquisition or merger. The General Meeting further resolved to designate the Board of Management for a period of 18 months as the body authorised to resolve, subject to approval by the Supervisory Board, to limit or exclude the statutory pre-emptive rights in the event of an issue of ordinary shares and/or to grant rights to subscribe for ordinary shares.

The General Meeting may, in accordance with the Articles of Association, in each instance for a period not exceeding five (5) years, grant the authority to issue cumulative preference shares to another corporate body, which may then resolve to issue such shares subject to approval by the Supervisory Board.

For these purposes, the granting of rights to subscribe for such cumulative preference shares constitutes an issue of cumulative preference shares. In turn, the issue of cumulative preference shares upon the exercise of such rights does not constitute such an issue. In the event of the issue of cumulative preference shares, no shareholder shall have any pre-emptive rights.

See page 116 for information concerning the option agreement with the Stichting Preferente Aandelen Getronics N.V.

Acquisition by the Company of shares in its own capital

The Company may acquire any class of shares in its own share capital or depositary receipts issued in respect thereof, subject to certain conditions according to Dutch law and the Articles of Association provided that (i) shareholders' equity less the acquisition price is not less than the sum of the paid-up and called up part of the issued share capital and any reserves which must be retained by law or under the Articles of Association and (ii) the Company and its subsidiaries would thereafter not hold or have pledged to them shares in the Company with an aggregate nominal value exceeding one-tenth of the Company's issued share capital.

Acquisitions by the Company of shares in its own share capital may only take place if the General Meeting has granted the authority to effect such acquisitions to the Board of Management. Such authority may be granted for a maximum period of 18 months and must specify the number of shares or depositary receipts that may be acquired, the manner in which they may be acquired and the price limits within which they may be acquired.

At the April 2006 AGM, the General Meeting granted to the Board of Management the authority for a period of 18 months to repurchase ordinary shares and/or depositary receipts up to the legal maximum and at a purchase price between the nominal value of the ordinary shares and 110% of the market price.
The Company currently holds 779,711 ordinary shares.

Shares held by the Company or any of its subsidiaries may not be voted on at General Meetings of Shareholders.

Change of control clauses in significant contracts

The Company has entered into an option agreement with the Stichting Preferente Aandelen Getronics N.V. (the Foundation), pursuant to which the Foundation has been granted an option to acquire preference shares from the Company. Such issuance could therefore, amongst others, have the effect of a material reduction of the voting power of other holders of shares in the Company. See page 116 for further information.

Payments to employees on termination of employment in case of a public bid

The employment agreements of the members of the Board of Management do not provide for any pre-determined compensation as a result of a change of control in the Company.

Corporate Social Responsibility

Getronics' approach to sustainability

Getronics is a prominent player in the global ICT services industry. As such, the Company recognises that it has a responsibility to address ethical, social and environmental issues and wishes to do so in a balanced, transparent and structured way.

The Company's approach and thinking on sustainability has evolved considerably since two years ago, when a commitment was made by the Board of Management to transform Getronics into a better corporate citizen. Corporate Social Responsibility (CSR) is increasingly becoming an integral part of the day-to-day work of Getronics management and staff. In addition to purely financial factors, Getronics always takes ethical, social and environmental aspects into account when reaching decisions and determining corporate objectives. It is embedded in the strategy, business plans and ongoing dialogue with all stakeholders.

Getronics' philosophy on sustainability is fully in line with its vision to be a leading international ICT provider. It is also consistent with the Company's guiding principle of making people the focus of its business approach.

Sustainability profile of the organisation

Getronics aims to make a profit, but not at the expense of the environment or quality of life. In fact at the core of its business, the workspace, Getronics acts as an agent of sustainability, by providing uninterrupted access to ICT products and services, thus facilitating global development. Getronics is focused on enabling its clients to benefit from this global development, and the Company believes ICT solutions will continue to have a considerable impact on the productivity and welfare of individuals and organisations in the future. By helping its clients achieve their goals, Getronics helps increase their efficiency – from financial services companies to governmental organisations. In addition to its business activities, Getronics is well aware of its responsibilities as an employer and as a member of local, regional and global communities. The Company arranges and sponsors various local activities and community projects and in the interest of transparency and accountability, maintains an ongoing dialogue with all stakeholders.

In 2006 Getronics carried out an audit of the Company's corporate culture following the integration of Getronics' operations in the Netherlands and the United Kingdom with those of PinkRoccade. In 2006 four shared core values identified under that audit were: inventiveness, reliability, expertise and involvement.

Sustainability policy

Getronics has formalised its policies on key sustainability issues within a comprehensive framework of internal rules and regulations on responsible business conduct. These policies cover all relevant aspects of corporate social responsibility and comply with the most commonly accepted international standards. The Company plans in the future to benchmark its performance using the latest Global Reporting Initiative (GRI) criteria, although this has not yet been accorded formal policy status. Once that occurs, the Company intends to implement the measuring and monitoring systems necessary to provide the performance data covered in the GRI guidelines. Getronics encourages its suppliers and business partners to adhere to the Company's standards or other specific requirements regarding social, ethical and environmental issues.

Code of conduct

The Company has a formal code of conduct (Getronics Standards of Ethics and Business, published in December 2003) that applies to everyone in the organisation. This code covers: integrity, measures against bribery/corruption, respecting the law/compliance, transparency, equal opportunities, whistleblower policy and health & safety. The code has been made available to all employees through electronic publications (e-mail, intranet, and corporate websites). In some countries, more detailed guides to the Getronics Standards of Ethics and Business have been adopted. Management at all levels is responsible for policing compliance with the code and for establishing a process to deal with complaints, to report irregularities and carry out improvements. These management responsibilities are laid down in Getronics' Management Charter.

Management Charter

The Company has published its key business principles in its Management Charter. This policy document provides formal guidelines on internal governance within the Getronics Group in a broader sense and, as such, is intended to influence the evolution of business conduct as well as the management style and culture of the Company. The Management Charter refers to other, more specific, written policies that apply within Getronics, such as the Company's Worldwide Equal Opportunity Policy, Health and Safety Policy, Policy on Prohibiting Discrimination, Harassment and/or Intimidation in the Workplace, and the Information Security Policy (regarding confidentiality of information), in accordance with the ISO/IEC 17799 code of practice for information security management standards. It is mandatory for Getronics personnel to report incidents and any suspected breach of conduct or potential shortcomings.

All business unit managers are required to report any irregularities and confirm that compliance with the Company's policies has been maintained. In the event that policy has been breached, disciplinary action is taken that is commensurate with the severity of the breach, taking into account specific circumstances and local values.

Authority limits

All members of the Board of Management and other management are subject to the Company's Authority Limits. Instructions with regard to responsibilities and required authorisation levels for operational, financial, legal, human resources and investor relations acts are formally stated in their employment contracts, internal policy documents and written instructions. Members of Getronics' Board of Management and Supervisory Board must comply with specific rules on corporate governance.

Corporate governance

Getronics has adopted rules in line with the best practice provisions of the Code (refer to the Company's report on Corporate governance on pages 16 to 21 of this Annual Report).

Adopting international guidelines

Getronics has identified the most relevant international guidelines and treaties and adopted their focus points to use as a framework with which to assess Getronics' performance. The following guidelines and policy statements have been identified as being applicable:

- OECD Guidelines for Multinational Enterprises;
- UN Global Compact; and
- Global Reporting Initiative.

Human rights

- the Universal Declaration of Human Rights; and
- UN Norms on the Responsibilities of Trans-national Corporations and Other Business Enterprises with Regard to Human Rights.

Labour conditions

- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

Environmental

- the Rio Declaration on Environment and Development; and
- the CERES (Coalition for Environmentally Responsible Economies) Principles.

Corruption

- the OECD Convention Combating Bribery of Foreign Public Officials in International Business Transactions

The Company believes its own formal internal policies and regulations all comply with commonly-accepted norms and standards for responsible business conduct and, in some cases, exceed minimum requirements set forth in national and international policies. In general, Getronics endorses these policies, although these are not always included in the Company's own formal policy statements. The Company maintains its own responsibility in this respect, while aiming to adhere to accountability standards that enable the Company to continue to operate ethically and effectively.

Supporting the 2006 Global Reporting Initiative

In 2006, Getronics continued to conduct benchmarking research in order to establish a clear view of the current state of affairs within the Company and of best practice CSR standards. Getronics actively participated in broader CSR forums, giving full support to the revision process, leading to improved GRI guidelines. These new guidelines were unveiled in an international conference held in Amsterdam which Getronics supported extensively.

Getronics sponsored the GRI event financially and in kind, supplying an 'Internet Lounge' consisting of 20 workstations, allowing journalists and attendees to report on the event. Getronics also produced the CD-ROM containing the revised GRI guidelines, which was included in delegates' information packs.

Stakeholder dialogue

Getronics is an international company. The Company maintains regular dialogue with all its stakeholders in all its countries and strives to be transparent and consistent in all discussions and communications across all channels. Its stakeholders include clients, employees, local and global communities and its financial stakeholders (shareholders, bondholders and its bankers).

Through the course of 2006, Getronics continued an open dialogue with key stakeholders on economic/ financial, social and environmental issues. Employee participation in developing strategy, policy-making and the day-to-day running of the Company is embedded in formal policies and encouraged by Getronics' corporate culture.

With regards to clients, Getronics commissions regular satisfaction surveys. The Company continued to achieve consistently high ratings in 2006 on these surveys, which is confirmed by contract renewal rates of over 90% in 2006.

The annual independent survey of Getronics' client base by Gartner showed in 2006 that the Company's clients appreciate the individual attention and outstanding customer service they receive, and the technical competence and flexibility with which Getronics meets their changing organisational and business needs.

In order to create a constant client feedback process, Getronics has also introduced CustomerSat. This is an online tool that generates client specific surveys and process satisfaction surveys. CustomerSat is hosted and monitored by an independent firm. The end-users will receive a URL link after each incident resolution with some feedback questions on the service and problem resolution. This also provides the Company with 24x7 access to automatically generated real-time reports. This enables Getronics to constantly monitor the service performance of its own professionals as well as its service partners, allowing for immediate corrective actions, documented and tracked to ensure improvements. In addition, the scores and data are analysed over longer period of times in order to identify trends and implement structural improvements.

Getronics' 24x7 integrated helpdesk service means that the Company can respond immediately to clients' needs. The Getronics helpdesks can be reached by clients from all over the world by telephone or through support portals on the Internet.

Human capital

An important part of Getronics' approach to sustainable growth is its focus on attracting, motivating, developing and retaining talent. Getronics is committed therefore to building on the strengths of its employees and supporting their individual professional development. In total, the Company employs 22,114 full time equivalents, on a permanent basis, with the majority based in Europe, especially the Benelux.

Managers meet with employees at regular intervals to carry out individual career assessments, and employees are then helped to develop their professional and social skills through in-house programmes and subsidised external training and formal education.

Investing in people – education and training

In 2006, the Company invested approximately €14 million in staff training and development. All employees are encouraged to benefit from Getronics' Virtual University, an extensive e-learning environment currently offering about five thousand courses in thirteen different languages. By the end of 2006, about 15,000 accounts had been created at the Getronics Virtual University and employees accessed more than 66,000 courses (48% shared business courses and 52% shared technical courses) and 5,100 online books.

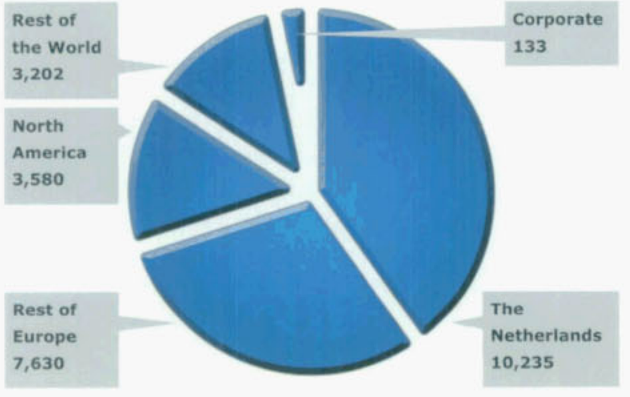
Equal opportunities

Getronics is an equal opportunities employer; the Company does not discriminate on the basis of gender, ethnicity, or religious beliefs. The Company thus respects local differences in language, culture and legislation, and promotes the Getronics corporate identity as a means of fostering 'unity in diversity'.

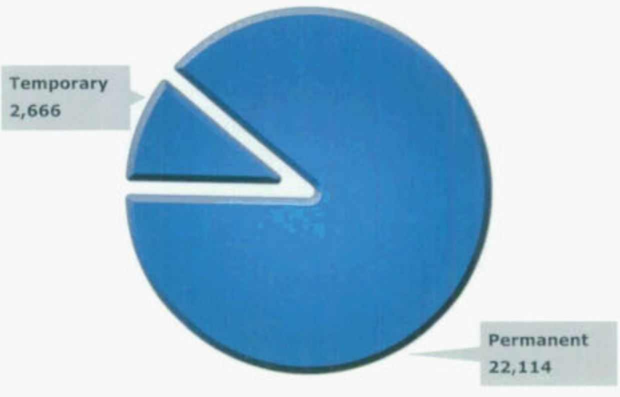
Health and Safety

Getronics accords prime importance to the safety of the working environment and has ensured all measures are in place to deal with a wide spectrum of health and safety risks. It is Getronics' policy to meet or exceed relevant standards governing the health and safety of its employees and third parties. We encourage employees to accept health and safety as part of their individual responsibility. At a practical level, the main

Number of employees from continuing operations



Permanent versus temporary staff



objectives of the Company are to avoid accidents, injuries, damage to property, and to conserve a healthy working environment.

In general, the Company's business activities do not pose a potential threat to people's health and safety. Occupational hazards do not differ significantly from the risks to which all office workers are exposed. Particular attention is given to the availability of ergonomically sound office furniture and equipment. In addition, the Company enforces a clear policy on health and safety. This is formally stated in the Company's Management Charter.

Environmental capital

Getronics takes a positive approach to environmental issues and has formally committed to meet or exceed standards set by environmental laws and regulations applicable to its operations. While Getronics neither owns nor holds responsibility for the management or operation of production facilities, environmental awareness plays an important role in all activities. Decisions relating to the selection, installation, maintenance and repair of hardware and waste management, for example, are made with due consideration for the environment. There is also a high level of awareness among employees of the need to conserve energy and to re-use and recycle PCs, laptops and other hardware.

Given the nature of its business activities, Getronics considers the impact of its operations on the environment to be limited. As a services provider, often working at its clients' offices, Getronics has traditionally not systematically monitored its use of raw materials, energy or water, nor does the Company own or manage land in environmentally sensitive areas. Getronics has no production facilities or other assets that account for significant emissions of CFC-11, NOx or SOx. Getronics is nonetheless keen, as a responsible corporate citizen, to improve the quality of key environmental data relating to its operations.

As of 2006, Getronics started measuring consumption of electricity, to establish a benchmark against which to measure future performance on this score. At a later stage, Getronics plans to provide more extensive data on the environmental impact of its business.

Another area of recent attention, in particular in the Netherlands, has been improving the Company's employees' choice in means of transport (generally car or public transport). In many cases, employees now receive financial compensation for choosing environmentally friendly and less expensive public transport. The Company has also been making changes to its car lease programmes to promote the use of more environmentally friendly cars.

Reduce, re-use, recycle

Although Getronics is not a manufacturer, it purchases, installs and maintains a substantial amount of hardware and appliances, for its own and for clients' offices. Getronics therefore has an environmental awareness programmes to 'reduce, re-use and recycle'.

Most subsidiaries have established programmes and procedures to help reduce water wastage, limit paper consumption and conserve energy. Empty toner cartridges and waste paper are collected and recycled and Getronics participates in projects for the environmentally-friendly disposal of old computer hardware on behalf of clients.

Employees and clients are also encouraged to minimise travel by using remote services, including teleconferencing facilities. Increased emphasis has been put on exploiting the benefits of remote service delivery from Getronics' Global Service Centres in Budapest, Mexico City and Singapore. In addition, Getronics' business units promote the concept of 'working at home/everywhere' among client companies, and the use of flexible workspaces to create smaller and fewer offices.

Supply chain considerations

Getronics strives to ensure that its main partners and suppliers also share its concern for balancing the interests of people, planet and profit in their own CSR policies. The most relevant Getronics strategic business partners, in terms of their economic value and worldwide impact on local communities, are Microsoft, Cisco, and Dell. All of these companies take corporate sustainability very seriously. As a consequence, they rank amongst the best companies to work for and have all achieved high CSR ratings. They also all have included environmental criteria in their contracts with suppliers, operate substantial CSR programmes and have been acknowledged for their leadership in promoting the universal application of criteria for good labour standards and the protection of human rights.

In addition to these three key technology partners, Getronics has valued strategic partnerships with numerous other technology providers and local delivery partners. Getronics supports its local service partners with comprehensive training, access to the Company's knowledge base and remote service centres. In order to enable local service partners to apply best practices and deliver services consistent with the highest standards, Getronics encourages its local partners to adopt the same key values and CSR standards. As an example of this, in early 2007, Getronics announced the expansion of its relationship with India-based MindTree Consulting, with whom the Company has worked since 2003. It is Mindtree's mission to deliver business-enabling solutions and technologies by creating partnerships with its customers in a joyous environment for its people. Its core values are expressed in its stated intention to be a C.L.A.S.S. apart: Caring, Learning, Achieving, Sharing and Social Responsibility. Mindtree's mission statement and core values not only appeal to Getronics but also to Getronics' clients and we believe this is important as off-shoring is still a sensitive issue to many of Getronics' clients in Europe, despite the considerable benefits it affords them.

Community involvement

Getronics believes its reputation and standing in society depend to a certain extent on its involvement in local community affairs and on support of good social and cultural causes. The Company takes a pragmatic approach to this, aiming to balance the interests of all stakeholders. Getronics encourages all employees to participate actively in community affairs. While there is latitude for local and national operations to establish their own parameters of involvement, the support of children and learning is a theme common to many programmes.

In 2006, Getronics' business units and employees around the world donated time, expertise and money to local communities where they live and work. Throughout the Company, initiatives tend to relate predominantly to supporting the health, welfare and education of children. In the Netherlands, Getronics supports the War Child Foundation, which looks after the healthy mental development of children who have lived through war. Getronics' role is to supply and maintain the organisation's ICT infrastructure, whereby one systems manager spends every Friday at the organisation, performing ICT maintenance, while a team of Getronics employees install hardware donated by Getronics' partner Cisco. In addition, in the Netherlands, at a national level, Getronics supported the Rugby League by providing and maintaining their ICT infrastructure. Getronics also continues to support the Netherlands Olympic Committee by providing and maintaining their ICT infrastructure.

A programme to educate local underprivileged children in Amsterdam entered its second year in 2006. The three-year, half day a week, programme teaches local 12-15 year olds how to create and give presentations, work with spreadsheets, word processing techniques, and how to deal with the possibilities of internet. The courses are held in one of Getronics' offices in Amsterdam, in the New West district of the capital, which has immigrant integration challenges. This is one of several initiatives developed voluntarily by Getronics local employees, under the auspices of *Campus Nieuw West*, a local-authority initiative aimed at involving and engaging local Amsterdam businesses in educating and developing the local residential community. A total of about 15 Getronics employees are now involved in various acts of neighbourly assistance, which include ICT evening classes for adults, and a 'Lightening Internship' introduction to the Getronics organisation for teenagers.

In 2006, Getronics' North American operations supported community-based charitable activities such as the Lowell General Hospital Cancer walk, the Pink Ribbon campaign in support of Breast Cancer research, and the St. Michael Hospital fund raiser. In addition, employees of Getronics North America were active in the community collecting Toy for Tots during the holiday season, raising money for local charities, and adopting less fortunate families, providing them with food, clothes and other gifts.

In Australia, Getronics continues to support the Children's Cancer Institute, and in Spain, the Company sponsors an initiative to support the development of children's musical abilities.

Economic capital

The Company recognises that long-term financial success requires an approach that takes into account the expectations of all stakeholders - clients, employees, investors, and local and global communities.

The Company's most significant contributions to the economy are in those countries where Getronics operates on a relatively large scale. In addition, the Company's contributions to many other economies is reflected in its direct presence in over 25 countries and the presence of its service partners in over 90 countries.

Please refer to Other Information and Information for Shareholders elsewhere in this Annual Report for discussions on share ownership and voting rights, respectively.

The corporate strategy regarding economic capital in 2006 was focused primarily on stabilising the Company's finances following the unexpected serious losses in Italy in 2005. Following the completion of the divestment programme, as described elsewhere in the Annual Report, and the successful 2014 Convertible Bond issue, the Company considerably improved its financial profile. Getronics benchmarks its economic performance against a peer group of ICT companies over a three-year rolling period. The Company's performance is also measured against a group of peers on total shareholder returns.

Strategy, Market Position and Portfolio

Strategy

Vision

To be a leading international Information and Communication Technology service and solution provider with outstanding expertise in workspace management, applications, and consulting and transformation services.

Mission

To enable organisations to raise their performance and increase the productivity of their people, by providing them with the ability to share information and to work together efficiently, securely and effectively, wherever and whenever they need.

Getronics is an international ICT Services and Solutions company committed to enabling organisations to raise the performance and productivity of their people through providing best-in-class workspace management, applications, and consulting and transformation services. Getronics' vision and mission lie at the heart of the Company's strategy. As part of its annual strategy review in 2006, the Board of Management decided to further focus and accelerate a number of planned activities such as the divestment of non-core businesses, further adoption of the global service delivery model, and the further expansion of the certified service partner model. At its Extraordinary General Meeting of Shareholders in December 2006, the Company publicly shared this direction as a means to increase transparency with all its stakeholders. The Board of Management is convinced that its business strategy is valid and provides the best route to building value for Getronics and all its stakeholders - clients, employees, and shareholders. This view is strongly endorsed by the Supervisory Board.

An important aspect of the Company's strategy is to improve its financial strength. In 2006, the Company took a number of important steps to reduce financial risk - the convertible bond refinancing, cash management programmes, and divestitures in non-core areas - that help lay the groundwork for the coming years. For a service company, where the bulk of revenues are earned through clients committing to long-term contracts, a solid and credible financial position is an important business prerequisite. Significant new business wins, coupled with a stream of contract renewals and extensions throughout the past year are an indication that Getronics' clients are satisfied with the business proposition and are comfortable with the Company's progress and status.

The execution of Getronics' go-to-market strategy remains focused on four core areas:

- Target Markets;
- The Portfolio;
- Delivery; and
- Partnership.

Target Markets

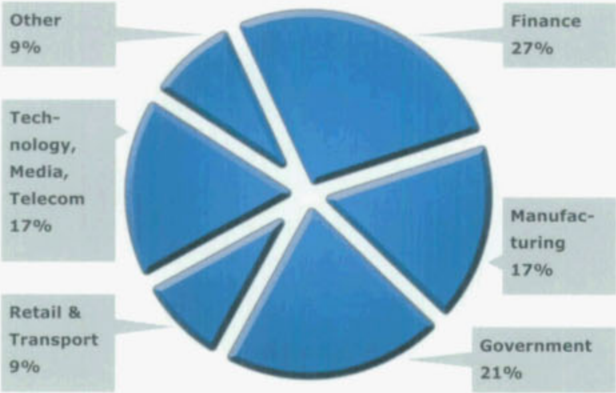
Getronics is active in a large and complex information and communication technology services market where industry experts anticipate a compound annual growth rate (GAGR) between 4% and 6% over the next two years. In this highly competitive market the Company has chosen to focus on workspace management, application integration and management, and consulting and transformation services.

Getronics continues to focus internationally on large enterprise clients, and specifically those with a business epicentre in the Netherlands, Belgium, the United Kingdom or North America. Getronics' International Strategic Clients accounted for approximately 30% of Group revenue in 2006, validating the Company's portfolio and focus.

Getronics also sees strong market demand for ICT services from medium to large national clients both in commerce and government. The infrastructure that Getronics has developed to support its international client base puts the Company in a good position to satisfy the needs of this market. In the Netherlands, where the scale of Getronics' operations is significantly greater than elsewhere, Getronics has a broader range of target clients, but here too, the drive is for focus and expansion within individual clients.

Although Getronics' core business can generally be regarded as cross-market, the Company does boast some significant sector-specific expertise. This is most evident where the company exploits specialist knowledge in the financial services sector, retail, healthcare, government, manufacturing, energy and others. Getronics also offers a number of industry-specific solutions. These include innovative branch management for banks and patient record management for healthcare as examples.

Revenue by Vertical in 2006



The Portfolio

From a strategic perspective in 2006 Getronics further refined its go-to-market offer into three main areas: Workspace Management (exemplified by the Future-Ready Workspace), Application and Integration Management, and Consulting and Transformation Services.

Workspace Management

Getronics' workspace management expertise and focus is encapsulated in its recently launched Future-Ready Workspace. The Getronics Future-Ready Workspace has been specially developed to give the workforce constant and reliable access to relevant information and to help people connect across the enterprise. In a single physical and virtual environment, it gives the workforce access to all the applications and infrastructure they need to be most productive. Built on a flexible, modular architecture constructed on industry standards, the Future-Ready Workspace continually adapts to the changing needs and goals of business. It is secure, scalable and simple to maintain.

With the Future-Ready Workspace, Getronics creates an environment that can be kept completely up-to-date: innovations and upgrades are provided as required, and Getronics' remote management services ensure that all systems operate with optimum efficiency.

Getronics' services and operations supporting workspace management are built on industry standards and frameworks such as Information Technology Infrastructure Library (ITIL), its organisations are ISO certified, and leverage Six Sigma for continuous improvement. In addition to these standards, the Future-Ready Workspace also integrates market-leading technologies through alliances with Cisco and Microsoft.

Application Integration and Management

Getronics addresses two significant business concerns:

- How to ensure application continuity at acceptable cost; and
- How to extend the scope of applications without the need for total renewal.

Driving out cost and adding value are essential objectives for both workspace and application management. In the application arena, Getronics helps its clients achieve increased productivity through three broad areas of activity:

- The integration of new and existing business applications. We combine both local and best shore resources to bring our clients the combined benefit of strong local knowledge and savings in cost and time;
- Application maintenance and evolution, ranging from patching right through to major re-platforming projects; and
- Full application management, where Getronics assumes complete responsibility as an outsourced applications service provider.

Today's landscape is highly mobile, security conscious and deeply collaborative. With its Application Integration and Management expertise, Getronics can create a sustainable application environment for its clients, and most importantly, one which satisfies the need for role-based workforce profiles.

As an applications partner in specialist areas such as retail banking, insurance, healthcare and government, Getronics' applications expertise is particularly focused on the way applications help our clients establish intimacy with their own customers. This can be at the physical point of contact in a branch or through virtual channels such as customer contact centres.

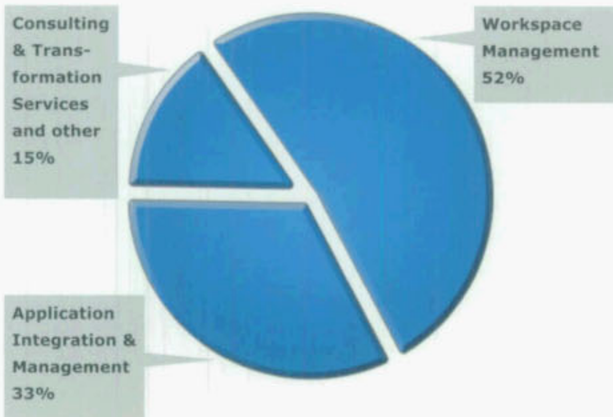
Consulting and Transformation Services and other

The market is wrestling with difficult issues around effectively maintaining current ICT investments, introducing new technology, leveraging industry standards for predictable performance, introducing continuous improvement programmes, addressing security shortcomings, and transforming existing environments. When Getronics' clients are considering their approach and strategy in these areas, Getronics is ready to provide them with guidance and analysis, building on many years of experience in designing, building, deploying and managing complex and cost-effective ICT solutions.

Getronics is used to working side by side with its clients to not only develop comprehensive and practical proposals, but also to implement them effectively so that clients gain their desired return on investment. In total, Getronics has over 1,500 experienced workspace and application management architects and consultants.

As major projects are increasingly entrusted to collaborative consortia, it has become essential for all parties to be able to work effectively together while delivering absolute reliability in their particular area of expertise.

Getronics services split in 2006



The three broad go-to-market offers described above have been built around Getronics' core strengths and are built on the Company's global portfolio of services which covers workspace management, applications, technology transformation, communications, and security.

Portfolio services

Workspace Management Services

Getronics workspace management services ensure that the foundation of the enterprise workspace runs smoothly and cost-effectively and that those who rely on it are supported. With its workspace management services, Getronics addresses both infrastructure and core office software. Getronics continuously monitors and tunes performance, and provides full supports to users through a practical and innovative combination of remotely delivered services and on-site intervention. A partial list of Getronics' capabilities includes:

- Onsite and remote services;
- Managed service desk;
- Network management;
- Asset management; and
- Deployment services.

Application Services

Getronics provides a wide range of application and integration management services to ensure that its clients continue to get the best value from heritage applications and are able to integrate new business applications quickly and effectively. Getronics uses a combination of local and best-shore resources in order to ensure cost-effective and responsive service, offering fully outsourced application services as an option:

- Workspace applications;
- Line-of-business applications;
- Application integration and management; and
- Application re-platforming, packaging and renovation.

Technology Transformation Services

Getronics undertakes a broad range of project-based change management activity with its clients. This covers both consultancy on technological and service architectures and the subsequent implementation activity. Getronics is particularly skilled in managing large and complex roll-outs of new technology and is fully prepared to assist its clients in the adoption of new Microsoft platforms:

- Technology refresh;
- Rapid deployment;
- Operating system and application migrations;
- Software image and patch management; and
- Server migration and consolidation.

Communication Services

Getronics is skilled in the design, implementation and ongoing management of the most sophisticated enterprise communication systems. The Company provides options for fully managed and converged voice and data communications and is increasingly being asked to advise and partner on unified messaging for fixed and mobile environments:

- Managed VOIP and WiFi;
- Managed networks;
- Remote and mobile applications; and
- Provider management.

Security Services

For Getronics' clients, in order to be able to conduct business with confidence it is essential that effective and sustainable security policies are in place and that each new threat is neutralised before it can do damage. For this reason, security is an important element of Getronics' offering. For a security approach to be effective, it must embrace the entire process and not simply pick off individual points of vulnerability. Getronics seeks to work alongside its clients in the definition of their overall security provision.

Well-managed security does more than protect business and help it meet compliance requirements – it is a business enabler, contributing to workforce productivity, cost management and business acceleration.

Getronics' clients are eager to drive down the cost of security without compromising their effectiveness. The underlying goal of steering an organisation to a rationalised environment, always seeking to eliminate unnecessary complexity, has become one of the key principles of Getronics' approach for its managed security services:

- Workspace security;
- Business continuity;
- Security benchmarking; and
- Managed security.

Delivery

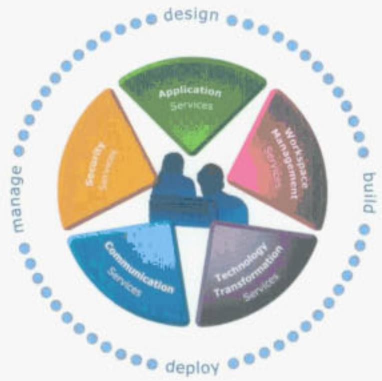
As with any service company, excellenct delivery is paramount. Getronics provides extended and complex service and support to clients in multiple geographies,. In such a situation, quality and consistency of delivery becomes a key differentiator.

Getronics' Global Service Delivery Model is founded on four principles:

- Standardisation: standardisation across the service network is the essential first step;
- Centralisation: centralisation to further optimise efficiencies and effectiveness;
- Automation: automation introduces new technologies to improve the client experience and further optimise delivery efficiencies; and
- Elimination: in an industrialised and standards-based service environment, it becomes possible to drive down costs and increase efficiencies by eliminating redundant activities.

The Getronics Global Service Delivery Model adopted industry standards of ITIL and ISO and adheres to a continuous improvement methodology around Six Sigma.

ICT service delivery has changed significantly in recent years, and Getronics has been in the vanguard. Change has been driven, unsurprisingly, by the dual objectives of reduced cost and increased value.



Getronics is as advanced in its thinking in application service delivery as it is in the provision of workspace management. Getronics has over 5,000 professionals working in the provision of application services, currently managing some 2,000 business applications for its clients.

As in infrastructure management, industrialisation and the adoption of relevant industry standards is key to success. In application service delivery, the Company embraces best practice in application management processes, having adopted CMMI, ASL and BISL. Getronics balances local and best-shore resources to ensure that its clients benefit from the cost, flexibility and speed advantages of best-shore and the focus and intimacy of local resources.

Getronics will continue to innovate in service delivery to ensure that the quality and range of services offered to its clients is constantly improved and extended. With the increased importance of application management, for example, Getronics will place increased emphasis on application hosting. The arrival of Microsoft Vista, with a high level of integrated security and management functions, will also impact the Company's service delivery programme.

In this climate of continual evolution, Getronics remains uncompromisingly committed to ensuring that its clients receive the flexible, cost-effective and responsive service they have come to expect from Getronics over the years. For the third year in a row, an independent Customer Satisfaction Survey continues to show Getronics at or above many of its competitors in delivering comprehensive services solutions to clients.

Partnership

The ability to work effectively as a member of a wider service eco-system is dependent on effective and productive partnerships and repeatable service delivery processes. For more than seven years, Getronics has been developing, refining, and delivering services to its clients through a combination of Getronics employees and a strong eco-system of certified partners.

The role and management of Getronics' certified service partners also increased in importance during 2006. In part, this was a natural consequence of the divestment programme, but its importance goes beyond that. The creation and monitoring of a network of certified service partners ensures that Getronics can guarantee a common standard and high level of service capabilities to its international clients wherever they wish the services to be provided.

In this light, the divestment of a number of Getronics' country operations, including those in Italy, Poland, the Czech Republic, Slovakia, Austria and France was carefully considered. With each of these geographic divestments, Getronics built effective relationships with its local service partners in order to ensure that its clients experienced a smooth transition and the same high level of service.

Going forward, the Company may contemplate disposing of more businesses or selected operations as part of its focused programme to divest (i) non-core businesses and (ii) selected operations outside the Netherlands, Belgium, the United Kingdom and North America and replace such operations with local service partners. Divestments may also be considered to raise additional cash proceeds to reinvest in Getronics' core business and support refinancing of its balance sheet. In doing so, Getronics will continue to evaluate its geographic footprint, ensuring that its international clients receive the same high levels of service from the continuing development of its growing network of international service partners.

During 2006, the Company continued to develop its strategic alliance network with Cisco, Dell and Microsoft. Getronics has become an early adopter on Microsoft Vista and is in good position to bring those experiences to the market. Cisco's converged, secured communications message resonates well with Getronics portfolio.

Operating and financial review

Financial highlights

- Total revenue generated by the Company was €2,627 million in 2006 (2005: €2,525 million) excluding revenue from discontinued operations France and Italy;
- Getronics' total organic revenue growth on a comparable basis [1] is 0.8% in 2006;
- Service revenue increased by 7% to €2,280 million. Organic service revenue growth on a comparable basis [1] was 2.3% in 2006;
- Service revenue as a percentage of total revenue increased to 86.8% in 2006 compared to 84.0% in the previous year;
- EBITAE from continuing operations was €117 million (2005: €143 million), resulting in an EBITAE margin of 4.5% (2005: 5.7%), and included €38 million of employee benefit plan related gains, including €15 million in curtailment gains of which €6 million resulted from aligning long-term benefit plans in the Netherlands as part of the integration of PinkRoccade;
- The operating result was €23 million (2005: €99 million), including €65 million impairment of goodwill, €21 million acquisition integration expenses, and €16 million amortisation of acquired intangible assets;
- Net result from continuing operations amounted to €-54 million (2005: €60 million) including €63 million of net financial expenses and €14 million in income tax expense;
- Net result from total operations amounted to €-145 million, including €91 million loss from discontinued operations;
- Earnings per ordinary share from continuing operations were €-0.44 (2005: €0.54);
- Operating cash flow from continuing operations amounted to €51 million (2005: €-5 million); and
- Net borrowings amounted to €285 million (2005: €157 million).

Main achievements 2006

- With future-Ready Workspace launched in the second half of 2006, Getronics is leading the way in enabling workforce productivity and plays well into clients' demand for controlled change as the move to Microsoft Vista, Office and Exchange is expected to result in a wave of technology refresh and application re-platforming and packaging;
- Major international contracts were signed with Barclays and ING in addition to many significant local wins;
- Getronics has expanded client business in all of its major service areas, focusing on Workspace Management, Application Integration and Management, and Consulting and Transformation Services;
- The Company is further optimising its delivery and sourcing activities for its Workspace Management Services and exploring more best-shore opportunities in its other service areas such as Application Services;
- The Breakout Programme has been initiated throughout Getronics' traditional managed services operation and has already resulted in improvement in North America. The implementation of the Breakout Programme for Europe and Rest of World is ongoing;
- During the year, the Company completed its divestment programme that was announced early 2006, which included operations in Italy, France, and most of its operations in Eastern Europe (Austria, Czech Republic, Slovakia and Poland);
- Getronics raised a significant amount of cash in 2006 by divesting HR Services and KZA in the Netherlands;
- As part of Getronics' focused strategy, the Company also continued its efforts to create stronger businesses outside its key countries by merging or selling significant parts of the Getronics activities to well established local players. The creation of a strategic partnership in France with APX Synstar was an example of this; and
- In December 2006, the Company launched a €95 million Senior Unsecured Convertible Bond due 2014, and launched a successful Tender Offer for the 2008 Bonds, significantly improving the maturity profile of the Company's balance sheet and reducing the Company's cost of capital.

Markets and trends

Global ICT markets in 2006 benefited from good economic conditions in most regions, resulting in increased demand for ICT and ICT services. In Europe most of the ICT markets were back in growth mode, while North America experienced reasonably solid demand throughout most of the year. Many emerging markets also showed excellent growth.

In Europe, the market continued to see increased demand for ICT professionals. As a result, the professional services market segment, including ICT consulting services, transformation services, migration services as well as staff augmentation services was buoyant. The managed services segment of the ICT

[1] Revenue on a comparable basis: comparable revenue for 2005 and 2006 as if Getronics and PinkRoccade were combined as of 1 January 2005, instead of 14 March 2005.

market, including both infrastructure and application management, also started to benefit from improved demand trends. In particular, the outsourcing trend has become stronger in Northern Europe. This was not only driven by organisations that were looking for a reduction of their ICT costs, but also because many organisations require better service levels, more ICT innovation and process support in order to improve efficiency, response times, and external competitiveness. The focus in managed services is clearly shifting from efficiently running the machines towards increasing end-user and workforce productivity.

Trusted advisor

Getronics has been playing well into these market trends. Getronics is also well positioned for the next wave of innovation in ICT, in particular in the area of Workspace Management. Much of the ICT investments by clients in the coming years will be triggered by the move towards Microsoft Vista, Office and Exchange. Getronics will play a leading role as a trusted advisor, and a technology transformation specialist with an excellent reputation as a Company that supports its clients in adopting innovative infrastructures and leading standards such as ITIL. In order to capitalise on these trends, Getronics will expand its Consulting and Transformation Services.

Expanding in applications

In addition to this, Getronics is expecting to see increased demand for its Application Services, in particular for application management, and integration and re-platforming projects. Getronics has also strengthened its offshore partnerships in Application Services, particularly by reconfirming its partnership with Mindtree Consulting in India. This offers clients more flexibility and a larger pool of skills at a lower cost. This will also enable skilled and experienced ICT professionals in the Company's key countries to focus on new business opportunities and clients.

Enabler of workforce productivity

The launch of the Future-Ready Workspace in 2006 presented a compelling offering to clients looking for workforce productivity in their organisation as well as controlled change and continuous improvement in their ICT environment. Clients are also seriously interested in the cost-efficient and highly effective model of remotely delivered managed services, reducing the need for on-site services. Getronics' global services delivery model, supported by the Company's Global Service Centres in Budapest, Mexico City, and Singapore, has placed Getronics in an excellent position to benefit from this trend. By strengthening its direct presence as well as through expanding its service partner network in emerging regions around the world, the Company is better able to follow its international clients who are increasingly transferring processes and office workers to near and best-shore locations.

Divestments in 2006

During 2006, Getronics divested non-core businesses in order to strengthen its balance sheet and to sustain its focus on workspace management and application services. Getronics sold its HR Services and KZA consultancy businesses in the Netherlands. By selling these higher margin non-core businesses, significant amount of cash was raised.

Getronics also sold a number of its country operations, including those in Italy, Poland, Czech Republic, Slovakia, Austria and France. The sale of these operations was carefully considered – as a provider of international ICT services, Getronics understands the need to provide continual and consistent service wherever it is required by its clients. The international ICT service business today relies heavily on the ability to establish and sustain effective networks of local partners, and Getronics' geographical divestments reflect this. With each of these geographic divestments, Getronics builds effective relationships with its local service partners in order to ensure that its clients experience a smooth transition and the same high level of service. In combination with Getronics integrated network of Global Service Centres, the Company will continue to provide full service to its global clients.

Outlook

The level of contracted revenue and the quality of the commercial pipeline at the start of 2007 supports an improved organic service revenue growth. This growth will be driven by demand in workspace management, including the Future-Ready Workspace, security and transformation services. Although service revenue is important to Getronics' long-term success, the primary focus in 2007 will be on margin improvement and cash generation.

In 2007, Getronics expects to see a margin improvement as a result of profitable organic growth and the Breakout Programme. Management is working towards an EBITAE range of between 4.0% and 4.5%, excluding one-off items. Getronics, as previously stated at the Extraodinary General Meeting of Shareholders on 1 December 2006, re-confirms its EBITAE margin target of at least 5% to be achieved by the end of 2008.

In addition, the Company will no longer issue revenue targets, as this is less relevant in the context of its focused strategy. As a result of this and following significant divestments executed, the previously communicated strategic target of EUR 4 billion in total revenue by the end of 2008 no longer applies.

Also in 2007, Getronics may incur employee benefit plan related gains or losses as the Company looks to further reduce its exposure to such plans. Any such gains or losses may have material effects on the Company's operating results.

The Company will also continue to focus on its cash management programme, aiming to generate positive cash flows to support the target Debt/EBITDA ratio of 2 or less by the end of 2008.

The Company is well positioned to successfully execute on its recently communicated strategy. The Board of Management feel confident that the Company will generate an operational performance in line with the outlook. By meeting its outlook, the Company expects to achieve a net profit in 2007, barring unforeseen circumstances.

Non-IFRS measures [1]

The Company presents certain financial information in addition to IFRS in order to provide supplemental information about the Company's operating performance. As a general matter, the Company uses these non-IFRS measures in addition to and in conjunction with results presented in accordance with IFRS to, among other things, help analyse the performance of its core business, prepare annual budgets, and measure performance for some forms of compensation.

In addition, the Company believes that such financial information is used by analysts, and others in the investment community, to analyse the Company's historical results, and in providing estimates of future performance, and that failure to report these measures could result in confusion among analysts and others, and a misplaced perception that the Company's results have either underperformed or exceeded expectations.

These financial measures reflect an additional way of viewing aspects of the Company's operations that, when viewed with the IFRS results and the reconciliations to corresponding IFRS financial measures, provide a more complete understanding of the Company's results of operations, and the factors and trends affecting the Company's business. However, these measures should be considered as a supplement to, and not as a substitute for, the figures reported under IFRS.

EBITAE and EBITAE margin exclude the effects of (i) amortisation of acquired intangible assets, (ii) acquisition integration expenses, (iii) impairment of goodwill, and (iv) gain/(loss) on sale of subsidiaries.

Amortisation of intangible assets is a non-cash expense primarily relating to acquisitions. At the time of an acquisition, the intangible assets of the acquired company are measured at their fair values and amortised over their estimated useful lives. The Company believes that such amortisation does not reflect a cost of operating its business because the acquired intangible assets generally represent costs incurred by the acquired company to build value or develop technology prior to acquisition. In this regard, the Company notes that once the intangible assets are fully amortised, they generally will not be replaced. Therefore the exclusion of these costs provides management and investors with better visibility into the actual operating costs required to generate revenues over time. As a result, the Company believes that excluding amortisation gives management and investors a more effective means of evaluating its historical and projected future performance within the Company's core business.

With respect to the exclusion of acquisition integration expenses and impairment of goodwill, the Company believes that presentation of non-IFRS measures that exclude such charges is useful to management and investors in evaluating the performance of the Company's core business operations on a period-to-period basis and relative to the Company's competitors. In this regard, the Company notes that such charges are non-recurring in nature. With respect to impairment of goodwill, it is the result of an assessment of goodwill associated with prior

[1] Reconciliation of IFRS to non-IFRS measures

(in millions of euros, unless stated otherwise)	2006	2005
Operating result	23	99
Items excluded from operating result to determine EBITAE		
• Impairment of goodwill	65	–
• Amortisation of acquired intangible assets	16	11
• Acquisition integration expenses	21	46
• Gain on sale of subsidiaries	-8	-13
EBITAE	117	143
EBITAE margin	4.5%	5.7%

acquisitions and is not useful in making an assessment of the performance of the Company's core business operations.

With respect to the exclusion of gains and losses on the sale of subsidiaries, although the Company has recorded gains and losses from the sale of subsidiaries over the past four years, the Company believes that the exclusion of such gains and losses is useful to the Company and investors because, among other things, such gains and losses do not reflect the Company's core business operations. In this regard, the Company notes that it does not actively trade in subsidiaries.

A material limitation associated with the use of these measures compared to IFRS measures is that they may not be comparable with other companies in the Company's industry. The Company compensates for this limitation by providing full disclosure of the effects of this measure, by presenting the corresponding IFRS financial measure and by providing a reconciliation to the corresponding IFRS measure to enable investors to perform their own analysis.

Overview of financial results [2]

The consolidated results include PinkRoccade's results as of 14 March 2005. The results of the Italian and French operations are reported in the consolidated financial statements as 'discontinued operations'. Accordingly, the results of 2005 and 2006 as presented throughout the Operating and Financial Review are excluding such operations, unless stated otherwise.

Total revenue was €2,627 million (2005: €2,525 million), excluding the earlier announced discontinued operations in Italy and France. Including Italy and France, total revenue amounted to €2,767 million.

Total revenue increased by 4%, resulting both from organic growth in 2006 as well as a full year of PinkRoccade's results. A number of divestments during the year (HR Services, KZA and some operations in Eastern Europe) had a negative impact on total revenue. Service revenue increased by 7% to €2,280 million and represented 86.8% of total revenue in 2006 versus 84.0% in the previous year. Organic service revenue growth on a comparable basis was 2.3% for the full year 2006. Product revenue totalled €347 million, versus €404 million in the previous year.

Gross profit decreased by 1% to €525 million (2005: €532 million). Service gross profit decreased by 1% to €481 million (2005: €487 million). The gross margin decreased to 20.0% in 2006 from 21.1% in the previous year. The service margin was 21.1% (2005: 23.0%). The gross margin, and in particular the service gross margin, was negatively affected by price erosion on managed services contract renewals, a higher usage of subcontractors and the divestments of higher margin operations in the Netherlands such as HR Services and KZA. The transition of some major

[2] **Consolidated Overview of Financial Results**
(in millions of euros, unless stated otherwise)

	2006	2005	Change
Revenue	**2,627**	2,525	4%
• Service revenue	**2,280**	2,121	7%
• Product revenue	**347**	404	-14%
Gross profit	**525**	532	-1%
• Service gross profit	**481**	487	-1%
Selling, general and administrative expenses	**-424**	-400	6%
Impairment of goodwill	**-65**	-	
Acquisition integration expenses	**-21**	-46	-54%
Gain/(loss) on sale of subsidiaries	**8**	13	-38%
Operating result	**23**	99	-77%
Amortisation of acquired intangible assets in operating result	**-16**	-11	45%
EBITAE	**117**	143	-18%
EBITAE margin	**4.5%**	5.7%	
Other ratios			
Service revenue/total revenue	**86.8%**	84.0%	
Service revenue/average number of employees (in euros)	**92,472**	92,390	0%
Gross margin	**20.0%**	21.1%	
Service margin	**21.1%**	23.0%	
Average number of employees (in FTE)	**24,656**	22,957	7%
Average 12 months DSO (in days)	**64**	64	0

international contracts also resulted in margin pressure during 2006. On the positive side, the Company benefited from some significant employee benefit plan related gains as well as Breakout Programme related cost savings that materialised following a headcount reduction of approximately 600 FTE in North America since the initiation of the programme.

Selling, general and administrative (SG&A) expenses amounted to €424 million versus €400 million in 2005. The €24 million increase in SG&A in 2006, includes the effects of a full year of both PinkRoccade and the amortisation of acquired intangible assets. The divestment of businesses in the Netherlands (HR Services and KZA) and the Company's Eastern Europe operations reduced SG&A expenses.

Operating result before impairment of goodwill, amortisation of acquired intangible assets, acquisition integration expenses and gain on sale of subsidiaries (EBITAE) was €117 million (2005: €143 million). The impairment of goodwill was €65 million (2005: €0 million). The amortisation of acquired intangible assets was €16 million in 2006 (2005: €11 million). The acquisition integration expenses totalled €21 million in 2006 (2005: €46 million). The gain on sale of subsidiaries was €8 million (2005: €13 million). The EBITAE margin was 4.5% in 2006 versus 5.7% in the previous year.

Operating result of €23 million (2005: €99 million) included €65 million impairment of goodwill, €21 million acquisition integration expenses, €16 million amortisation of acquired intangible assets and €8 million from gain on sale of subsidiaries.

Geographic developments

The Netherlands [3]

The operations in the Netherlands delivered solid results. Total revenue in the Netherlands increased 10% to €1,184 million (2005: €1,079 million). The Netherlands represented 45% of the Group's revenue from continuing operations. Service revenue increased by 16% to €1,098 million (2005: €949 million) due to both organic growth and a full year of PinkRoccade. The divestments of non-core activities such as HR Services and KZA had a negative impact. Organic service revenue growth was 5.0% in 2006 (on a comparable basis). Product revenue declined by 34% to €86 million (2005: €130 million). Service revenue as percentage of total revenue was 92.7% in 2006 versus 88.0% in the previous year.

Gross profit increased by 4% to €292 million (2005: €282 million). The gross margin was 24.7% in 2006, slightly lower compared to 26.1% in 2005. Service gross profit increased by 4% to €281 million (2005: €271 million). The gross profit was negatively impacted by the divestments of higher margin HR Services and KZA activities, price erosion on contract renewals and higher usage of subcontractors. On the positive side, the Netherlands realised synergy benefits from aligning various employee benefit plans. Other synergy benefits that materialised as part of the integration in the Netherlands were

[3] **The Netherlands** (in millions of euros, unless stated otherwise)	2006	2005	Change
Revenue	**1,184**	1,079	10%
• Service revenue	**1,098**	949	16%
• Product revenue	**86**	130	-34%
Gross profit	**292**	282	4%
• Service gross profit	**281**	271	4%
Selling, general and administrative expenses	**-194**	-189	3%
Acquisition integration expenses	**-20**	-36	-44%
Operating result	**78**	57	37%
Amortisation of acquired intangible assets in operating result	**-14**	-10	40%
EBITAE	**112**	103	9%
EBITAE margin	**9.5%**	9.5%	
Other ratios			
Service revenue/total revenue	**92.7%**	88.0%	
Service revenue/average number of employees (in euros)	**106,385**	103,671	3%
Gross margin	**24.7%**	26.1%	
Service margin	**25.6%**	28.6%	
Average number of employees (in FTE)	**10,321**	9,154	13%
Average 12 months DSO (in days)	**67**	65	2

invested in implementing the global service delivery model in the Netherlands. The service margin decreased to 25.6% in 2006 compared to 28.6% in 2005.

Selling, general and administrative expenses increased by 3% to €194 million (2005: €189 million). This includes the effects of a full year of both PinkRoccade and the amortisation of acquired intangible assets. Acquisition integration expenses totalled €20 million (2005: €36 million). EBITAE increased by 9% to €112 million (2005: €103 million), resulting in an EBITAE margin of 9.5% (2005: 9.5%). The EBITAE included €29 million employee benefit related gains of which €6 million of curtailment gains that resulted from aligning long-term benefit plans in the Netherlands as part of the integration of PinkRoccade.

The solid performance in the Netherlands clearly reflects healthy market conditions, a favourable outsourcing trend in the Netherlands and Getronics' ability to deliver high quality services in both long-term and project-based client engagements.

Rest of Europe [4]

The other European operations generated 29% of the Group's revenue. The Rest of Europe's revenue was positively impacted by strong organic growth on a comparable basis, in particular in the United Kingdom, but also negatively impacted by the sale of the Group's Austrian, Czech, Slovakian and Polish operations.

The performance of the Rest of Europe continued to present a mixed picture. In Iberia, the largest operation in the Rest of Europe, Getronics experienced good market conditions, but the margin recovery was slower than expected due to wage inflation and higher levels of attrition as the labour market for ICT professionals tightened. In the United Kingdom, the second largest operation in the Rest of Europe, the overall performance was disappointing as the business recovery has taken longer than expected, despite strong revenue traction with some major accounts. Although major contracts like Deutsche Bank and Barclays have contributed significantly to the results, the high number of subcontractors in the United Kingdom and price erosion on existing business resulted in a break-even situation in 2006. In Belgium, the third largest operation in the Rest of Europe, the Company performed reasonably well during most of the year, but did experience some weakness at the end of the year. Other Rest of Europe operations include Germany, Switzerland and Hungary, which as a whole made a relatively small contribution to the results.

Total revenue from the Rest of Europe increased 3% to €751 million (2005: €726 million). Service revenue increased by 11% to €611 million (2005: €552 million). The organic service revenue growth (on a comparable basis) was 8.4%. Product revenue decreased by 20% to €140 million (2005: €174 million). The service revenue as percentage of total Rest of Europe revenue was 81.4%, which compares to 76.0% in the previous year.

[4] **Rest of Europe** (in millions of euros, unless stated otherwise)	2006	2005	Change
Revenue	**751**	726	3%
• Service revenue	**611**	552	11%
• Product revenue	**140**	174	-20%
Gross profit	**110**	106	4%
• Service gross profit	**92**	86	7%
Selling, general and administrative expenses	**-102**	-94	9%
Impairment of goodwill	**-15**	-	
Acquisition integration expenses	**-**	-10	
Operating result	**-7**	2	-450%
Amortisation of acquired intangible assets in operating result	**-1**	-1	0%
EBITAE	**9**	13	-31%
EBITAE margin	**1.2%**	1.8%	
Other ratios			
Service revenue/total revenue	**81.4%**	76.0%	
Service revenue/average number of employees (in euros)	**81,110**	80,023	1%
Gross margin	**14.6%**	14.6%	
Service margin	**15.1%**	15.6%	
Average number of employees (in FTE)	**7,533**	6,898	9%
Average 12 months DSO (in days)	**68**	71	-3

Gross profit increased by 4% to €110 million (2005: €106 million). The gross margin was 14.6%, which was flat compared to 14.6% in 2005. Service gross profit increased 7% to €92 million (2005: €86 million). The service margin was 15.1%, which compares to 15.6% in 2005. This decline in service margin was mainly caused by significant new contracts in transition contributing revenue at low or negative margins, a relatively high level of subcontractors and price erosion on contract renewals, particularly in the United Kingdom.

Selling, general and administrative expenses increased by 9% to €102 million (2005: €94 million), reflecting certain investments made in the organisation as well as incurring additional costs to sign up new major international contracts. EBITAE was €9 million (2005: €13 million). EBITAE margin was 1.2% in 2006, which compares to 1.8% in 2005.

The operating result was €-7 million (2005: €2 million), including an impairment of goodwill of €15 million, of which €10 million for Belgium and €5 million for the United Kingdom. In 2005, the acquisition integration expenses related to the United Kingdom were included for an amount of €10 million.

North America [5]

The North American operations accounted for 14% of the Group's total revenue. Total revenue in North America decreased by 15% to €366 million (2005: €432 million). Currency exchange rate movements had a negligible effect on revenue. The loss of contracts with two major clients in 2005 had a material impact on the overall revenue in North America in 2006. In addition, the North America operations continued to suffer from price pressure on renewals and low margin contracts, particularly in the retail sector. Under the new leadership, put in place during 2006, fourth quarter sales order intake increased, and the consulting and transformation operations saw important wins. The service revenue decreased by 14% to €350 million (2005: €407 million). On an organic basis, service revenue decreased by 14.4%. Product revenue decreased by 36% to €16 million (2005: €25 million). The service revenue as a percentage of total revenue in North America was 95.6%, which compares to 94.2% in the previous year.

Gross profit decreased by 17% to €71 million (2005: €86 million), reflecting the loss of contracts with two major clients as mentioned before, price pressure on renewals and the impact of some low margin contracts. The gross margin was 19.4% compared to 19.9% in the previous year taking into account the result of the cost savings from the Breakout Programme in North America. The programme included a headcount reduction of approximately 600 FTE. The service margin was 19.7% in 2006, compared to 20.1% in 2005.

Selling, general and administrative expenses declined by 4% to €50 million (2005: €52 million) reflecting the benefits from the Breakout Programme. EBITAE

[5] **North America** (in millions of euros, unless stated otherwise)	**2006**	**2005**	**Change**
Revenue	**366**	432	-15%
• Service revenue	**350**	407	-14%
• Product revenue	**16**	25	-36%
Gross profit	**71**	86	-17%
• Service gross profit	**69**	82	-16%
Selling, general and administrative expenses	**-50**	-52	-4%
Impairment of goodwill	**-50**	-	
Acquisition integration expenses	**-**	-	
Operating result	**-29**	34	-185%
Amortisation of acquired intangible assets in operating result	**-1**	-	
EBITAE	**22**	34	-35%
EBITAE margin	**6.0%**	7.9%	
Other ratios			
Service revenue/total revenue	**95.6%**	94.2%	
Service revenue/average number of employees (in euros)	**94,902**	101,345	-6%
Gross margin	**19.4%**	19.9%	
Service margin	**19.7%**	20.1%	
Average number of employees (in FTE)	**3,688**	4,016	-8%
Average 12 months DSO (in days)	**48**	46	2

totalled €22 million (2005: €34 million) and included €9 million of curtailment gains. EBITAE margin was 6.0%, compared to 7.9% in 2005.

Operating result was €-29 million (2005: €34 million), including €50 million impairment of goodwill.

Rest of the World [6]

Operations in Latin America and the Asia Pacific region accounted for 12% of Group's revenue. Total revenue increased by 13% to €326 million (2005: €288 million). Service revenue was up 4% to €221 million (2005: €213 million). Product revenue increased by 40% to €105 million (2005: €75 million).

The gross profit declined 10% to €52 million (2005: €58 million), mainly because 2005 included pension benefits. The gross margin was lower at 16.0% (2005: 20.1%). The service gross margin was 17.6% in 2006, versus 22.5% in the previous year. Selling, general and administrative expenses increased by 7% to €45 million (2005: €42 million). EBITAE amounted to €7 million, versus €16 million in the previous year (which included €20 million pension curtailment gains in Japan). EBITAE margin for the full year was 2.1% (2005: 5.6%).

Corporate [7]

The €10 million increase in selling, general and administrative expenses is due primarily to the increased level of mergers, acquisitions and divestments activities as well as additional compensation for the Company's Board of Management.

[6] **Rest of the World** (in millions of euros, unless stated otherwise)	2006	2005	Change
Revenue	**326**	288	13%
• Service revenue	**221**	213	4%
• Product revenue	**105**	75	40%
Gross profit	**52**	58	-10%
• Service gross profit	**39**	48	-19%
Selling, general and administrative expenses	**-45**	-42	7%
Acquisition integration expenses	**-**	-	
Operating result	**7**	16	-56%
Amortisation of acquired intangible assets in operating result	**-**	-	
EBITAE	**7**	16	-56%
EBITAE margin	**2.1%**	5.6%	
Other ratios			
Service revenue/total revenue	**67.8%**	74.0%	
Service revenue/average number of employees (in euros)	**74,211**	76,591	-3%
Gross margin	**16.0%**	20.1%	
Service margin	**17.6%**	22.5%	
Average number of employees (in FTE)	**2,978**	2,781	7%
Average 12 months DSO (in days)	**66**	68	-2

[7] **Corporate** (in millions of euros, unless stated otherwise)	2006	2005	Change
Selling, general and administrative expenses	**-33**	-23	43%
Acquisition integration expenses	**-1**	-	
Gain/(loss) on sale of subsidiaries	**8**	13	-38%
Operating result	**-26**	-10	160%
Amortisation of acquired intangible assets in operating result	**-**	-	
EBITAE	**-33**	-23	43%
Other ratios			
Average number of employees (in FTE)	**136**	108	26%

Discontinued operations [8]

The discontinued operations represent the Italian and French loss making operations. The Italian operations were sold in June 2006, and the French operations early December 2006. As a result, the Company recorded only €140 million in revenue from discontinued operations in 2006, compared to €290 million in 2005. In 2006, the results from discontinued operations included €14 million impairment of goodwill with respect to the French operations, and, in 2005, €56 million with respect to the Italian operations. In 2006, a loss of €65 million on the sale of assets and liabilities was recorded in respect to the sale of both the Italian and French operations, reflecting the expense to divest the loss-making operations. Including impairment of goodwill and the loss on the sale of assets and liabilities, the operating result from discontinued operations was €-119 million in 2006 (2005: €-131 million). The EBITAE from discontinued operations was €-40 million (2005: €-74 million).

Income statement

Impairment of goodwill

In connection with its annual test for impairment, the Company determined that the carrying amounts of its US, UK and Belgian operations exceeded their recoverable amounts. As a result, the Company recognised an impairment charge of €65 million with respect to the mentioned operations. See page 75 for further explanation on the impairment of goodwill.

Gain on sale of subsidiaries

The gain on the sale of subsidiaries was €8 million (2005: €13 million) resulting from the sale of KZA, HRS, and the Group's Eastern European operations.

Interest income and finance cost

Finance cost, net of €13 million of financial income, amounted to €63 million (2005: €62 million).

The finance costs include all interest cost and banking fees incurred by the Company in 2006 as well as the €11 million dividend on cumulative preference shares. In 2006, the Company recognised €6 million in debt settlement costs on its 2008 Convertible Bonds in connection with its offer to repurchase such bonds. The finance cost in 2005 included €15 million settlement (make whole payment) in relation to the restructuring of the cumulative preference shares.

Income taxes

The Company recorded an income tax expense in continuing operations of €14 million in 2006. This includes a current tax expense of €5 million and a deferred tax expense of €9 million relating to recognition of fiscal losses and deductible temporary differences. The deferred tax expense relates for €18 million to the change in the Dutch statutory tax rate. In 2006, €11 million of deferred tax asset was recognised for prior year fiscal losses and deductible temporary differences.

Net result

Net result from continuing operations amounted to €-54 million (2005: €60 million). Earnings per ordinary share from continuing operations were €-0.44 (2005: €0.54).

Net result from discontinued operations was €-91 million (2005: €-56 million). Net result from discontinued operations included a loss of €57 million in Italy and €34 million in France (including €14 million impairment of goodwill).

Net result from total operations amounted to €-145 million (2005: €4 million). Earnings per ordinary share from total operations were €-1.18 (2005: €0.03).

[8] **Discontinued operations** (in millions of euros, unless stated otherwise)	2006	2005	Change
Revenue	**140**	290	-52%
• Service revenue	**121**	244	-50%
• Product revenue	**19**	46	-59%
Gross profit	**-7**	-18	-61%
• Service gross profit	**-8**	-21	-62%
Selling, general and administrative expenses	**-33**	-56	-41%
Impairment of goodwill	**-14**	-56	-75%
Gain/(loss) on sale of assets and liabilities	**-65**	-1	
Operating result	**-119**	-131	-9%
Amortisation of acquired intangible assets in operating result	**-**	-	
EBITAE	**-40**	-74	-46%
Average number of employees (in FTE)	**1,535**	2,735	-44%

Balance sheet [9]

The balance sheet, excluding assets and liabilities of disposal group held for sale, showed an improvement in working capital in 2006, compared to 2005. The Group equity decreased, including the €145 million net loss. Interest bearing borrowings increased to €460 million, compared to €437 million in 2005. Net borrowings were €285 million (2005: €157 million). The Company's solvency decreased to 21.0% (2005: 24.9%).

Cash Flow [10]

The net cash flows attributable to the operating, investing and financing activities of the continuing operations are shown in the table below.

The cash flow from operating activities was €51 million, compared to €-5 million in 2005. This improvement is largely due to the significant steps taken by the Company to improve working capital management. The cash flow from investing activities was €27 million, compared to €-356 million in 2005. The cash flow from investing activities in 2005, included €337 million paid for PinkRoccade and other acquisitions. In 2006, the Company invested €5 million in new Group Companies, while it received a net cash amount of €88 million in net proceeds from the sale of various businesses and operations. The €40 million capital expenditures on property, plant and equipment was also significantly lower compared to 2005 (2005: €52 million), mainly reflecting tighter capital expenditure plans. The cash flow used in financing activities was €37 million, compared to €435 million provided by financing activities in 2005. Apart from €9 million in dividends paid to ordinary shareholders, the Company reduced its drawing under credit facilities by €15 million and repaid €13 million in other borrowings. The Company's total increase in cash and cash equivalents from continuing operations was €41 million, compared to an increase in 2005 of €74 million.

The cash outflow from discontinued operations was €131 million, compared to €46 million in 2005.

Financing

During the year, the Company's Credit Facility was lowered from €300 million to €215 million, primarily by the Company's decision to cancel the available acquisition facility of €75 million. The €215 million is fully available to fund the working capital needs of the company. At the end of the year, the Company's drawing under the credit facility was €55 million.

On 14 December 2006, Getronics successfully placed an offering of €95 million 3.875 per cent senior unsecured convertible bonds due 2014 (2014 Convertible Bonds). Subsequently, the Company announced a cash tender offer for its outstanding 2008 Convertible Bonds. On 19 December 2006, the Company announced that €89 million in aggregate principal amount of the 2008 Convertible Bonds had successfully been tendered and on 22 December 2006 announced that all such bonds so tendered had been accepted for repurchase. The 2014 Convertible Bonds were issued on 12 January 2007 and the repurchase of the 2008 Convertible Bonds was completed on 15 January 2007.

[9] **Balance sheet**
Corporate
(in millions of euros, unless stated otherwise)

	2006	2005	Change
Working capital (excluding cash)	**-232**	-209	11%
Total Group equity	**408**	597	
Interest bearing borrowings	**460**	437	
Net cash/(borrowings)	**-285**	-157	-82%
Solvency	**21.0%**	24.9%	

[10] **Cash flow from continuing operations**

	2006	2005
Operating cash flows	**51**	-5
Investing cash flows	**27**	-356
Financing cash flows	**-37**	435
Total cash flows from continuing operations	**41**	74
Total cash flows from discontinued operations	**-131**	-46
Total cash flow	**-90**	28

These bond market transactions have significantly improved Getronics' debt maturity profile and have reduced its cost of capital. This in turn lowered Getronics' financial risk and consequently improved its balance sheet profile. These transactions were in line with Getronics' goal to optimise its financing structure and have provided increased financial flexibility for Getronics' future development.

Human Resources [11]

At 31 December 2006, the Company had 24,780 employees in more than 25 countries worldwide, down from 27,051 at the end of 2005.

On balance, the total number of employees decreased by 2,271 FTEs in 2006, primarily as a result of natural attrition (3,546 FTEs), divestments including discontinued operations (2,807 FTEs) and the Breakout Programme. The Breakout Programme was introduced to accelerate the shift to remote service delivery. This led, together with other realignment programmes, to a decrease of 1,136 FTEs. New hires in 2006 amounted to 5,097.

Over the course of 2006, Getronics has continued to strengthen its management and other key staff, in particular in global service delivery and sales. The recognition by industry leaders and analysts of Getronics' advanced ICT offering and high quality service delivery continues to be a major driver in establishing Getronics as an attractive employer. In addition, the Company has been able to fill key positions through internal promotions. The involvement of our key personnel in sales and delivery programmes for our international client base has been a key retention mechanism for the Company.

In the Company's continuing effort for cost leadership, the Company remains focused on the skill mix of its staff and key ratios related to supporting staff on a country-by-country basis. The Company continues to make significant steps to underpin the importance of a balanced skill mix within the organisation and the ability to be a cost leader in the area of supporting staff.

The success of the Getronics' Service Centres (GSC) as well as the creation of other near- and offshore operations has resulted in over 2,000 best-shore headcount. Increasingly, the Company is also partnering with experienced offshore outsourcing companies such as MindTree in India to create even more flexibility in Getronics' sourcing model.

Operating risk

Introduction

The Company's results and financial condition are sensitive to a number of external factors and variables. Although the Company believes that the risks and uncertainties described below are the most material risks and uncertainties in respect of the ICT industry and its business, they are not the only ones it faces. Additional risks or uncertainties not presently known to it or that it currently may consider immaterial or that may not specifically relate to the Company or its business may also have a negative effect on its business, future prospects, financial condition and results of operations. Financial risk factors such as currency risk, interest rate risk, price risk, credit risk and liquidity risk are discussed in the Company's consolidated financial statements on page 64.

Market risks and uncertainties

General market conditions

The Company's operations are subject to a number of risks, including general economic conditions and fiscal regimes in each country in which it operates (in particular its core market in Europe), unexpected regulatory, economic or political changes in foreign markets and compliance with a variety of foreign laws and regulations. The continued threat of terrorism within the United States, Europe and Asia and the military action and heightened security measures in response to such threat may cause significant disruption to commerce, which may result in delays or cancellations of client orders, delays in collecting cash or, a general decrease in corporate spending on ICT. In addition, the ICT services industry is highly competitive and subject to pricing pressure. The ICT markets in Europe and the United States may

[11] Human Resources	2006	2005	Change
The Netherlands	**10,235**	10,361	-1%
Rest of Europe	**7,630**	7,281	5%
North America	**3,580**	3,939	-9%
Rest of the World	**3,202**	2,785	15%
Corporate	**133**	118	13%
Total number of employees in continuing operations	**24,780**	24,484	1%
Total number of employees in discontinued operations	**-**	2,567	-100%
Total number of employees	**24,780**	27,051	-8%

deteriorate and Getronics may not be able to continue favourable payment schedules with its clients, which could negatively affect its cash flow.

ICT industry

The markets in which Getronics is engaged are intensely competitive and are undergoing continuous change. Getronics' competitors are numerous and vary widely in market position, size and resources. Competitors differ significantly depending upon the market, client, services being offered, and geographic area involved and include a broad spectrum of ICT services companies, ranging from systems integrators to outsourcing providers and consulting companies. Getronics also competes with smaller ICT companies that have a particular service niche or have been able to develop strong local or regional client bases. Some of Getronics' competitors have substantially greater resources, including larger research and engineering staff, larger marketing organisations and greater financial resources than those of the Company.

Furthermore, the ICT services industry has experienced consolidation in the past years. The Company expects consolidation within the ICT services industry will continue, which may create additional or stronger competitors and may intensify competition.

A substantial portion of the Group's contracts are subject to period renewal. As a result of the aforementioned factors, such contracts may not always be renewed or extended, or – if renewed or extended – may be done on less favourable terms.

In response to these risks, Getronics continues to strive to improve its financial and operational performance and to focus on operational effectiveness and cost discipline with a view to creating a platform for profitable growth. For example, in 2006 Getronics launched its Breakout Programme for its global managed services operations in order to increase efficiency, streamline operations and to help accelerate the move to remote or near-shore working. The resulting service model will involve a client-intimate structure that enables sales and account management to quickly respond to client issues, identifying and solving business and technical problems near the client at the front end, with a remote global service delivery model at the back end.

In addition, the ICT industry is characterised by rapidly changing technology. In order to maintain its competitive position, the Company must be at the forefront of developments in the industry. Getronics has put in place various procedures designed to keep staff up-to-date with current developments and to ensure that its portfolio of solutions and services meet market demands, as and when those demands change.

Operating risks and uncertainties

Dependence on outsourcing and project business

A significant proportion of Getronics' business is performed under outsourcing contracts with customers. The structuring of an outsourcing contract requires considerable skills, particularly in evaluating, amongst others, (i) whether the services can be performed remotely, (ii) the quality and future costs of any personnel taken over from the customer, many of whom need to be retrained or reassigned by Getronics to make the project cost effective and (iii) the economic viability of the customer. If and to the extent that Getronics has entered into or enters into a major and long-term outsourcing project on terms which later would turn out to be commercially unattractive, this could have a material adverse effect on the business, results of operations and/or financial condition of Getronics.

In response to this risk, Getronics has among other things implemented a Bid Board procedure for those bids/contracts that exceed a certain threshold. The Bid Board, chaired by a member of the Board of Management, with support of the International Business Support department reviews both the financial and commercial aspects of the bid. Additionally a due diligence process, related to customers systems and software, supports the adequate inclusion of assumptions in the final offer to the customer.

Dependence on adequate service partners

In those markets in which the Company has a limited or no presence, it depends on its ability to find and work with local service partners to meet its clients' needs. An inability to find adequate service partners may place the Company at a competitive disadvantage and result in a loss of business. Moreover, the failure of any such service partners to provide service of an appropriate standard could adversely affect the Company's reputation, lead to claims against the Company by its clients and/or limit the Company's ability to procure further business.

In response to this risk, the Company has among other things established a Global Service Partner Management programme to build and maintain its network of service partners, align their service delivery capabilities and conduct annual audits to ensure service partners meet the agreed standards for service excellence, professionalism, consistency and value.

Dependence on key employees

The Company depends to a significant extent on the continued services of key technical, sales and research and development employees. The Company's growth and future success will depend in large part on its ability to attract, motivate and retain highly qualified employees and, in particular, trained and experienced technical professionals capable of providing sophisticated network and desktop management, application integration and management and data centre and outsourcing services. In particular, Getronics' relationships with Microsoft and Cisco contemplate that the Company will train a significant number of qualified Microsoft and Cisco certified personnel. Competition for highly skilled ICT personnel is intense.

In response to this risk, establishing an environment in which people can succeed and grow is critical. Managers meet with employees at regular intervals to carry out individual career assessments, and employees are then helped to develop their professional and social skills through in-house programmes and subsidised external training and formal education. In addition, the Company seeks to compensate staff at competitive levels. The Company offers incentives, including stock options, related to team and individual performance to certain employees.

Technology and ICT risk

IT system breakdowns could be critical both for the internal operations of the Group and for its clients' needs in relation to the services provided. The Group has implemented specific programmes and procedures to ensure the proper management of ICT risks, covering security and back-up systems. ICT production sites and data-centers are specifically subject to high level technical procedures covering physical and ICT system access, energy supply breakdown or disruption, fire, data storage and back-up, contingency and disaster recovery plans.

Acquisition and divestment risks and uncertainties

Failure to successfully complete and integrate acquisitions

The Company may contemplate selective acquisitions in certain key countries to add capabilities and skills in higher margin and innovative areas of its core business such as storage and transformation services.

Risks the Company could face with respect to recent and future acquisitions include:

- difficulties in assessing the value, strengths and weaknesses of acquisition candidates;
- difficulties in integrating acquired companies into the Company's operations, management and reporting structure;
- the possibility that the Company will be unable to retain key staff members and clients from the companies that it acquires;
- the potential disruption of the Company's ongoing business and the strain placed on the Company's administrative, operational and financial resources;
- maintenance of appropriate standards, controls, procedures and policies;
- the failure to discover liabilities for which the Company may be responsible as a successor, owner or operator despite the investigations it makes before the acquisition;
- diversion of management's attention away from other business concerns;
- expenses incurred in preparing for acquisitions which it may not actually complete; and
- the possibility that the Company may not achieve the synergies that it anticipated to achieve with an acquired company.

Failure to successfully complete divestments

The Company may contemplate disposing of businesses or operations as part of its focused programme to divest (i) non-core businesses and (ii) operations outside the Netherlands, Belgium, the United States and the United Kingdom and replace such operations with local service partners. Divestments may also be considered to raise additional cash proceeds to reinvest in Getronics' core business and support refinancing of its balance sheet. The Company may not be able to find buyers for selected operations or businesses which it wants to divest (including operations or businesses which may be loss-making) or to complete divestments on terms acceptable to it. In addition, the Company may incur expenses in preparing for divestments which it may not actually complete or lose clients in those markets in which it completes divestments.

Risk management and control systems

Getronics approach towards risk management

As an internationally operating ICT company, Getronics is exposed to a variety of risks, which potentially affect the business. Managing these risks is an integral part of day-to-day business. In order to remain competitive on a global scale, Getronics must be acutely risk aware – but not overly risk averse, and must actively manage business risks to protect and grow the business activities. Consequently, the Board of Management have opted for a structured and pragmatic approach to risk management.

In 2006, the Board of Management continued to take active measures to enhance the existing internal control and risk management framework. The project initiated in 2005 to align the Company's internal control and risk management activities throughout the Group entered a new phase in 2006. Controls are routinely embedded in processes as risk awareness throughout the Group has improved. In addition, the Board of Management continuously assess the Group's risk profile and perform risk assessments of acquisition candidates, large bids and capital expenditures.

In order to achieve its business objectives, Getronics recognises that it will take on certain business risks. Getronics aims to take business risks in an informed and pro-active manner, such that the level of risk is aligned with the potential business rewards and that Getronics understands and is able to manage the consequences of a risk that materialises.

Getronics is risk averse with respect to risks that could:

- negatively affect the safety of our employees;
- negatively affect our reputation or brand;
- lead to breaches of laws and regulations; or
- endanger the future existence of the Company.

Getronics' risk management policy and procedures are in line with the Enterprise Risk Management Standard that is defined by the Committee of Sponsoring Organisations of the Treadway commission (COSO). The Group's policy and procedures are designed to be embedded in day-to-day business management. A common and systematic approach for risk management exists across all levels of the Group. This approach is designed to increase risk awareness, to ensure appropriate management of risks and to provide transparency of the Getronics risk profile, which enables comparison and aggregation of risks and a portfolio approach to risk management at a corporate level. At the strategic level, operations level and process level, specific activities have been employed as part of the enhanced risk management framework. Various activities in these levels are described below.

Strategic level

Reporting to the Supervisory Board

Operating companies report their key risk indicators and mitigating action plans bi-annually as part of the regular reporting cycle. The Board of Management report and discuss at least once a year the Getronics risk profile with the Supervisory Board. The overall quality of internal controls is reported to and discussed by the Audit Committee and the Supervisory Board.

Annual risk assessment

The Board of Management perform a risk assessment annually. Input for this assessment is the consolidated risk profile of the individual operating companies as well as risks associated with Group activities. The goal of the assessment is to identify the major risks, find the right balance between the Company's risks and rewards, and conclude on the risk mitigating plan.

Operations level

Annual risk assessment

As part of Getronics' common approach to risk management, Getronics has developed standard risk analyses that management of the operating companies perform to assess whether previously identified risks could still affect meeting the business objectives or if new risks have been identified. Based on the risk analysis, management assesses whether its existing controls are adequate and to what extent new controls should be established.

Monitoring risks

In addition to reporting the results of the annual risk assessment, key risks and the quality of the key controls in the main business processes are reported periodically to the Corporate Risk Officer as part of the regular reporting process. During the year, risk management and control systems are regularly monitored and evaluated by management and through risk-based operational audits by the Company's Internal Audit department.

Process level

In 2006, Getronics has aligned the following three key processes throughout the Group:

- bid and contract management;
- service delivery and programme management; and
- accounting and reporting.

For these processes, Getronics determined the key risks and required controls, and put them into risk and control standards. Existing controls throughout the Group were reviewed in order to further strengthen control over key processes, increase transparency through process risk profiles and identify potential process improvements and value creation. Operating companies will adjust their controls as necessary.

On a regular basis, internal audit will test the processes in the operating companies to ensure such controls are in place.

Corporate Governance

Ethics and social responsibility

Getronics has installed different mechanisms, policies and procedures which are aligned to local customs and legal frameworks to ensure that individuals are treated equally, and are able to inquire, escalate or appeal events that are in breach of common (and sometimes very specific) rules and guidelines on behaviour.

Management Charter

The Company's Management Charter provides guidelines on internal governance within the Group. The Board of Management see the Management Charter as an important contribution to giving guidance on 'the way we do things at Getronics' and, as such, should influence the evolution of business conduct as well as the management style and culture of the Company.

Authority Limits

By means of Authority Limits, which are applicable to all members of the Board of Management and to all management within the Group, management is instructed about its responsibilities and the required authorisation levels for operational, financial, legal, human resource and investor relations actions.

Strategic and operating plans

The Group's three-year strategic plan is translated into the Group's annual operating plan. An important element of the operating plan is identifying the key risk areas throughout the Group. The operating plan is evaluated by the Board of Management and subsequently discussed with and approved by the Supervisory Board. On a monthly basis, the budget in the operating plan is compared with the results actually achieved and the developments are reviewed in detail by Corporate Accounting & Control. On a monthly basis, business reviews are held between the Board of Management and the operating companies.

Financial accounting and reporting system

All major operating companies use the same standard financial accounting system. For Group reporting purposes, one worldwide system is used with standard templates, key ratios and exchange rate calculations features.

Standardisation of processes

Getronics has implemented and continues to implement standard processes and software systems throughout the Group. On a regular basis, such processes and systems are reviewed to identify and implement potential improvements. The development of and implementation of the related risk and control standards further enforces the standardisation of such processes and systems. During 2006, specific attention was given to Global Bid Management, Project Management, Service Delivery and Credit Management and Collection processes.

Financial Manual

This manual contains a detailed description of the guidelines for financial accounting and reporting under IFRS. The manual is continually reviewed to ensure new standards, interpretations, etc. relevant to Getronics are included.

Whistle blowing procedure

This procedure ensures that any infringement of existing policies and procedures can be reported without the person who made the report experiencing any negative consequences as a result.

Legal Policy

A worldwide legal policy is in place which governs the specific contract terms and conditions. This policy applies for all contracts whereby services and/or products are delivered to clients.

Legal Journal

Every quarter, the Corporate Legal Department prepares a journal of the Group's material and important events such as transfer of shares, acquisitions and divestments, major contracts etc.

Litigation Overview

Every quarter, all operating companies report the status of any litigation to the Corporate Legal Department. The information includes outstanding litigation, details about lawsuits, and the risk and extent for potential claims in order to determine the amounts to be provided.

Bid Board procedure

All international bids and local bids that exceed a certain threshold are reviewed and approved by the Company's Bid Board. The Bid Board with the support of the International Business Support department review both the financial and commercial aspects of the bids. The Bid Board consist of a member of the Board of Management, the service delivery process owners, a representative from Corporate Accounting & Control, and the general manager of the lead country.

Letter of representation
Management of the operating companies sign a letter every quarter representing to the Board of Management their compliance with Company policies and procedures, financial reporting guidelines, as well as local laws and regulations.

Internal audits
Within the framework of control mechanisms and assurance processes an audit plan is drawn up annually, focusing on the most important business processes and the related risks. The plan, including its proposed execution, is presented to, discussed with and approved by the Audit Committee. The Internal Audit department prepares formal audit reports (i.e. management letters) which include the actions planned by local management to address any points raised by the audit. Local management is required to report quarterly to the Internal Audit department, as well as Corporate management on the progress it has made in addressing the internal and external audit findings. Each quarter, the Internal Audit department reports its principal findings and follow-up actions to the Audit Committee.

External audits
For group reporting purposes, major operating companies are subject to quarterly reviews and annual full-scope audits by an external auditor and other operating companies are subject to various financial audit procedures (where considered necessary). Other operating companies may also be subject to full-scope audits for statutory purposes. As part of the audit of the consolidated financial statements, the external auditor reports on, among other things, findings on internal control (as far as relevant to the audit). The findings are first discussed with local management, the Board of Management and subsequently the Audit Committee and Supervisory Board.

Statement relating to the systems of internal management and control

All of the aforementioned measures and procedures are aimed at providing a reasonable level of assurance that the significant risks of the Company are identified and managed, while at the same time ensuring the operational and financial objectives of the Company are met.

The internal risk management and control systems have been evaluated for their effectiveness, the outcome of which has been discussed with the Audit Committee and Supervisory Board. The internal risk management and control systems provide a reasonable degree of assurance that the financial reporting does not contain any material inaccuracies. The Board of Management have no reason to believe that the systems for financial reporting have not functioned reasonably adequate in 2006. Furthermore, the Board of Management believe there are no indications that such systems will not function effectively in 2007.

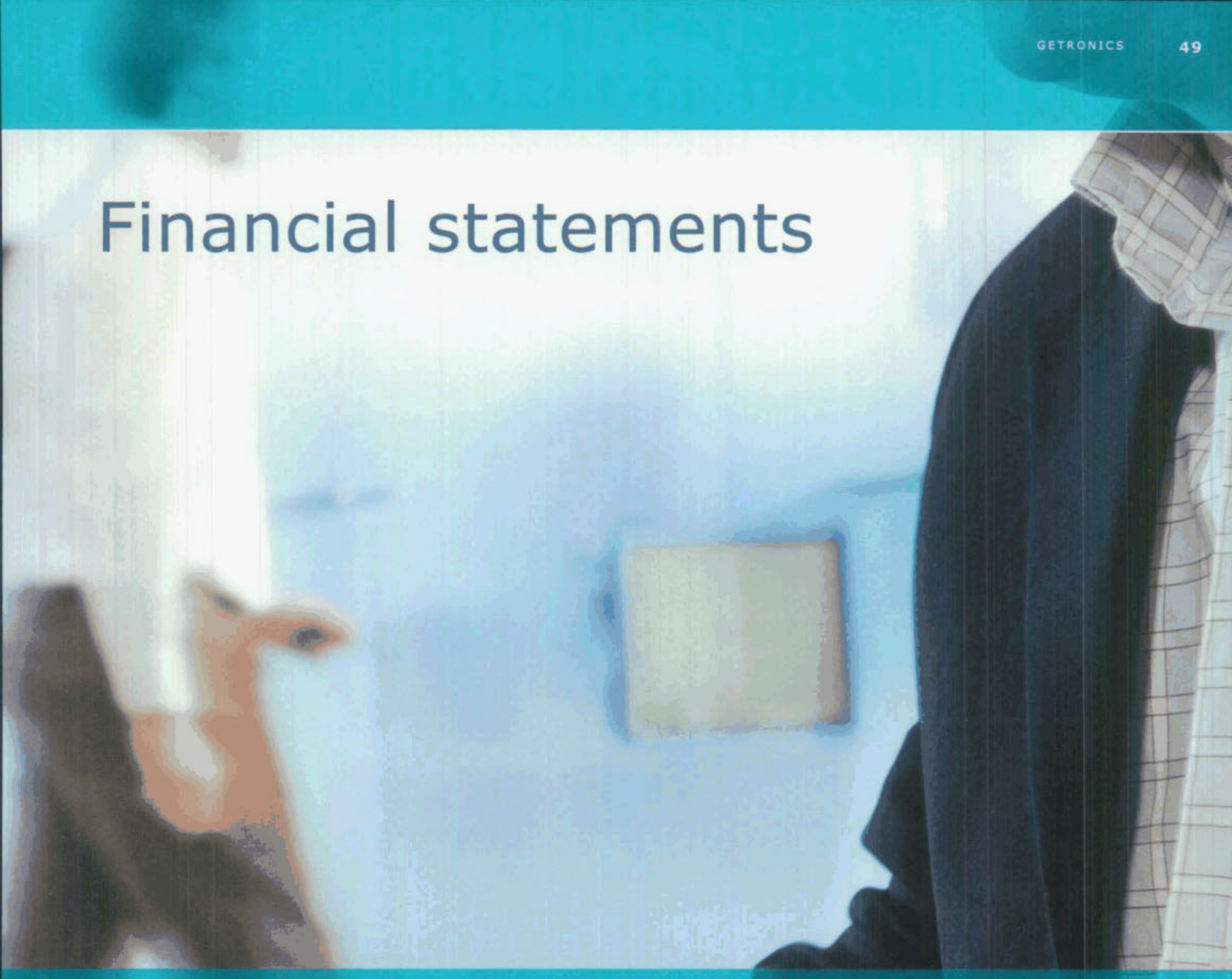
The main operational, strategic and regulatory risks that the Company has identified are described on pages 42 to 47 together with a description of the associated internal risk management and control systems.

The structure and effectiveness of the risk management and control systems remain subject to continuous improvement. The Board of Management will continue to give high priority to improving the control environment and the integration thereof into the day-to-day operations of the Company in the coming years.

Amsterdam, 9 March 2007

Board of Management
Klaas Wagenaar
Kevin Roche
Aart Klompe

Financial statements



Getronics
ICT SOLUTIONS AND SERVICES

Consolidated income statement for the year ended 31 December

(in millions of euros unless stated otherwise)

	Note	2006		2005	
Revenue		2,627		2,525	
Cost of revenue	(7)	- 2,102		- 1,993	
Gross profit			**525**		**532**
Selling expenses	(7)	- 207		- 200	
General and administrative expenses	(7)	- 217		- 200	
Impairment of goodwill	(7, 13)	- 65		-	
Acquisition integration expenses	(7, 9)	- 21		- 46	
Gain on sale of subsidiaries	(27)	8		13	
Operating result			**23**		**99**
Interest income		13		7	
Finance costs	(10)	- 76		- 69	
Result before taxes			**- 40**		**37**
Income taxes	(11)		- 14		23
Net result from continuing operations			**- 54**		**60**
Net result from discontinued operations	(28)		- 91		- 56
Net result			**- 145**		**4**
Attributable to					
Holders of cumulative preference shares			-		1
Ordinary shareholders			- 145		3
Earnings per ordinary share from continuing operations (in euros)	(12)				
• Basic			- 0.44		0.54
• Fully diluted			- 0.44		0.54
Earnings per ordinary share from total operations (in euros)					
• Basic			- 1.18		0.03
• Fully diluted			- 1.18		0.03

Consolidated balance sheet at 31 December

(in millions of euros)

	Note	2006		2005	
Assets					
Non-current assets					
Intangible assets	(13)	681		909	
Property, plant and equipment	(14)	95		113	
Deferred income tax assets	(11)	227		226	
Pension asset	(22)	45		15	
Other non-current assets	(15)	9		42	
Total non-current assets			1,057		1,305
Current assets					
Cash and cash equivalents	(16)	174		251	
Trade receivables	(17)	384		399	
Unbilled receivables		94		137	
Inventory	(18)	41		44	
Other current assets	(19)	100		76	
		793		907	
Assets of disposal group held for sale	(28)	90		181	
Total current assets			883		1,088
Total assets			**1,940**		**2,393**

	Note	2006		2005	
Equity	(20)				
Share capital		648		654	
Other reserves		12		50	
Accumulated deficit		-252		-107	
Total equity			408		597
Liabilities					
Non-current liabilities					
Borrowings	(21)	323		337	
Employee benefit plans	(22)	119		160	
Provisions for liabilities and charges	(23)	26		39	
Deferred income tax liabilities	(11)	6		12	
Other non-current liabilities		24		15	
Total non-current liabilities			498		563
Current liabilities					
Borrowings	(21)	137		100	
Trade creditors		199		250	
Accrued expenses		229		204	
Deferred income		183		184	
Other current liabilities	(24)	251		246	
		999		984	
Liabilities directly associated with disposal group held for sale	(28)	35		249	
Total current liabilities			1,034		1,233
Total liabilities			1,532		1,796
Total equity and liabilities			**1,940**		**2,393**

Consolidated cash flow statement for the year ended 31 December

(in millions of euros)

	Note	2006		2005	
Cash flow from operating activities					
Net result		-145		4	
Interest income		-13		- 7	
Finance costs		77		75	
Loss/(gain) on sale of subsidiaries		57		- 12	
Income taxes		-15		- 104	
Depreciation of property, plant and equipment		47		52	
Amortisation and impairment of intangible assets		105		75	
Gain on sale of property, plant and equipment		–		- 7	
Stock option charges	(20)	3		3	
			116		79
Increase in pension asset		-25		-1	
Decrease in trade receivables		1		8	
Decrease in other current assets		4		10	
Decrease in provisions		-76		-66	
(Decrease)/increase in trade creditors		-42		10	
Increase/(decrease) in other current liabilities		73		-56	
Cash flow provided by/(used in) operations			51		-16
Interest income received		13		7	
Finance costs paid		-60		-60	
Income taxes (paid)/refunds		-2		4	
Net cash provided by/(used in) operating activities			**2**		**-65**
Cash flow from investing activities					
Proceeds from disposals of Group Companies		43		16	
Acquisitions of Group Companies, net of cash acquired		-5		-337	
Capital expenditures on intangible assets		-21		-18	
Capital expenditures on property, plant and equipment		-41		-57	
Proceeds from disposals of property, plant and equipment		6		37	
Other investing transactions		2		1	
Net cash used in investing activities			**-16**		**-358**
Cash flow from financing activities					
Net proceeds from issuance of shares	(20)	–		388	
Distribution to ordinary shareholders		-9		–	
Dividend paid		–		-20	
Proceeds from issuance of 2010 Convertible Bond	(21)	–		150	
Repayment of cumulative preference shares	(21)	–		-100	
Net drawings under credit facilities		-15		-5	
Other (repayments of)/proceeds from borrowings		-52		38	
Net cash (used in)/provided by financing activities			**-76**		**451**

	Note	2006		2005	
Total cash flow		-90		28	
Reclassified from/(to) non-current restricted cash		28		-14	
Increase/(decrease) in cash and cash equivalents			-62		14
Opening balance cash and cash equivalents		257		236	
Exchange rate differences		-5		7	
Total cash and cash equivalents			190		257
Reclassified to assets of disposal group held for sale		-16		-6	
Closing balance and cash equivalents	(16)		174		251

Consolidated statement of changes in equity

(in millions of euros)	Share capital	Other reserves	Accumulated deficit	Total equity
Balance at 1 January 2005	**243**	**-4**	**-105**	**134**
Net result	–	–	4	4
Currency translation differences	–	35	–	35
Total recognised income for the year ended 31 December 2005	–	35	4	39
Rights offering, net of transaction costs of 14 (net of 2 tax benefit)	391	–	–	391
Shares issued in connection with acquisition of PinkRoccade	17	–	–	17
Employee stock options	3	–	–	3
2010 Convertible Bonds (net of 9 tax benefit)	–	19	–	19
Adjustment to 2004 dividend to Cumulative Preference Shareholders	–	–	-1	-1
2004 dividend to ordinary shareholders of €0.07 (in euros) per ordinary share	–	–	-5	-5
	411	54	-2	463
Balance at 31 December 2005	**654**	**50**	**-107**	**597**
Balance at 1 January 2006	**654**	**50**	**-107**	**597**
Net result	–	–	-145	-145
Currency translation differences	–	-39	–	-39
Total recognised income for the year ended 31 December 2006	–	-39	-145	-184
Convertible Bonds – tax rate adjustment	–	1	–	1
Employee stock options	3	–	–	3
2005 distribution to ordinary shareholders of €0.07 (in euros) per ordinary share	-9	–	–	-9
	-6	-38	-145	-189
Balance at 31 December 2006	**648**	**12**	**-252**	**408**

Notes to the consolidated financial statements

(1) General information

Getronics N.V. (Getronics or the Company) and its subsidiaries (together the Group) designs, builds, deploys and manages ICT infrastructures and business solutions and delivers such ICT solutions and services directly in over 25 countries. Getronics headquarters are in Amsterdam, with regional offices in Boston, Madrid and Singapore.

These Financial Statements have been authorised for issue by the Supervisory Board and the Board of Management on 9 March 2007 and are subject to adoption by the General Meeting at the 2007 Annual General Meeting of Shareholders.

All amounts are stated in millions of euros unless stated otherwise.

(2) Summary of significant accounting policies

Basis of preparation

The consolidated financial statements of Getronics have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Group's consolidated cash flow statement is presented using the indirect method.

Certain amounts in the 2005 financial statements and the related notes thereto differ from amounts previously reported as a result of completing the purchase price allocation of PinkRoccade (refer to Note 26).

In addition, certain amounts in the 2005 financial statements and the related notes have been reclassified. The reclassifications had no impact on net result or Group equity and were made:

- to present the results of the Company's French operations as discontinued to conform to the requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*;
- to present pre-sales costs of €12 which were previously included in cost of revenue, as selling expenses to conform to the 2006 presentation; and
- to present the gain on sale of subsidiaries under operating result to conform to the 2006 presentation.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity are disclosed in Note 3.

Accounting policies

The same accounting and valuation principles have been applied as those used in the 2005 annual consolidated financial statements. The following amendments to standards and interpretations which are relevant to Getronics were adopted for the financial year ended 31 December 2006:

- Amendment to IAS 19 *Actuarial gains and losses, group plans and disclosures*, effective for annual periods beginning on or after 1 January 2006. This amendment did not have any impact on the classification and valuation of its employee benefit plans. However, adopting the amendment impacted the format and extent of disclosures surrounding the Company's employee benefit plans;
- Amendment to IAS 21 *Net investment in a foreign operation*, effective for annual periods beginning on or after 1 January 2006. This amendment did not have any impact on the classification and valuation of its Group entities; and
- IFRIC 4 *Determining whether an Arrangement contains a Lease*, effective for annual periods beginning on or after 1 January 2006. This interpretation did not have any impact on the classification and valuation of the Group's contracts.

The following new standards, amendments to standards and interpretations which are relevant to Getronics have been issued but are not effective for 2006 and have not been early adopted:

- IFRIC 8 *Scope of IFRS 2*, effective for annual periods beginning on or after 1 May 2006. Getronics believes this interpretation will not have any impact on the classification or valuation of its equity instruments as the Group already values equity instruments using principles consistent with this interpretation. Getronics will apply the interpretation from annual periods beginning 1 January 2007;
- IFRIC 9 *Reassessment of Embedded Derivatives*, effective for annual periods beginning on or after 1 June 2006. Getronics believes this interpretation will not have any impact on the classification or valuation of embedded derivatives as the Group already assessed if embedded derivatives should be separated using principles consistent with this interpretation. Getronics will apply the interpretation from annual periods beginning 1 January 2007;
- IFRIC 10 *Interim Financial Reporting and Impairment*, effective for annual periods beginning on or after 1 November 2006. Getronics believes this interpretation will not have any impact on the classification or valuation of goodwill as the Group already assess impairment of goodwill using principles consistent with this interpretation. Getronics will apply the interpretation from annual periods beginning 1 January 2007;
- IFRS 7 *Financial Instruments: Disclosures*, and IAS 1 *Amendments to capital disclosures*, both effective for annual periods beginning on or after 1 January 2007. Getronics assessed the impact of the new standard and amendment and concluded that they will require additional disclosures with respect to the Group's financial instruments and share capital. Getronics will

apply the new standard and amendment from annual periods beginning 1 January 2007; and

- IFRS 8 *Operating Segments*, effective for annual periods beginning on or after 1 January 2009. The standard requires segment information to be reported based on what management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. Getronics has not yet assessed the potential impact of the standard.

Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Intercompany transactions and balances between Group Companies are eliminated.

Minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Acquisitions of minority interests result in goodwill, being the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired. Put/call options for acquisitions of minority interests are classified as financial liabilities and valued at fair value. Gains and losses arising from changes in the fair value are presented in the income statement.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investments in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any of their unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint ventures

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation. Under this method the Group includes its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows in the appropriate line items of the consolidated financial statements.

Business combinations

The purchase method of accounting is used to account for the acquisition of businesses by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the 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.

Assets held for sale and Discontinued operations

Non-current assets are classified as held for sale if and from the moment the assets and liabilities are expected to be recovered through a sale rather than through continued use and stated at the lower of carrying amount and fair value less costs to sell. Non-current assets are not depreciated as from the moment they are held for sale. The comparative figures for the non-current assets held for sale or for the assets and liabilities of disposal group are not reclassified.

A discontinued operation is a component of the Group that either has been disposed of, or that is classified as held for sale, and

- represents a separate major geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations, for the current and prior year, are disclosed in the face of the income statement as a single amount comprising the total of the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group constituting the discontinued operation.

Segment reporting

A geographical segment is engaged in providing services and products within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments. This coincides with the Group's internal organisational and management structure and its internal financial management reporting system. A business segment is a group of operations engaged in providing services or products that are subject to risks and returns that are different from those of other business segments. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of clients. Geographical assets are based on the geographical location of the assets.

Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency.

Transactions and cash flows in foreign currencies are translated into the functional currency at the rate prevailing when the transaction took place. Related exchange rate differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the income statement.

Balance sheets of entities that have a functional currency other than the euro are translated using the closing rates at each reporting date. The income statements of such entities are translated at the average rates during the period. The resulting exchange difference is recognised in currency translation adjustment in equity. When a foreign entity is sold, such cumulative exchange difference is recognised in the income statement as part of the gain or loss on sale. Translation gains and losses on inter-company balances which are in substance a part of the investment in such Group company are also credited or charged to equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Revenue recognition

General

Group revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, allowances for credit notes likely to be sent out, other revenue reducing factors, and after eliminated sales within the Group. Amounts billed to clients for passing through the cost of products or third-party services are not recognised as revenue when the Group acts as an agent for the supplier.
The Group recognises revenue when the amount of revenue can be reliably measured, collectability is reasonably assured and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies related to the sale have been resolved. When revenue recognition involves the use of estimates, the Group bases its estimates on historical results, taking into consideration the type of client, the type of transaction and the specifics of each arrangement.

Services

The Group's primary services offerings include designing, building, deploying and managing flexible and innovative end-to-end ICT solutions. These services are provided on a time and material basis or as a fixed-price contract with contract terms generally ranging from less than one year to three years.

Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Revenue from fixed-price contracts involving design, build and deploy services is recognised under the percentage-of-completion (POC) method. Under the POC method, revenue is generally recognised based on the costs incurred to date as a percentage of the total estimated costs to fulfil the contract.

Revenue from fixed-price contracts involving manage services is generally recognised in the period the services are provided using a straight-line basis over the term of the contract.

If circumstances arise that may change the original estimates of revenues, costs, or extent of progress toward completion, then revisions to the estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in income in the period in which management becomes aware of the circumstances that give rise to the revision.

Product

Revenue from product sales is generally recognised when the product is delivered to the client and when there are no unfulfilled obligations that affect the client's final acceptance of the arrangement. Delivery does not occur until products have been shipped, risk of loss has transferred to the client and client acceptance has been obtained, client acceptance provisions have lapsed, or the Group has objective evidence that the criteria specified in the client acceptance provisions are either perfunctory or have been satisfied. Any cost of warranties and remaining obligations that are inconsequential or perfunctory are accrued when the corresponding revenue is recognised.

Multiple element arrangements

The Group at times enters into multiple-element arrangements, which may include any combination of services and product. Each element is recognised separately when all of the following criteria are met:

- the delivered item(s) has value to the client on a stand alone basis;
- there is objective and reliable evidence of the fair value of the undelivered item(s);
- if the arrangement includes a general right of return relative to the delivered item(s), it does not have any consequence for the other elements or the remainder of the contract; and
- costs of each element can be measured reliably.

If these criteria are not met, revenue is recognised based on the type of service provided. If there is objective and reliable evidence of fair value for all the elements in an arrangement, the arrangement consideration is allocated to the elements based on each element's relative fair value. There may be cases, however, in which there is objective and reliable evidence of fair value of the undelivered item(s) but no such evidence for the delivered item(s). In those cases, the residual method is used to allocate the arrangement consideration. Under the residual method, the amount of consideration allocated to the delivered item(s) equals the total arrangement consideration less the aggregate fair value of the undelivered item(s). The revenue policies described above are then applied to each element, as applicable.

Cost of revenue

Cost of revenue includes all direct material and labour costs and those indirect costs related to contract performance, such as indirect labour, supplies, housing and depreciation costs. The Group performs ongoing profitability analyses of its services contracts in order to determine whether the latest estimates – revenue, costs, and profits – require updating. If, at any time, these estimates indicate that a contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately and presented as losses on contracts under provisions.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the income statement on a straight-line basis over the period of the lease.

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the income statement over the lease period using the effective interest method. Assets acquired under finance leases are depreciated over the shorter of their useful life or the lease term.

Income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available, against which the temporary differences and available tax losses carried forward can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is tested annually for impairment and whenever there is an indication that it may be impaired. An impairment loss is recognised for the amount by which the goodwill and relevant non-current assets of a cash generating unit exceeds the recoverable amount of that cash generating unit. The recoverable amount is the higher of the cash generating unit's fair value less costs to sell and value in use. The Group every year consults external valuation experts to estimate fair value, using market data and recent comparable transactions. The Group identified its cash generating units as countries as they are the lowest level at which goodwill is monitored. Gains and losses on the disposal of an entity, or any portion of an entity, include the carrying amount of goodwill related to the entity, or portion of the entity sold. The goodwill associated with the sale is measured on the basis of the relative values of the entity disposed of and the portion of the entity retained, unless some other method better reflects the goodwill associated with the disposed entity.

Trade names and customer relationships are acquired intangible assets and are measured initially at their fair values at the acquisition date. They are amortised using the straight-line method based on the estimated useful lives of such assets.

Computer software represents purchased software licenses valued at historical cost, computer software acquired through business acquisitions that are measured initially at their fair values at the acquisition date, and development costs of identifiable software products controlled by the Group, less accumulated amortisation. Costs that are directly associated with the development of identifiable software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the employee costs incurred developing such software products and an appropriate portion of relevant overheads. Costs of computer software are amortised over the estimated useful life of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Intangible assets other than goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Property, plant and equipment

Property, plant and equipment are valued at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the asset. In addition, the cost of leasehold improvements includes the estimated future costs of returning leased facilities to their original condition, if required. Subsequent expenditures that extend the asset's useful life are capitalised. Expenditures for repairs and maintenance are expensed when incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values, based on the estimated useful lives of such assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other highly liquid investments with original maturities of three months or less.

Receivables

Trade receivables are recognised at fair value (which is generally face value) and subsequently measured at amortised cost, less an impairment allowance for credit losses when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

In some of the Group's service contracts, the Group performs the services prior to billing the client resulting in unbilled receivables on the consolidated balance sheet. Such receivables are recognised at fair value, less an impairment allowance for credit losses when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the contract.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade or unbilled receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the amount expected to be collected. 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 within selling and marketing costs. When a trade or unbilled receivable is uncollectible, it is written off against the allowance account for trade or unbilled receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the income statement.

Inventory

Product inventory is valued at the lower of average cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Spare parts inventory is valued at the lower of historical cost, or net realisable value. Appropriate consideration is given to excessive inventory levels, product deterioration and other factors when establishing the net realisable value.

Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The Company records purchases of its own ordinary shares (treasury shares) under the cost method whereby the entire cost of the acquired shares is deducted from equity until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Cumulative preference shares are classified as liabilities. The dividends on these shares are recognised as interest expense.

The fair value of the liability portion of a financial liability which contains an equity element is determined using a market interest rate for an equivalent borrowing. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the borrowing. The remainder of the proceeds is allocated to the conversion option and is recognised in other reserves in equity, net of income tax.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are recognised as interest expense.

Employee benefit plans

The Group sponsors employee benefit plans, typically pension or other post-employment plans, which cover substantially all of its employees. Such plans are either defined contribution or defined benefit plans. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a plan that defines an amount of benefit that an employee will receive, generally on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For defined contribution plans, Getronics pays contributions to publicly or privately administered pension funds or insurance companies. Contributions are generally based on fixed amounts of eligible compensation and the cost for such plans is recognised based on employee service.

The annual costs of defined benefit plans are the cost of benefits earned during the year (service cost), plus interest accruing on the defined benefit obligation (interest cost), less the expected return on plan assets if any. The costs of benefit improvements are recognised immediately for benefits that are vested, and are amortised on a straight-line basis over the vesting period for benefits that are not yet vested. In addition, to the extent that assumptions are changed or plan experience is different than assumed, the cumulative net actuarial gain or loss in excess of 10% of the defined benefit obligation or plan assets, whichever is larger, is amortised over the expected average future service period of active employees.

Past-service costs are recognised immediately in income, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Curtailment gains are recognised immediately in income when the Group is demonstrably committed to materially reduce the number of employees in the plan or the benefits for future services.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of any plan assets plus or minus unrecognised actuarial gains or losses and past service costs. Recognition of an asset in the balance sheet is subject to certain limitations. The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit method, based on service to date and considering expected salary increases, pension indexation, employee turnover and mortality. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability.

Provisions

Provisions are recognised when the 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, and a reliable estimate of the amount can be made. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Restructuring and integration provisions are made if the following criteria are satisfied:

- the Group has a legal liability, (enforceable by law) or constructive obligation with respect to the restructuring items;
- there is a detailed, formalised plan approved by the Board of Management for the restructuring addressing:
  - which activities will be affected;
  - which locations will be affected;
  - the number of employees and their function level that are to be terminated; and
  - the timing and costs of the plan;
- such plan has been communicated to the involved group of employees; and
- a reliable estimate of the liability can be made.

A provision for leased facility restoration is established when the Company is obligated to return leased facilities to their original condition at the end of the lease term. The provision is provided at the present value of the expected cost to settle the obligation. The estimated costs are reviewed annually and adjusted as necessary. A corresponding asset is recognised under property, plant and equipment.

Deferred income

In some of the Group's services contracts, the Group bills the client prior to performing the services resulting in the recognition of deferred income on the consolidated balance sheet.

Stock based compensation

Employee stock options packages are valued at their grant date using the Monte Carlo option pricing model. The value of the option package, excluding the impact of any non-market vesting conditions, is recognised as an expense over the vesting period with a corresponding increase in share capital in equity. Subsequent changes in the value of the option package are not considered in recognising the expense associated with the option package. Non-market vesting conditions, primarily employment and Group performance, are taken into account by adjusting the number of options included in the option package so that ultimately, the expense recognised on any given option package is based on the number of options in the package that eventually vest.

Stock appreciation rights (SARs) are granted in instances in which stock option grants would not be possible legally or would entail significant costs. Until SARs are settled, the Group recognises a liability and a corresponding charge in the income statement for them based on their fair value by applying the Black-Scholes option pricing model. In addition, the liability considers the extent to which employees have vested rights in the SARs.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The Group's use of derivative financial instruments is limited to foreign currency forward contracts and foreign currency swaps to hedge currency exposures and interest rate swaps and interest options to hedge interest exposures. Getronics uses foreign currency derivatives primarily to offset the effects of exchange rate changes on cash flow exposures denominated in foreign currencies. Interest derivatives are used primarily to reduce the Group's exposure to changes in floating interest rates. When hedging currency and interest rate risk, the Group does not aim for hedge accounting treatment. Accordingly, changes in the fair value of hedging instruments are recognised immediately in the income statement. The Group does not hold any derivative instruments for trading purposes.

(3) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including estimates and assumptions concerning the future that are believed to be reasonable under the circumstances. The main areas for which the use of different estimates and assumptions could cause material adjustment to the carrying amounts of assets and liabilities are discussed below.

Exposure to potential tax liabilities

The Group is subject to income taxes in both the Netherlands and international jurisdictions. Significant judgement is required in determining Getronics' worldwide provision for income taxes. In the ordinary course of business, there are many transactions where the ultimate tax determination is uncertain. Additionally, Getronics' calculation of income taxes is based in part on its interpretations of applicable tax laws in the jurisdictions in which Getronics operates. Although Getronics believes its tax estimates are reasonable, there is no assurance that the final determination of Getronics' income tax liability will not be materially different from what is reflected in Getronics' income tax provision and related balance sheet accounts. Should additional taxes be assessed as a result of new legislation or an audit, if the effective tax rate should change as a result of changes in international tax laws, or if Getronics were to change the locations in which it operates, there could be a material effect on the income tax provision and net income in the period or periods in which that determination is made (Note 11).

Deferred tax valuation

The Group recognises deferred tax assets for loss carry-forwards and deductible temporary differences, estimating the amount of future taxable profit that will be probable, against which the loss carry-forwards and deductible temporary difference can be utilised. Should the actual taxable result and future estimates of taxable result be lower than the estimated taxable result used for the valuation, there could be a material effect on the deferred tax asset recognised and net income in the period in which that determination is made (Note 11).

Impairment of goodwill testing

Goodwill is tested at least annually for impairment and when there is an indication that it may be impaired, in accordance with the accounting policy on intangible assets stated in Note 2. Should the actual recoverable amount be lower than the estimated recoverable amount used in assessing impairment, there could be a material effect on the carrying value of goodwill and net income in the period in which that determination is made (Note 13).

Defined benefit plan assumptions

Defined benefit plan assumptions are based on long-term market expectations. The use of other assumptions would lead to different values for the pension liabilities, including the unrecognised actuarial gains and losses, and different cost of defined benefit plans (Note 22).

Disposal group held for sale

Assets and associated liabilities of disposal group held for sale are valued at the lower of carrying amount and fair value less costs to sell. Fair value and the costs to sell require the use of estimates (Note 28).

Revenue recognition

In order to recognise revenue, the Group must first establish that the amount of revenue can be reliably measured, the collectability of such revenue is reasonably assured, and that delivery has occurred. In making its assessment, the Group considers historical results taking into consideration the type of client, the type of transaction and the specifics of each arrangement.

Further, the Group must also establish that the risk of loss has transferred to the client and client acceptance has been obtained, client acceptance provisions have lapsed, or that there is objective evidence that the criteria specified in the client acceptance provisions are either perfunctory or have been satisfied.

(4) Fair value estimation

The fair value of borrowings traded in active markets (e.g., the 2008 and 2010 Convertible Bonds) is based on quoted market prices at the balance sheet date. The fair value of borrowings not traded in an active market (e.g., the cumulative preference shares and the credit facility) is determined by using a discounted cash flow.

The carrying values of trade receivables, payables and bank overdrafts are assumed to approximate their fair values due to their short term nature. The carrying amounts of cash equivalents approximate fair value because of the short maturity of the investments.

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

(5) Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. In addition, the Company continuously monitors interest rates in order to obtain the most beneficial pricing for its existing, as well as potentially new debt instruments.

Financial risk management is carried out under policies approved by the Board of Management. The Company identifies, evaluates and hedges financial risks in close co-operation with its subsidiaries. The Group maintains written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk (including the use of derivative financial instruments), interest-rate risk and credit risk.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial statements are expressed in Euro and are therefore subject to movements in currency exchange rates on the translation of financial information of businesses whose operational currencies are other than the Company's reporting currency. North America, the United Kingdom, Japan and Australia are important markets for the Company outside of the Euro zone and accordingly significant fluctuations in the exchange rates between the Euro and the US Dollar, the British Pound, the Japanese Yen and the Australian Dollar, respectively, could significantly affect the Company's reported results from year to year. Furthermore, as a result of currency fluctuations, the value of subsidiaries operating in these markets could fluctuate and affect the Company's balance sheet and equity positions from year to year.

The Company earned approximately 36% of its operating result (excluding impairment of goodwill) in currencies other than the Euro, primarily in the US dollar and currencies tied to the US dollar. Any depreciation of these currencies against the Euro would result in fewer Euros. The Company does not hedge this translation risk. In 2006, a 10% weaker US dollar against the Euro, with all other variables held constant would have resulted in a decrease in its operating result (excluding impairment of goodwill) of approximately €2.

The Company is subject to foreign currency exchange rate risk relating to receipts from clients and payments to suppliers in foreign currencies. The Company uses foreign currency forward contracts and swaps to hedge the price risk associated with firmly committed and forecasted foreign denominated payments and receipts. Foreign currency forward contracts and swaps are sensitive to changes in foreign currency exchange rates. Exchange rate movements in the Company's portfolio of foreign currency forward contracts and swaps would result in incremental unrealised gains or losses. Consistent with the use of these derivatives to neutralise the effect of exchange rate fluctuations, such unrealised gains or losses would be offset by corresponding gains or losses, respectively, in the re-measurement of the underlying transactions being hedged. When taken together, these forward contracts and swaps and the offsetting underlying commitments do not create material market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group has no significant interest-bearing assets or liabilities (other than borrowings), the Group's operating cash flows are substantially independent of changes in market interest rates.

Getronics has a mix of debt with floating and fixed interest rates, and is therefore subject to risk from movements in interest rates. An unfavourable interest rate movement would result in additional interest expense. The Company uses interest rate swaps to mitigate the risk of rising interest rates by converting floating rate interest on the Company's credit facility to fixed rate.

The Company has an interest rate floor to guarantee a minimum interest rate on the restricted cash held for the holders of the 2008 Convertible Bonds.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is indirectly exposed to equity securities price risk because of investments held by the Group's pension plans. Developments in interest rates, the global capital markets and other matters outside the Group's control may affect the plans' assets.

Credit risk

Credit risk arises from the possibility of asset impairment occurring because counterparties are not able to meet their obligations in transactions involving financial instruments. While the Group's trade receivables are mostly exposed to credit risk, the exposure to concentrations of credit risk is limited due to the diverse geographic areas and industries covered by its operations. The maximum exposure to credit risk at the reporting date is the carrying value of its trade receivables as the Group does not hold any collateral as security. In the normal course of business, the Group provides credit to clients, provides credit evaluations of these clients, and maintains an impairment provision for credit losses. Credit losses, when realised, have been within the range of management's impairment provision for credit losses.

Derivative contracts are held with reliable counterparties. The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets as the Group does not hold any collateral as security. The exposure is mitigated by the fair value of the derivative liabilities. Consequently, the exposure is generally limited to the fair value of the net position of the derivative contracts.

Cash and cash equivalents are held with reliable counterparties.

Liquidity risk

Liquidity risk arises from the possibility that the Group may encounter difficulty in meeting obligations associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available to fund its short term cash needs. The Company's Credit Facility matures in 2008. Consequently, the Company will be exploring refinancing alternatives in the course of 2007.

Repayment schedule

The repayment schedule for the Group's borrowings (excluding the amount due to the holders of cumulative preference shares as such borrowings have no fixed repayment date) reflects the contractual undiscounted cash flows and is as follows (see table below):

On 14 December 2006 Getronics successfully placed an offering of €95 3.875 per cent senior unsecured convertible bonds due 2014 (2014 Convertible Bonds). Subsequently, the Company announced a cash tender offer for its outstanding 2008 Convertible Bonds. On 19 December 2006, the Company announced that €89 in aggregate principal amount of the 2008 Convertible Bonds had successfully been tendered and on 22 December 2006 announced that all such bonds so tendered had been accepted for repurchase. These transactions succeeded in significantly improving Getronics' debt maturity profile, reducing its cost of capital, strengthening its balance sheet and are expected to provide increased financial flexibility for Getronics' future development.

Other borrowings consist primarily of a €16 loan in the former Italian operations which remained with the Group after the sale of the Italian operations, and a €10 loan from the former French operations. The loan in the former Italian operations will be repaid in 2007 with restricted cash which had been set aside in 2005 for the repayment of this loan.

The Group has the option to redeem the cumulative preference shares in cash or shares every year on 31 of July for an amount of €40 and a make-whole payment to compensate for the loss of return until July 2009. In July 2009, the Group has the option to redeem the outstanding amount in cash or shares at the nominal value.

Additional borrowings

In the future, the Company may need to raise additional funds through public or private debt or equity financings in order to, among other things:

- take advantage of opportunities, including acquisitions of complementary businesses;
- repay outstanding indebtedness;
- develop new services; or
- respond to unforeseen competitive pressures.

Any additional financing may not be available on terms favourable to the Company, if at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to take advantage of business opportunities, repay outstanding indebtedness, develop new services, or otherwise respond to competitive pressures.

	2010 Convertible Bond	2008 Convertible Bond	Credit facility	Other including bank overdrafts	Total
2007	–	89	–	48	137
2008	–	11	55	1	67
2009	–	–	–	1	1
2010	150	–	–	1	151
	150	**100**	**55**	**51**	**356**

(6) Segment information

Getronics considers geography as its primary segment. Segment operating result includes all the segment's revenues and operating costs as well as certain corporate costs, primarily ICT support, that are allocated according to usage. Corporate performance includes gain on sale of subsidiaries. Interest income, finance costs, and income taxes are not included in segment information. Similarly, assets and liabilities allocated to geographical segments exclude cash, borrowings and tax assets and liabilities. Segment information is presented for continuing operations. Refer to Note 28 for information regarding discontinued operations.

Business segment is considered the secondary segment for which only revenue is measured and divided between service and product revenue. Assets of the business segments are jointly used and not allocated to secondary segment information as such allocations would be arbitrary.

2006

	The Netherlands	Rest of Europe	North America	Rest of the World	Corporate	Total
Service revenue	1,098	611	350	221	–	**2,280**
Product revenue	86	140	16	105	–	**347**
Gross profit	292	110	71	52	–	**525**
Depreciation and amortisation	-48	-15	-5	-5	–	**-73**
Operating result	78	-7	-29	7	-26	**23**
Allocable assets	686	440	237	73	7	**1,443**
Allocable liabilities	446	327	101	72	69	**1,015**
Capital expenditures	40	13	5	2	–	**60**
Average number of employees [1]	10,321	7,533	3,688	2,978	136	**24,656**

2005

	The Netherlands	Rest of Europe	North America	Rest of the World	Corporate	Total
Service revenue	949	552	407	213	–	**2,121**
Product revenue	130	174	25	75	–	**404**
Gross profit	282	106	86	58	–	**532**
Depreciation and amortisation	-39	-19	-4	-4	–	**-66**
Operating result	57	2	34	16	-10	**99**
Allocable assets [2]	749	472	332	144	3	**1,700**
Allocable liabilities	472	338	132	102	40	**1,084**
Capital expenditures	45	15	5	8	–	**73**
Average number of employees [1]	9,154	6,898	4,016	2,781	108	**22,957**

1) Includes 2,336 directly subcontracted temporary workers (2005: 2,008).

2) Allocable assets include goodwill. The comparative figures have been adjusted compared to previously published information to reflect this.

(7) Expenses by nature	**2006**	**2005**
Employee benefit expense	1,457	1,324
Trade inventory sold	338	399
Subcontracted costs	234	225
Spare parts inventory used	110	119
Facilities	110	108
Depreciation and amortisation	73	66
Impairment of goodwill	65	-
Phone and communication	45	45
Other	180	153
Total cost of revenue, selling expenses, general and administrative expenses, impairment of goodwill, and acquisition integration expenses	**2,612**	**2,439**

(8) Employee benefit expense	2006	2005
Salaries	940	857
Social security expenses	121	110
Pension expenses	11	-2
Temporary personnel	219	160
Commuting and car allowance	90	85
Other personnel expenses	76	114
	1,457	**1,324**

Other personnel expenses include secondary employment benefits and training expenses. The share based payments included in other personnel expenses amount to €3 (2005: €3).

The total number of employees at 31 December 2006 was 24,780 (in 2005: 27,051 of which 2,567 in discontinued operations).

(9) Acquisition integration expenses

In connection with the Group's acquisition of PinkRoccade, the Group incurred integration expenses of €21 (2005: €46). Such expenses were primarily to integrate back-office functions in the Netherlands. Synergy benefits resulting from the acquisition are included in cost of revenue, selling expenses, and general and administrative expenses.

(10) Finance costs	**2006**	**2005**
Interest on 2008 Convertible Bonds	10	10
Debt settlement expense	6	-
Interest on 2010 Convertible Bonds	9	1
Regular dividend to holders of cumulative preference shares	11	13
Early redemption payment to holders of cumulative preference shares	-	15
Other interest expense	24	18
Other finance costs	16	12
	76	**69**

The 2006 debt settlement expense is explained in Note 21.

The regular €11 dividend to holders of cumulative preference shares is based on a dividend rate of 8.05% on the outstanding €135. In April 2005, Getronics paid €17 to the holders of cumulative preference shares consisting of (i) €2 for the regular dividend due over the period from 1 January 2005 through 1 May 2005, based on 6% per annum on the €100 of repaid principal of the cumulative preference shares, and (ii) €15 as compensation for the early redemption of such cumulative preference shares. The other finance costs include agency and commitment fees.

(11) Income taxes

Tax expense	2006	2005
Deferred taxes	-9	29
Current taxes	-5	-6
Income tax (charge)/benefit from continuing operations	**-14**	**23**

Effective tax rate

Getronics operates in over 30 jurisdictions with local statutory income tax rates varying from 12.5% to 40.97%. This causes a difference between the average statutory income tax rate and the Netherlands tax rate of 29.6%. The weighted-average applicable tax rate was 35% (2005: 43.2%). The change is caused by a change in the profitability of the Group's subsidiaries in the respective countries. The following table reconciles income taxes based on the Group's weighted-average statutory income tax rate and the Group's income tax benefit from continuing operations:

	2006	2005
Result before taxes	-40	37
Income tax benefit/(charge) based on the statutory tax rates applicable to results of the respective countries	14	-16
Tax effect of:		
• Net recognition of prior year fiscal losses and tax deductible temporary differences	11	40
• Unrecognised current year fiscal losses	-4	-1
• Exempt income and non-deductible items	-21	-12
• Changes in statutory tax rates	-18	-1
• Tax amounts relating to prior years	2	15
• Other income taxes	2	-2
Income tax (charge)/benefit from continuing operations	**-14**	**23**

Deferred tax assets and liabilities

The movement in the deferred tax accounts is as follows:

Deferred tax assets	Total before netting	Netting with deferred tax liabilities	DTA not recognised	2006	2005
Beginning of the year recognised	417	-191	-	226	
Reclassification	8	-8	-	-	
Add back: DTAs not recognised	154	-	-154	-	
Beginning of the year - total	579	-199	-154	226	104
Income statement (charge)/credit	-120	86	22	-12	14
Income statement (charge)/credit to discontinued operations	30	-	-	30	81
Tax (charged)/ credited to equity	-	-	-	-	-21
Acquisitions	3	-	-4	-1	42
Divestments	-15	-	15	-	-
Currency translation differences	-15	-	7	-8	6
Reclassified to assets of disposal group held for sale	-8	-	-	-8	-
End of the year	**454**	**-113**	**-114**	**227**	**226**

Deferred tax liabilities	Total before netting	Netting with deferred tax assets	2006	2005
Beginning of the year	-203	191	-12	
Reclassification	-8	8	-	
Beginning of the year - total	-211	199	-12	-12
Income statement (charge)/credit	89	-86	3	15
Income statement (charge)/credit to discontinued operations	-	-	-	-
Tax (charged)/ credited to equity	1	-	1	2
Acquisitions	-1	-	-1	-26
Divestments	3	-	3	-
Currency translation differences	-	-	-	-
Reclassified to liabilities of disposal group held for sale	-	-	-	9
End of the year	**-119**	**113**	**-6**	**-12**

Before netting deferred tax assets and liabilities within the same tax jurisdiction and before recognition, the deferred tax assets and liabilities for temporary differences, detailed to balance sheet captions and tax loss carry-forwards at 31 December, are as follows. In order to conform to the 2006 disclosure of movements in the deferred tax accounts, certain reclassifications have been made in amounts presented last year, including the amount of €83 relating to the fiscal liquidation loss of the remaining Italian legal entity.

Deferred tax assets	Investments in Group Companies	Fixed assets	Non-current liabilities	Other	Tax loss carry-forwards	Total
Beginning of the year	83	43	52	16	385	579
Income statement (charge)/credit	-6	-4	-9	-2	-99	-120
Income statement (charge)/credit to discontinued operations	30	-	-	-	-	30
Tax (charged)/credited to equity	-	-	-	-	-	-
Acquisitions	-	-	1	-2	4	3
Divestments	-	-	-1	1	-15	-15
Currency translation differences	-	-3	-2	-	-10	-15
Reclassified to assets of disposal group held for sale	-	-1	-3	-1	-3	-8
End of the year	**107**	**35**	**38**	**12**	**262**	**454**

Deferred tax liabilities	Investments in Group Companies	Fixed assets	Non-current liabilities	Other	Total
Beginning of the year	-162	-25	-18	-6	-211
Income statement (charge)/credit	82	6	4	-3	89
Income statement (charge)/credit to discontinued operations	-	-	-	-	-
Tax (charged)/credited to equity	-	-	1	-	1
Acquisitions	-	-1	-	-	-1
Divestments	-	3	-	-	3
Currency translation differences	-	-	-	-	-
End of the year	**-80**	**-17**	**-13**	**-9**	**-119**

An amount of approximately €907 (2005: €1,261) of loss carry-forwards is reported in over 20 jurisdictions of which the utilisation depends on local regulations. In assessing the realisability of deferred tax assets, the Group considers whether it is probable that some portion or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those losses carry-forwards will be available. For this, the Group considers the scheduled reversal of temporary differences and projected future taxable income. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the temporary differences are deductible or taxable, the Group has assessed for each tax jurisdiction whether it is probable that the Company will utilise all or some portion of the benefits of these losses carried forward. As a result of this assessment, for an amount of €114 (2005: €154) of loss carry-forwards and deductible temporary differences no deferred tax asset is recognised.

Included in the deferred tax asset is an amount of €107, related to the fiscal liquidation loss of the remaining non-operating Italian and Austrian legal entities. An amount of €80 for temporary write-off of carrying value of investments in Group Companies is included in the deferred tax liability (before netting), and will reverse over the period 2007 - 2010.

At 31 December 2006, loss carry-forwards expire as follows:

2007	9
2008	25
2009	9
2010	11
2011	-
Later [1]	712
Unlimited	141
Total	**907**

1) As from 2007 the available loss carry-forwards in the Netherlands are limited.

(12) Net result per ordinary share

The numerator for both basic and fully diluted net result per ordinary share (earnings per share or EPS) is net result attributable to holders of ordinary shares from continuing operations. The denominator for basic EPS is the weighted-average number of ordinary shares outstanding during the year, excluding ordinary shares held as treasury shares. The denominator for fully diluted EPS is the weighted-average number of ordinary shares outstanding during the year including the dilutive effect of outstanding employee stock options, convertible bonds and cumulative preference shares. Fully diluted EPS assumes employee stock options outstanding at the end of the year whose exercise prices are less than the average annual market price are exercised and the proceeds are used to repurchase ordinary shares at the average annual market price. It also assumes the convertible bonds and cumulative preference shares are converted into ordinary shares and the net result is adjusted to eliminate the interest expense, less the tax effect.

The net result per ordinary share has been calculated according to the following schedule:

Basic	2006		2005
Net result from continuing operations attributable to holders of ordinary shares	-54		59
Net result from discontinued operations attributable to holders of ordinary shares	-91		-56
Net result attributable to holders of ordinary shares	-145		3
Weighted-average number of ordinary shares (x 1,000)	122,558		109,405
Net result per ordinary share - basic from continuing operations (in euros)	-0.44		0.54
Net result per ordinary share - basic from discontinued operations (in euros)	-0.74		-0.51
Net result per ordinary share - basic (in euros)	**-1.18**		**0.03**

Fully diluted	2006	2005
Net result from continuing operations attributable to holders of ordinary shares	-54	59
Net result from discontinued operations attributable to holders of ordinary shares	-91	-56
Net result used to determine diluted earnings per share	-145	3
Weighted-average number of ordinary shares basic (x 1,000)	122,558	109,405
Dilutive potential ordinary shares from restricted shares and exercising options	-	155
Weighted-average number of ordinary shares - fully diluted	122,558	109,560
Net result per ordinary share - fully diluted from continuing operations (in euros)	-0.44	0.54
Net result per ordinary share - fully diluted from discontinued operations (in euros)	-0.74	-0.51
Net result per ordinary share - fully diluted (in euros)	**-1.18**	**0.03**

Vested stock options representing 455 thousand ordinary shares during 2006 (2005: 926 thousand) had exercise prices greater than the Company's annual average market price. These ordinary shares were not included in the calculation of fully diluted EPS because their inclusion would have increased the net result per ordinary share.

The maximum number of ordinary shares the 2008 Convertible Bonds are convertible into is 10,273,381. Had the 2008 Convertible Bonds been converted, the benefit from the eliminated interest expense on the result per ordinary share would have been greater than the dilutive effect of the additional shares. Accordingly, these ordinary shares were not included in the calculation of fully diluted EPS.

The maximum number of ordinary shares the 2010 Convertible Bonds are convertible into is 11,503,068. Had the 2010 Convertible Bonds been converted, the benefit from the eliminated interest expense on the result per ordinary share would have been greater than the dilutive effect of the additional shares. Accordingly, these ordinary shares were not included in the calculation of fully diluted EPS.

The maximum number of ordinary shares the cumulative preference shares are convertible into is approximately 22,144 thousand, assuming full conversion of a share price equal to the closing Euronext price at 31 December 2006. Had the cumulative preference shares been converted, the benefit from the eliminated interest expense on the result per ordinary share would have been greater than the dilutive effect of the additional shares. Accordingly, these ordinary shares were not included in the calculation of fully diluted EPS.

(13) Intangible assets

	Goodwill	Trade names	Customer relationships	Computer software and other	Total
At 1 January 2005					
Cost	515	–	3	45	563
Accumulated amortisation	–	–	–	-33	-33
Net carrying amount	**515**	**–**	**3**	**12**	**530**
Changes to net carrying amount in 2005					
Acquisitions	321	9	50	22	402
Amortisation	–	-3	-4	-12	-19
Impairment discontinued operations	-56	–	–	–	-56
Additions	–	–	–	18	18
Reclassified to discontinued operations	–	–	-1	–	-1
Currency translation differences	35	–	–	–	35
Total changes in 2005	**300**	**6**	**45**	**28**	**379**
At 31 December 2005					
Cost	815	9	52	68	944
Accumulated amortisation	–	-3	-4	-28	-35
Net carrying amount	**815**	**6**	**48**	**40**	**909**
Changes to net carrying amount in 2006					
Acquisitions	3	–	5	2	10
Sale of business	-63	–	-7	-13	-83
Amortisation	–	-4	-8	-14	-26
Impairment continuing operations	-65	–	–	–	-65
Impairment discontinued operations	-14	–	–	–	-14
Additions	–	–	–	20	20
Reclassified to assets of disposal group held for sale	-40	–	–	-1	-41
Currency translation differences	-29	–	–	–	-29
Total changes in 2006	**-208**	**-4**	**-10**	**-6**	**-228**
At 31 December 2006					
Cost	607	9	49	70	735
Accumulated amortisation	–	-7	-11	-36	-54
Net carrying amount	**607**	**2**	**38**	**34**	**681**

Computer software and other intangibles include internally generated development costs at 31 December 2006 of €6 (2005: €1). Cost of revenue includes €3 (2005: €2) of the amortisation expense. The remaining amortisation expense of €23 (2005: €17) is included in selling and general administrative expenses.

Goodwill

In connection with the sale of Netherlands HR Services and the Company's ICT consulting unit in the Netherlands (KZA) in September 2006, the Group derecognised €63 of goodwill. In 2005, the Group acquired PinkRoccade and RedSiren Inc. and recognised a combined €321 of goodwill. In accordance with IFRS 3, upon completing the valuation of the net assets acquired, the Company adjusted the provisional values of certain liabilities assumed resulting in €4 less goodwill than the amount previously reported at 31 December 2005.

Goodwill is allocated to the Group's countries as follows [1]:

	2006	2005
The Netherlands	255	316
United Kingdom	77	80
Spain	63	63
Belgium	47	56
France	–	14
United States	165	240
Japan [2]	–	46
	607	**815**

[1] The currency translation differences movement for 2006 of €-29 is detailed as follows: United Kingdom €2, United States €-25, and Japan €-6.

[2] Goodwill for Japan is reclassified to 'Assets of disposal group held for sale'.

The recoverable amount of a cash generating unit is the higher of its fair value less costs to sell and value in use. The Group identified its cash generating units as countries as they are the lowest level at which goodwill is monitored. Fair value is estimated based on revenue and earnings multiples for comparable companies adjusted for a control premium. The control premium is based on recent comparable transactions. The value in use calculations used cash flow projections based on financial budgets covering a 3-year period. Cash flows after the budget period up to and including the 5th year are extrapolated using the growth rates disclosed below. For the residual period a growth rate of zero is used. The key assumptions used in the value-in-use calculations are based on performance, supporting historical evidence and market development expectations.

	2006	2005
Revenue growth rate for cash flows beyond the budget period up to and including the 5th year	4.0%	4.0%
Weighted-average pre-tax discount rate	13.9%	13.1%

In connection with its annual test for impairment, the Company determined that the carrying amounts of its US, UK and Belgian operations exceeded the recoverable amounts. Consequently, the Company recognised an impairment charge of €65, which was completely allocated to goodwill (US €50, Belgium €10, UK €5).

The recoverable amounts for the UK and US are based on value in use, the recoverable amount for Belgium on fair value less cost to sell. The recoverable amounts for the Netherlands and Iberia are based on value in use, for Japan on fair value less cost to sell, as part of the measurement requirements following its held for sale classification. The impairment charges of €14 and €56 in 2006 and 2005 respectively, are included in discontinued operations.

The US impairment stems from the loss of contracts with two major clients in 2005 and a delayed replacement of these contracts in combination with significant price pressure on renewals and low margin contracts, particularly in the retail sector. In the United Kingdom the overall performance was impacted by a slower than estimated business recovery, despite strong revenue traction with some major accounts. The combination with the high number of subcontractors in the United Kingdom and price erosion on existing business led to somewhat lower estimates for the future years resulting in a small impairment. In Belgium the Company performed reasonably well during most of the year, but did experience some weakness at the end of the year, leading to somewhat lower estimates for the future years resulting in a small impairment.

In making its assessment, the Group used estimates which it considers to be neither too aggressive nor too conservative. Had the applied Group's discount rate been 14.4%, it would have led to an additional impairment charge of approximately €9 in US, UK and Belgium. If the applied EBITDA or cash flows had been 10% lower than management's estimates and key assumptions used, the Group would have recognised an additional impairment of goodwill of approximately €27 in US, UK and Belgium.

In September 2006, the Group accepted a binding offer for the sale of 67% of its French operations. In light of the proposed sale, the Group assessed the recoverable amount of its operations using fair value less costs to sell, as part of the measurement requirements following its held for sale classification. The Group concluded goodwill was entirely impaired and therefore recognised an impairment charge in discontinued operations of €14.

In November 2005, the Board of Management and the Supervisory Board approved the sale of its Italian operations. In light of the proposed sale, the Group assessed the recoverable amount of its operations using both fair value less costs to sell and value in use. The Group concluded that under either method, goodwill was entirely impaired and therefore recognised an impairment charge in discontinued operations of €56. As a result of classifying the Italian operations as discontinued, no further depreciation on property, plant and equipment was recognised. Consequently, no reassessment was required on the depreciation policies of the Italian operation's property, plant and equipment. No other impairment of goodwill charges were recognised in 2005.

Other intangible assets

Amortisation is based on the estimated useful lives of assets as follows:

Trade names	2 years
Customer relationships	10 years
Computer software	5 years

(14) Property, plant and equipment

	Land, buildings and leasehold improvements	Other property, plant and equipment	Total
At 1 January 2005			
Cost	82	232	314
Accumulated depreciation	-46	-195	-241
Net carrying amount	**36**	**37**	**73**
Changes to net carrying amount in 2005			
Capital expenditures	20	38	58
Acquisitions	25	45	70
Depreciation	-14	-38	-52
Disposals	-21	-9	-30
Reclassified to assets of disposal group held for sale	-2	-7	-9
Currency translation differences	4	-1	3
Total changes in 2005	**12**	**28**	**40**
At 31 December 2005			
Cost	94	216	310
Accumulated depreciation	-46	-151	-197
Net carrying amount	**48**	**65**	**113**
Changes to net carrying amount in 2006			
Capital expenditures	8	31	39
Acquisitions	-	1	1
Depreciation	-11	-34	-45
Disposals	-4	-4	-8
Reclassified to assets of disposal group held for sale	-1	-2	-3
Currency translation differences	-1	-1	-2
Total changes in 2006	**-9**	**-9**	**-18**
At 31 December 2006			
Cost	86	203	289
Accumulated depreciation	-47	-147	-194
Net carrying amount	**39**	**56**	**95**

The carrying value of other fixed assets reported above owned under financial leases is as follows:

	2006		2005
Cost - capitalised finance leases	16		12
Accumulated depreciation	-12		-6
Net carrying amount	**4**		**6**

Depreciation is based on the estimated useful lives of assets as follows:

Buildings	30 years
Leasehold improvements	Remaining period of the relevant rental contract
Office furniture and equipment	7 to 10 years
Computer disaster recovery equipment	5 years or remaining contract period if shorter
Computer hardware	3 years

(15) Other non-current assets

	Long term restricted cash	Other assets	Total
At 1 January 2005	**15**	**18**	**33**
Additions	23	5	28
Disposals and usage	–	-8	-8
Amounts reclassified to cash and cash equivalents	-9	–	-9
Reclassified to assets of disposal group held for sale	–	-3	-3
Currency translation differences	–	1	1
At 31 December 2005	**29**	**13**	**42**
Additions	1	6	7
Disposals and usage	-1	-6	-7
Amounts reclassified to cash and cash equivalents	-28	-2	-30
Reclassified to assets of disposal group held for sale	–	-2	-2
Currency translation differences	–	-1	-1
At 31 December 2006	**1**	**8**	**9**

At 31 December 2005, restricted cash included €18 to guarantee repayment of a loan in the Groups former Italian operations. Upon each repayment term, the corresponding funds in the account were released. At 31 December 2006, such cash is included in cash and cash equivalents.

Restricted cash also includes the present value of the interest payments due in 2008 on the 2008 Convertible Bonds. In connection with the repurchase of €89 of the 2008 Convertible Bonds in January 2007, €10 of such cash was reclassified. At 31 December 2006, such cash is included in cash and cash equivalents. If the remaining 2008 Convertible Bonds are redeemed or converted prior to their due date, the remaining €1 will be released.

Investments in Associates

Other non current assets include investments in associates for an amount of €0 (2005: €0).
The Company's share in the results of its principal associates, all of which are unlisted, and its share of the assets and liabilities are as follows:

Name	Country of incorporation	Assets	Liabilities	Revenues	Profit/(loss)	% interest held
APX/Getronics	France	13	11	3	–	33

The French APX/Getronics companies (former 100% Getronics Operating entities) are valued at zero.

(16) Cash and cash equivalents

	2006	2005
Cash and cash equivalents	174	251

Cash and cash equivalents include current restricted cash of €38 (2005: €15).

(17) Trade receivables

	2006	2005
Trade receivables	392	410
Less: impairment allowance for credit losses	-8	-11
Trade receivables – net	**384**	**399**

Estimates of the recoverability of trade receivables are based on the most reliable evidence available at the time the estimates are made. As such estimates are continuously evaluated, it is common that in the normal course of business, circumstances that previously caused trade receivables to be impaired no longer exist resulting in reversals of impairment charges. Impairment charges and reversals of impairment charges are generally not material.

(18) Inventory

	2006		2005
Trade goods	25		29
Spare parts	16		15
Inventory	**41**		**44**

Estimates of net realisable value of inventory are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. As such estimates are continuously evaluated, it is common that in the normal course of business, circumstances that previously caused inventories to be written down below cost no longer exist resulting in reversals of write-downs. Write-downs and reversals of write-downs are generally not material. The cost of inventories recognised as expense and included in cost of revenue amounted to €448 (2005: €518).

(19) Other current assets

	2006		2005
Prepaid expenses	37		46
Income taxes receivable	5		6
VAT receivable	14		10
Deferred transition costs	24		5
Other receivables	20		9
Other current assets	**100**		**76**

(20) Shareholders' equity

Share capital

	Nominal value	Share premium reserve	Treasury shares	Total
At 1 January 2005	**21**	**234**	**-12**	**243**
Rights offering, net of transaction costs of €14 (net of €2 tax benefit)	14	377	–	391
Acquisition of PinkRoccade	1	16	–	17
Employee stock options	–	3	–	3
At 31 December 2005	**36**	**630**	**-12**	**654**
Employee stock options	–	3	–	3
Capital distribution	–	-9	–	-9
At 31 December 2006	**36**	**624**	**-12**	**648**

A reconciliation of the number of outstanding ordinary shares (in thousands) is as follows:

	2006	2005
At 1 January	122,527	71,981
Rights offering/share issuance	–	48,517
Treasury shares issued	–	6
Acquisition of PinkRoccade	–	1,966
Stock options exercised	50	57
At 31 December	**122,577**	**122,527**

The ordinary shares issued upon exercise of the stock options were newly issued shares.

The Company's authorised share capital (amounts in thousands) is as follows:

	2006	2005
Ordinary shares – 300,000,000 (2005: 150,000,000)	84,000	42,000
Preference shares – 300,000,000 (2005: 150,000,000)	84,000	42,000
Cumulative preference shares A – 24,000,000 (2005: 12,188,496)	6,720	3,413
Cumulative preference shares B – 24,000,000 (2005: 12,000,000)	6,720	3,360
Cumulative preference shares C – 24,000,000 (2005: 12,000,000)	6,720	3,360
Cumulative preference shares D – 12,000,000 (2005: 12,000,000)	3,360	3,360
Cumulative preference shares E – 12,000,000 (2005: 12,000,000)	3,360	3,360
At 31 December	**194,880**	**100,853**

All shares have a nominal value of €0.28 (in euros). On 31 December 2006, 123,356,254 (2005: 123,306,904) ordinary shares, of which 779,711 (2005: 779,711) were held by the Company, and 35,211,568 (2005: 35,211,568) cumulative preference shares A, B and C were issued and outstanding. There are no cumulative preference shares D or E outstanding, nor are there any preference shares outstanding. The authorised share capital was increased to 194,880,000 at an extraordinary General Meeting on 1 December 2006.

The Company and the Stichting Preferente Aandelen Getronics N.V. (the 'Foundation') have entered into an option agreement which grants the Foundation an option to acquire preference shares from the Company. These preference shares may be acquired up to a total par value that is equal to the total par value of all issued and outstanding ordinary shares plus the total par value of all issued and outstanding cumulative preference shares on 27 March 1998 minus the par value of one preference share. If the Company so desires, upon request of the Company, the Foundation will have to sell back the shares to the Company at nominal value. The fair value of the option is not material.

Dividend distributions may only be paid out of the profit as shown in the separate Company financial statements adopted by the General Meeting. Dividends may not be paid if the distribution would reduce shareholders' equity below the sum of the paid up and called part of the issued share capital and any reserves which must be retained according to Dutch law or the Articles of Association. The Board of Management subject to approval of the Supervisory Board determines the amount that shall be reserved from the profits as disclosed in the adopted annual accounts. From the remaining profits, if any, a dividend shall be distributed first to holders of preference shares, then to holders of cumulative preference shares, and finally to holders of ordinary shares.

On 29 April 2005, 25,804,426 cumulative preference shares (series A, B and C) were issued to the Trust Office. The Trust Office has in turn issued depositary receipts in respect of such cumulative preference shares to the holders of the depositary receipts. Such shares were paid up from the share premium on the existing cumulative preference shares.

At the 2005 Annual General Meeting of Shareholders, the ordinary shareholders approved an amendment to the Company's Articles of Association effecting a 3-for-1 stock split of its preference shares and cumulative preference shares and subsequently, a 1-for-7 reverse stock split of its ordinary and cumulative preference shares at such time to be determined by the Board of Management, subject to approval by the Supervisory Board. The Board of Management, with the approval of the Supervisory Board, decided the effective date of the reverse split was 28 June 2005. On the date of the reverse stock split, each holder of record was deemed to hold one ordinary or one cumulative preference share for every seven ordinary and seven cumulative preference shares, respectively, held immediately prior to the effective date.

As a result of the above mentioned stock split and the reverse stock split, the nominal values of the ordinary and cumulative preference shares were increased to €0.28 (in euros). Consequently, no changes were made to the balances of the nominal values or share premium reserves.

At the Company's 2006 Annual General Meeting of Shareholders, the holders of ordinary shares approved the Company's proposal to add the 2005 net result to retained earnings and to pay the proposed dividend by way of a distribution to holders of ordinary shares from the share premium reserve. The dividend paid to holders of ordinary shares was €0.07 (in euros) per ordinary share amounting to €9 in total.

In April 2005, the Company granted to its then existing shareholders, transferable subscription rights (Rights) that entitled such shareholders to subscribe to a new share offering. Each shareholder was granted one Right for every ordinary share held. Each shareholder was allowed to subscribe to two new ordinary shares at the issue price of €8.33 (in euros) per share for every three Rights held. At the end of the subscription period, 39,630,102 ordinary shares had been subscribed to. Subsequently, the remaining 8,887,277 shares that were issuable upon the exercise of the Rights but had not been subscribed for during the subscription period (Rump Shares) were sold through private placements at €9.24 (in euros) per share. Under the terms of the Rights offering, because the aggregate proceeds for the Rump Shares after deduction of selling expenses exceeded the aggregate issue price by €0.91 (in euros) per Rump Share, each holder of an unexercised Right at the end of the exercise period received €0.56 (in euros) for each unexercised Right. As a result, after deducting issuance costs of €14 (net of €2 of tax), the Company increased its equity by €391. The net cash flow from issuance of shares amounts to €388.

Upon the legal merger of the Company and PinkRoccade, shareholders in PinkRoccade who had not sold their shares to the Company in March 2005 became shareholders of Getronics by operation of law and in accordance with the merger proposal, increasing equity by €17. As a consequence, the Company issued 1,965,808 ordinary shares to PinkRoccade's remaining shareholders, which had a fair value of €9.73 (in euros) per share.

Other reserves	Currency translation adjustment related to disposal group held for sale	Currency translation adjustment	Equity component of convertible bonds	Total
At 1 January 2005	**–**	**–16**	**12**	**–4**
Currency translation differences	–	35	–	35
2010 Convertible Bonds (net of €9 tax benefit)	–	–	19	19
At 31 December 2005	**–**	**19**	**31**	**50**
Currency translation differences	–	–39	–	–39
Tax rate adjustment	–	–	1	1
Reclassified to disposal group held for sale	–2	2	–	–
At 31 December 2006	**–2**	**–18**	**32**	**12**

Proposed net result allocation

At the Company's 2007 Annual General Meeting, the Company will propose adding the 2006 net result to the accumulated deficit. Accordingly, no dividend to the holders of ordinary shares will be proposed. Under the Company's accounting policies, the annual dividend of €11 owed to the holders of cumulative preference shares is included in the Company's net result, and is consequently not reflected in the proposed net result allocation. Dividend payable to holders of cumulative preference shares in respect with 2006 is classified under non-current liabilities in line with the decision that no dividend will be paid in 2007.

Stock-based compensation

2003 Stock Option Plan

The purpose of the 2003 Stock Option Plan is to align the interest of key employees and management with the interest of the shareholders of Getronics by providing eligible employees and management with additional incentives to support the Group's performance on a long-term basis, thereby increasing shareholder value.

The 2003 Stock Option Plan was approved by the Supervisory Board in September 2003 and marginally adjusted in November 2005, to incorporate the relevant points of the Dutch Law and Decree on Market Abuse of 1 October 2005. The Stock Option Plan aims to be as consistent as possible from a worldwide perspective. Consequently, there is one integrated option plan design, which provides for the grant of SARs in those circumstances where it would not be legally possible or would entail significant cost to grant stock options. On an annual basis options representing up to 2% of the then outstanding ordinary shares will be available for grant. Under the 2003 Stock Option Plan, options to acquire ordinary shares are granted based on:

- a predetermined schedule containing maximum granting levels; and
- a consistent eligibility policy which considers an employee's job and responsibility level in the organisation as well as past and expected future individual performance.

Stock options may (with the approval of the Supervisory Board following advice by the Remuneration & Selection Committee) be granted to:

- the Board of Management, other senior management and high-achieving employees;
- new employees hired into a position whose remuneration package would include stock options upon the commencement of their employment or within two (2) months thereafter; or
- other existing employees upon meeting certain performance related criteria as determined from time to time or upon being promoted to a position whose remuneration package would include stock options.

Stock options may be granted at the following times:

- in respect of the Board of Management, other senior management and high-achieving employees, once a year, four (4) working days after the annual shareholders meeting; and
- in respect of new and other existing employees, six (6) times per year, on the third Wednesday of the uneven calendar months (January, March, May, July, September and November).

The 2003 Stock Option Plan provides for the grant of options to the Board of Management subject to certain performance-related conditions that will be determined by the Supervisory Board, in consultation with the Remuneration & Selection Committee, from time to time in accordance with a consistent policy and by reference to peer group companies.

Notwithstanding the provisions of the 2003 Stock Option Plan, the Supervisory Board, in consultation with the Board of Management, has decided that at this point in time no options will be granted to the Board of Management.

Option grants to all other employees are subject to certain performance-related conditions that will be determined by the Board of Management, in consultation with the Remuneration & Selection Committee, from time to time in accordance with a consistent policy and by reference to the Group's performance.

The exercise price of the options is equal to the fair market value of an ordinary share at the average of the closing prices, as stated in the Officiële Prijscourant of Euronext Amsterdam, on the three (3) trading days preceding the date on which the options are granted. All option grants lapse seven (7) years after being granted. Options granted initially are subject to a four (4) year vesting schedule, with a maximum of 25% of the options vesting (cumulatively) every year. Subsequent grants are also subject to a four (4) year vesting schedule, but with a maximum of 100% of the options vesting en bloc after four (4) years. On each respective vesting date, the actual number of vested options will be determined based on the achievement of pre-determined financial performance criteria. Exercise of any options is restricted by the Group's rules on insider trading. The ordinary shares to be issued upon exercise of options granted under the 2003 Stock Option Plan will be newly issued shares.

Previous stock option plan

Options granted prior to the establishment of the 2003 Stock Option Plan were based on one integrated option plan design, including SARs in instances in which stock option grants would not be possible legally, or would entail significant costs. The exercise prices of these options were equal to the fair market value of an ordinary share at the average of the closing prices, as stated in the Officiële Prijscourant of Euronext Amsterdam, on the three (3) trading days preceding the grant date. All option grants lapse ten (10) years after being granted and vest over three years (20% vest after year 1, an additional 30% after year 2, and the remaining 50% after year 3), with the exception of options granted to Dutch employees in 1999 and 2000. These option grants lapse after five (5) years and vested immediately. There are no performance conditions applicable for options granted prior to 2003. The ordinary shares to be issued upon exercise of options granted prior to the 2003 Stock Option Plan will be newly issued.

The Company does not provide any loans to meet tax obligations of eligible employees as a result of options granted.

Former PinkRoccade stock option plan

From 1999 to 2004, PinkRoccade granted stock options to its employees. The exercise prices of these options were equal to the fair market value of an ordinary share of PinkRoccade at the grant date. All option grants lapse five (5) years after being granted and vested immediately. When an option is exercised within three years of the grant date, the employee must, upon exercise, repay 20% of any after-tax realised gain.

In connection with the acquisition of PinkRoccade, outstanding PinkRoccade stock options have been valued and exchanged for Getronics stock options in the same manner as if the PinkRoccade stock options had been listed on Eurolist by Euronext Amsterdam (i.e. based on the offer price of €14.30 per PinkRoccade share in euros and the price of a Getronics ordinary share on 7 March 2005). The Getronics stock options that were received by PinkRoccade employees in exchange for PinkRoccade stock options are not tradable on any exchange. All other terms and conditions of the PinkRoccade stock options have remained the same following their exchange for Getronics stock options.

The following table is a summary stock option activity for the years ended 31 December 2006 and 2005:

	2006		2005	
	Number of shares under option	Weighted average exercise price (in euros)	Number of shares under option	Weighted average exercise price (in euros)
Beginning of year	4,159,789	19.59	2,973,404	25.27
Granted	1,269,760	9.38	1,335,476	10.08
PinkRoccade stock options converted *into Getronics stock options*	-	-	785,150	15.20
Exercised	-49,350	7.45	-63,042	8.26
Lapsed	-139,138	43.79	-34,102	107.28
Forfeited	-905,802	13.98	-837,097	15.47
End of year	4,355,259	15.01	4,159,789	19.59
Exercisable end of year	**1,485,983**	**22.24**	**1,785,850**	**28.80**

The weighted-average share price at the date of exercise for options exercised was €9.23 (in euros) (2005: €10.91 in euros).

The following table summarises information about options granted during 2006 and 2005:

	2006		2005	
	Number of shares under option	Exercise price (in euros)	Number of shares under option	Exercise price (in euros)
January	27,525	10.79	23,357	11.62
March	72,708	9.93	82,071	13.51
April	943,160	9.77	739,414	9.66
May	82,100	8.83	9,143	8.54
July	39,175	8.14	49,985	10.40
August	-	-	246,425	10.07
September	38,467	6.11	60,606	9.76
November	66,625	6.02	124,475	10.19
	1,269,760		**1,335,476**	

The following table summarises information about options at 31 December:

Range of exercise prices (in euros) — **2006**

	Options outstanding		Options exercisable	
	Number of options	Weighted-average remaining contractual life (in years)	Number of options	Weighted-average remaining contractual life (in years)
Under €5.00	10,429	6	10,429	6
€5.01 to €10.00	2,549,189	5	764,954	4
€10.01 to €15.00	763,244	5	210,979	4
€15.01 to €20.00	522,114	4	9,338	4
€20.01 to €25.00	125,924	5	125,924	5
€25.01 to €50.00	258,706	5	258,706	5
Greater than €50.00	105,653	3	105,653	3
	4,335,259	**5**	**1,485,983**	**4**

Range of exercise prices (in euros) — **2005**

	Options outstanding		Options exercisable	
	Number of options	Weighted-average remaining contractual life (in years)	Number of options	Weighted-average remaining contractual life (in years)
Under €5.00	10,429	7	5,000	8
€5.01 to €10.00	1,664,759	6	852,365	5
€10.01 to €15.00	1,180,466	6	264,623	8
€15.01 to €20.00	649,994	5	9,721	7
€20.01 to €25.00	129,186	6	129,186	6
€25.01 to €50.00	396,562	4	396,562	4
Greater than €50.00	128,393	4	128,393	4
	4,159,789	**5**	**1,785,850**	**5**

Option pricing

The Black-Scholes option-pricing model was developed for use in estimating the fair value of traded options that have no restrictions and are fully transferable and negotiable in a free trading market. Black-Scholes does not consider the employment, transfer or vesting restrictions that are inherent in employee stock options. Accordingly, the Company determines the estimated fair value of its options using the Monte Carlo method which considers these characteristics. The weighted-average fair value of options granted was €4.48 (in euros) (2005: €4.99 in euros).

Significant inputs into the model include:

	2006	2005
Weighted-average share price (in euros)	7.97	9.93
Weighted-average exercise price (in euros)	9.38	10.08
Expected volatility	56.89	67.02
Weighted-average option life in years	7	7
Risk free interest rate	3.8%	3.1%

Although the contractual life of options is generally seven years, the Group considered employee turnover and expected early exercise patterns in determining the option life used in the model. The volatility is based on a mean-reversion analysis applied to daily share prices over the last five years, excluding limited periods of extraordinary volatility.

Included in the Group's income statement under General and administrative expenses is €3 (2005: €3) in expenses related to stock options. The corresponding increase in equity is reflected in share capital.

Restricted shares

In 2006, the Company's shareholders approved an award of 60,000 restricted shares to Klaas Wagenaar in connection with the extension of his term as Chairman of the Board of Management. The restricted shares will vest in two tranches in 2007 and 2009, under the condition of his continued employment. The restriction does not apply to termination of employment by Getronics except in case of termination for cause. The tax consequences, payable as at the date the shares become unconditional, will be borne by Klaas Wagenaar.

The fair value of the restricted shares on the grant date is amortised ratably over the vesting period. Included in the Group's income statement under General and administrative expenses is €282 thousand (2005: €43 thousand) in expenses related to such shares. The corresponding increase in equity is reflected in share capital.

(21) Borrowings

	2006	2005
Cumulative preference shares, net of issuance cost of €1 (2005: €1)	135	135
2008 Convertible Bonds, net of issuance cost of €0 (2005: €3)	97	87
2010 Convertible Bonds, net of issuance cost of €2 (2005: €3)	126	121
Credit Facility, net of facility transaction fees of €4 (2005: €6)	51	64
Bank overdrafts	19	26
Other	32	4
	460	437
Borrowings included in current liabilities	-137	-100
Non-current borrowings	**323**	**337**

Cumulative preference shares

On 5 July 1999, Getronics issued 9,407,142 cumulative preference shares (series A, B and C) at €25.08 (in euros) per share for a total of €236 to a Trust Office foundation which in turn issued depositary receipts to the depositary receipt holders of the holders of cumulative preference shares A, B, or C (Cumulative Preference Shareholders). Pursuant to an agreement reached by Getronics and the holders of cumulative preference shares in 2005 (the Agreement), Getronics paid €100 of principal to the Cumulative Preference Shareholders. In addition, the Company may, but is not obligated to repay €40 on 31 July 2007 and 2008. If Getronics decides to make such repayment, the holders of cumulative preference shares are entitled to an interest compensation for such repayment from the date of repayment through July 31, 2009. At the option of Getronics these payments may be made in any combination of cash or ordinary shares based on the volume weighted-average price of the ordinary shares, as stated in the Officiële Prijscourant of Euronext Amsterdam, during the 15 trading days before the relevant 31 July date.

The dividend rate over the outstanding €136 at nominal value was set at 8.05% per annum in 2005, reflecting a 4.40% mark-up over the average redemption yield on government bonds with a remaining period to maturity of four to five years and five to six years.

On 31 July 2009 Getronics may, but is not obligated to repurchase all or part of the then outstanding cumulative preference shares at an amount equal to the then outstanding balance plus an amount equal to any accrued but unpaid dividend up to that date. These amounts may be paid by Getronics in cash or in ordinary shares. In case Getronics does not repurchase the then outstanding cumulative preference shares, a new annual dividend rate for the cumulative preference shares will be set for the period from 1 August 2009 until 31 July 2014. As long as the cumulative preference shares remain outstanding, the dividend rate will be reviewed at five-year intervals, beginning July 2014. The settlement agreement provides for a revision of the new rate on the basis of the credit rating of Getronics at such time to between 0.85% and 5.0% above the average redemption yield on government bonds with a remaining period to maturity of four to five years and five to six years as determined during the five days preceding the date of the revision of the dividend percentage rate.

The settlement agreement also gives the holders of cumulative preference shares the right to convert the underlying cumulative preference shares into ordinary shares on 31 July 2009, or earlier in the event of a public offer for the Company's ordinary shares. If the holders of the cumulative preference shares do not exercise their conversion rights in case of a public offer for the Company's ordinary shares, Getronics has the right to require the holders to exercise their conversion rights when the offer becomes unconditional. No compensation for early repayment is owed by Getronics in the event the cumulative preference shares are converted before 31 July 2009 as a result of a public offer.

To enable the holders of the depositary receipts to maintain the benefits of the participation exemption following the Rights issue, Getronics issued additional cumulative preference shares which were paid up from the share premium on the existing cumulative preference shares.

The Company assessed the equity conversion component at issuance and concluded that its fair value approximates zero. Accordingly, the entire principal balance of the cumulative preference shares is included in borrowings.

At 31 December 2006, the fair value of the cumulative preference shares was €144 (2005: €136) based on a discounted cash flow using a discount rate of 8.75% (2005: 10.5%).

2008 Convertible Bonds

In 2003 Getronics issued unsubordinated convertible bonds (2008 Convertible Bonds), the terms and conditions of which are as follows:

Principal amount	€100
Nominal interest rate	5.5%
Interest paid annually on	5 November
Interest payment commencing on	5 November 2004
Unless previously redeemed, converted or repurchased and cancelled, redeemable at	100%
Maturity date	5 November 2008
Conversion period	16 December 2003 to 22 October 2008
Conversion price (in euros)	€9.73

As the Group adopted IAS 32 at 1 January 2005, the liability and equity components were determined at 1 January 2005 as if the 2008 Convertible Bonds had been accounted for under IAS 32 since the issuance date. The fair value of the liability component at the issuance date was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included in equity in other reserves, net of deferred income taxes. The fair value of the liability component and equity component of the 2008 Convertible Bonds at issuance was €80 and €20, respectively.

On 14 December 2006 Getronics successfully placed €95 3.875 per cent senior unsecured convertible bonds due 2014 (2014 Convertible Bonds). Subsequently, the Company announced a cash tender offer for its outstanding 2008 Convertible Bonds. On 19 December 2006, the Company announced that €89 in aggregate principal amount of the 2008 Convertible Bonds had successfully been tendered and on 22 December 2006 announced that all such bonds so tendered had been accepted for repurchase. In connection with the repurchase of the 2008 Convertible Bonds, the Company recognised additional financial debt settlement expense of €6 in 2006, resulting from the reassessment of the liability component. Interest expense on the 2008 Convertible Bonds is calculated using the effective interest method by applying an effective interest rate of 11.98% to the liability component.

Until the remaining 2008 Convertible Bonds mature in November 2008, Getronics may redeem them in whole, provided that within a period of 30 consecutive trading days, the closing price of an ordinary share for 20 days shall have been at least 140% of the conversion price (140% of €9.73 in euros). At 31 December 2006, the fair value of the 2008 Convertible Bonds was €103 (2005: €129) based on quoted market prices.

The 2008 Convertible Bonds recognised in the balance sheet is calculated as follows:

	2006	2005
Liability component on 1 January	87	83
Interest and debt settlement expense	16	10
Interest paid	-6	-6
Liability component at 31 December	**97**	**87**

2010 Convertible Bonds

In 2005 Getronics issued senior unsecured convertible bonds (2010 Convertible Bonds), the terms and conditions of which are as follows:

Principal amount	€150
Nominal interest rate	2.75%
Interest paid semi-annually on	28 April and 28 October
Interest payment commencing on	28 April 2006
Unless previously redeemed, converted or repurchased and cancelled, redeemable at	100%
Maturity date	28 October 2010
Conversion period	8 December 2005 to 21 October 2010
Conversion price (in euros)	€13.04

After 11 November 2008 Getronics may redeem the 2010 Convertible Bonds in whole, provided that within a period of 30 consecutive trading days, the closing price of an ordinary share for 20 days shall have been at least 130% of the conversion price (130% of €13.04 in euros). At 31 December 2006, the fair value of the 2010 Convertible Bonds was €136 (2005: €157) based on quoted market prices.

The fair value of the liability component at the issuance date was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included in equity in other reserves, net of deferred income taxes. The fair value of the liability component and equity component of the 2010 Bonds at issuance was €122 and €28, respectively. The 2010 Convertible Bonds recognised in the balance sheet is calculated as follows:

	2006	2005
Liability component on 1 January (2005: 28 October – issuance date)	121	120
Interest expense	9	1
Interest paid	-4	-
Liability component at 31 December	**126**	**121**

Interest expense on the 2010 Convertible Bonds is calculated using the effective interest method by applying an effective interest rate of 7.83% to the liability component.

Credit facility
In 2005, the Company signed a new €300 credit facility agreement with ABN AMRO, Rabobank, ING Bank, SNS Bank, and NIBC (Lenders) replacing the April 2004 credit facility of €175. As a result of selling certain assets in 2005 and 2006, the credit facilities were reduced to €275 in September 2006. In connection with the issuance of the 2014 Bonds, the Company cancelled its acquisition term loan leaving a revolving credit facility of €215. The credit facility expires in March 2008.

The interest rate on advances under the credit facility agreement is equal to EURIBOR plus a margin. The margin varies between 0.45% and 2.75% depending on the Group's credit rating at the beginning of the relevant interest period. The margin may be increased by up to 0.25% or decreased by up to 0.75% depending on Group performance. At 31 December 2006, the Company has drawn down €55 under the revolving credit facility agreement with an interest rate of 6.91%.

The credit facility agreement includes, among other things, certain customary representations and warranties, certain conditions precedent, events of default, and mandatory repayment of any outstanding amounts in certain circumstances. The Company has also given security over its interest in certain subsidiaries. In addition, the credit facility agreement includes financial covenants in relation to the ratios between borrowings and EBITDA, EBITDA and gross interest expense, and average working capital and total revenue. At 31 December 2006, the Company is in compliance with all of its financial covenants.

At 31 December 2006, the fair value of the credit facility equals its carrying amount, as the impact of discounting is not significant.

Other
Other borrowings consist primarily of a €16 loan in the former Italian operations which remained with the Group after the sale of the Italian operations, and a €10 loan from the former French operations. The loan in the former Italian operations will be repaid in 2007 with restricted cash which had been set aside in 2005 for the repayment of this loan.

(22) Employee benefit plans
Group Companies provide pension benefits for most of their employees. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country, the benefits generally being based on the employees' remuneration and years of service. Such benefits are provided under defined contribution or defined benefit plans.

For the year ended 31 December 2006, expenses related to defined contribution plans, including multi-employer plans, amounted to €12 (2005: €9). The contribution to multi-employer plans amounted to €1 (2005: €1). The multi-employer plans are accounted for as defined contribution plans, as the information required to account for the plans as defined benefit plans is not available.

The liability for employee benefit plans consists primarily of pension obligations relating both to existing retirees' benefits and to entitlements of future retirees. Such benefits are generally administered by pension funds and are referred to as funded plans. The liability also includes the obligations for early retirement benefits. Generally, such additional obligations are not administered by an outside agency and are referred to as unfunded plans.

The net liability related to defined benefit plans in the balance sheet can be broken down as follows:

	2006	2005
Pension asset	45	15
Employee benefit plans	-119	-160
Liabilities directly associated with disposal group held for sale	-5	-19
Net liability	**-79**	**-164**

The change in the net liability related to defined benefit plans is set out in the table below:

	2006		2005
Beginning of year	-145		-192
Cost of defined benefit plans	–		2
Employer contributions	56		64
Acquisitions	–		-29
Disposals	5		–
Reclassified to liabilities directly associated with disposal group held for sale	5		19
Exchange rate gain/(loss)	5		-9
End of year for continuing operations	**-74**		**-145**

The change in the present value of the defined benefit obligation and change in the fair value of plan assets are shown in the tables below:

Change in the present value of the defined benefit obligation	Disposal group held for sale	Discontinued operations	Continuing operations	Total 2006	2005
Beginning of year	–	40	1,310	1,350	866
Reclassified to discontinued operations	–	4	-4	–	–
Service cost	–	1	37	38	30
Interest cost	–	1	57	58	55
Plan participants' contributions	–	–	12	12	16
Actuarial loss	–	1	-27	-26	79
Impact of plan changes	–	–	-3	-3	4
Acquisitions	–	–	–	–	396
Disposals	-1	-45	-1	-47	–
Obligations from former contribution plans	–	–	–	–	3
Curtailments and settlements	–	–	-15	-15	-87
Gross benefits paid	–	-2	-43	-45	-49
Currency translation differences	–	–	-21	-21	37
Reclassified to liabilities associated with disposal group held for sale	21	–	-21	–	–
End of year	**20**	**–**	**1,281**	**1,301**	**1,350**

Change in the fair value of plan assets	Disposal group held for sale	Discontinued operations	Continuing operations	Total 2006	2005
Beginning of year	–	–	1,117	1,117	628
Reclassified to discontinued operations	–	–	–	–	–
Expected return on plan assets	–	–	60	60	52
Actuarial gain	–	–	12	12	60
Employer contributions	–	2	56	58	64
Plan participants' contributions	–	–	12	12	16
Impact of plan changes	–	–	10	10	–
Acquisitions	–	–	–	–	367
Settlements	–	–	–	–	-46
Gross benefits paid	–	-2	-44	-46	-49
Currency translation differences	–	–	-12	-12	25
Reclassified to assets associated with disposal group held for sale	17	–	-17	–	–
End of year	**17**	**–**	**1,194**	**1,211**	**1,117**

Funded status

The funded status and the experience adjustments arising on plan liabilities and assets are as follows:

	Disposal group held for sale	Discontinued operations	Continuing operations	Total 2006	2005
Present value of the defined benefit obligation	20	–	1,281	1,301	1,350
Fair value of plan assets	17	–	1,194	1,211	1,117
Funded status	-3	–	-87	-90	-233
Experience adjustments arising on:					
• plan liabilities	-1	–	28	27	-78
• plan assets	–	–	12	12	60

A reconciliation of the funded status to the net liability recognised in the balance sheet is as follows:

	Disposal group held for sale	Discontinued operations	Continuing operations	Total 2006	2005
Funded status	-3	–	-87	-90	-233
Unrecognised net actuarial gain/(loss)	-2	–	5	3	67
Unrecognised past service costs	–	–	8	8	2
Net liability recognised in the balance sheet	**-5**	**–**	**-74**	**-79**	**-164**

The Company's unfunded benefit obligation is attributable to the following plans:

	Disposal group held for sale	Discontinued operations	Continuing operations	Total 2006
Unfunded benefit obligation 2006	–	–	23	23
Unfunded benefit obligation 2005	–	40	43	83

Plan assets

The asset allocation of the Company's funded plans at 31 December 2006 is as follows:

	Disposal group held for sale	Discontinued operations	Continuing operations	Total
Equity	9	–	348	357
Debt securities	6	–	392	398
Cash – Deposito	–	–	390	390
Insurance contracts	–	–	14	14
Other	2	–	50	52
Total assets	**17**	**–**	**1,194**	**1,211**

Total assets for 2005 amounted to €1,117.

Plan assets do not include any of the Company's financial instruments such as ordinary shares or convertible bonds. The Company's actual return on plan assets for continuing operations was €73 (2005: €112).

Funding

Independent from accounting standards, minimum contributions are determined by local rules and regulations. The Company's funding policy for its defined benefit plans is to contribute amounts sufficient to meet legal funding requirements, plus any additional amounts that management may determine to be appropriate after considering the funded status of the plans, fiscal consequences, the Company's cash flows and other factors. The Company's best estimate of the 2007 funding for its defined benefit plans for continuing operations is €58. The expected funding for 2007 takes into consideration current laws and regulations, and does not reflect any potential future legislative changes.

Weighted-average assumptions

The financial assumptions are based on long-term market expectations. The expected return on plan assets and the assumed future salary increases are determined at the balance sheet date and reflect the long-term market expectation for the period over which the obligations are to be settled. The discount rate reflects the return on high quality corporate bonds at year-end which have terms to maturity approximating the terms of the related obligation. The discount rate and assumed compensation increases are weighted by the plans' defined benefit obligations and the expected return on plan assets is weighted by the fair value of the plans' assets. The weighted-average assumptions at 31 December are as follows:

	2006		2005
Discount rate	4.9%		4.5%
Expected return on plan assets	5.3%		5.4%
Rate of compensation increase	2.2%		2.1%
Inflation	1.9%		1.8%

Costs of defined benefit plans	Discontinued operations	Continuing operations	Total 2006
Service cost	2	37	39
Interest cost	1	56	57
Expected return on assets	–	-60	-60
Amortisation of unrecognised gains and losses	–	2	2
Amortisation of unrecognised past service costs	1	-21	-20
Curtailment and settlement (gains)/losses	–	-15	-15
Other	–	–	–
	4	**-1**	**3**

	Discontinued operations	Continuing operations	Total 2005
Service cost	3	27	30
Interest cost	1	54	55
Expected return on assets	–	-52	-52
Amortisation of unrecognised gains and losses	1	1	2
Amortisation of unrecognised past service costs	–	3	3
Curtailment and settlement (gains)/losses	4	-47	-43
Other	–	3	3
	9	**-11**	**-2**

The amortisation of unrecognised past service costs represents primarily the negative past service costs of €23 recognised in 2006 when the majority of the former PinkRoccade employees in the Netherlands agreed to transfer the liability for benefits earned in their previous plans to the Group's existing pension plan in the Netherlands. In addition, the Company terminated a benefit plan providing medical benefits to existing retirees in the United States. As a result, the Company recognised a curtailment gain of €9. The Company also changed the terms and conditions of its long term service awards plans in the Netherlands resulting in a curtailment gain of €6.

In 2005, as part of the integration of PinkRoccade, the majority of former PinkRoccade employees in the Netherlands became members of the Group's existing pension plan in the Netherlands. The Group recognised a curtailment gain of €23 for this event. In addition in 2005, the Group recognised a settlement gain of €20 with respect to its pension plan in Japan as a result of receiving an exemption from the Japanese government to pay for certain employee benefits. Other changes to various plans resulted in curtailment and settlement gains aggregating €4. The Group also recognised a curtailment and settlement loss of €4 with respect to its benefit plan in Italy as a result of spinning off certain activities in 2005.

Cost of revenue includes €0 of the cost of defined benefit plans from continuing operations (2005: benefit of €16). The defined benefit plan benefit of €1 from continuing operations (2005: cost of €5) is included in operating expenses.

(23) Provisions for liabilities and charges	Restructuring from acquisition integration expenses	Other restructuring	Leased facility restoration	Loss contracts	Other	Total
At 1 January 2005	**–**	**22**	**9**	**–**	**10**	**41**
Additions	28	18	–	3	29	78
Usage	- 9	-31	–	-13	-19	-72
Release	–	-1	–	–	-7	-8
Acquisitions	–	10	–	43	25	78
Reclassified to liabilities directly associated with disposal group held for sale	–	-5	–	–	-4	-9
At 31 December 2005	**19**	**13**	**9**	**33**	**34**	**108**
Reclassified from liabilities directly associated with discontinued operations held for sale	–	10	–	–	6	16
Additions	7	5	1	2	24	39
Usage	- 19	-9	–	-18	-34	-80
Release	- 2	-2	–	–	-5	-9
Acquisitions	–	–	–	–	1	1
Reclassified to liabilities directly associated with disposal group held for sale	–	–	-1	–	-2	-3
At 31 December 2006	**5**	**17**	**9**	**17**	**24**	**72**

Provisions included in current liabilities are €46 (2005: €69).

Restructuring from acquisition integration expenses
This provision relates to certain restructuring costs incurred in connection with the acquisition of PinkRoccade.

Other restructuring
The other restructuring provision relates primarily to the restructuring and cost-effectiveness measures Getronics has implemented since 2003.

Leased facility restoration
The provision is for the estimated future costs of returning leased facilities to their original condition.

Loss contracts
The loss contracts provision represents the Group's estimated losses on uncompleted contracts.

Other
Other consists primarily of provisions for certain unemployment benefits for employees of the Company's former Italian operations and various commercial and tax litigations and claims that arise from time to time in the ordinary course of business. The Group believes it has adequately provided for such claims and does not believe any of them will have a material adverse effect on the Group's financial position. Litigation is inherently unpredictable, and excessive verdicts do occur. Although the Group believes it has valid defences in these matters, it could in the future incur judgments or enter into settlements of claims that could have a material adverse effect on the Group's results of operations in any particular period.

(24) Other current liabilities

	2006	2005
Employer taxes and benefits	31	34
Sales tax payable	58	48
Provisions	46	69
Income taxes payable	16	14
Dividend payable to holders of cumulative preference shares	–	11
Other liabilities	100	70
	251	**246**

Dividend payable to holders of cumulative preference shares in respect with 2006 is classified under non-current liabilities in line with the decision that no dividend will be paid in 2007.

(25) Commitments and guarantees not recognised in the balance sheet

The Group leases various office buildings and equipment for use in its operations. The leases have varying terms and conditions. The future aggregate minimum lease payments under non-cancellable operating leases at 31 December 2006 are:

	2006	2005
2006		104
2007	110	85
2008	91	66
2009	71	49
2010	45	36
2011/thereafter	27	100
Thereafter	82	
	426	**440**

Expenses incurred in 2006 for such operating leases were €106 (2005: €107).

Various banks have provided guarantees of €66 (2005: €75). These guarantees are generally issued under bilateral facilities with certain banks and guarantee Company performance under client contracts and commitments under office building leases.

(26) Business combinations

General

During 2006, the Company made various minor acquisitions totalling €10, of which €7 was allocated to the net assets acquired, primarily intangible assets. The remaining €3 was allocated to goodwill. As these acquisitions were integrated into the Company, there are no separate revenues or net profit attributable to the acquired businesses.

PinkRoccade

On 14 March 2005, the Group acquired PinkRoccade, an ICT company providing application services, infrastructure management and ICT outsourcing operating primarily in the Netherlands and the United Kingdom. The Group applied the purchase method of accounting to the acquisition, whereby identifiable assets acquired and liabilities and contingent liabilities assumed were measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets acquired was recorded as goodwill. Assigning fair values to the net assets acquired requires the use of estimates. In accordance with IFRS 3, upon completing the valuation of the net assets acquired, the Company adjusted the provisional values of certain liabilities assumed resulting in €4 less goodwill than the amount previously reported at 31 December 2005.

(27) Divestments

The Company disposed of the following units during 2006:

	Netherlands HR Services	Netherlands KZA	European operations	Other	Total continuing operations	Discontinued operations
Proceeds, net of selling expenses	63	20	13	1	**97**	**-46**
Intangible assets	65	16	-	-	**81**	**2**
Other net assets (liabilities)	-2	-	10	-	**8**	**17**
Gain/(loss) on sale	**-**	**4**	**3**	**1**	**8**	**-65**

In February 2006, the Company identified certain non-core operating units that it intended to divest. On 29 September 2006, the Company completed the sale of the largest of such units, Netherlands HR Services (formerly PinkRoccade HR Services), for €65.

Following a strategic reorientation of the management of the Company's ICT consulting unit in the Netherlands (KZA), the Company offered KZA management the opportunity to grow the business further as an independent enterprise. On 13 September 2006, KZA management acquired KZA for €21.

On 17 January 2006, the Company announced its decision to initiate a divestment programme concerning a limited number of operations in continental Europe, based upon the Group's long-term strategy and 2006 budget reviews. On 18 August 2006, the Company completed the sale of its Austrian, Czech, Polish and Slovakian operations for €13.

In March 2005, Getronics sold to a former member of the Board of Management various activities in the Benelux, which Getronics, as part of a periodic review of its core business and in the light of the portfolio of solutions and services it adopted in 2004, regarded as non-core activities. Based on a third party valuation of the activities, an arm's-length purchase price of €17 was established and subsequently paid to the Group. After deduction of the cash sold as part of this transaction, the net cash-in flow was €15. The gain recognised on the sale of €13 is included in gain on sale of subsidiaries.

In March 2005, Getronics sold a German service company, and in April 2005, Getronics sold its subsidiary in Israel. In June 2005, the Dutch Building Automation activities were sold and in October 2005, the Dutch ProFashionAll activity. In November 2005, the Bahrain operations were reduced to a minority stake. The total cash-in flow from these transactions was €1. The resulting gain on these transactions was not significant.

(28) Discontinued operations and assets held for sale

Discontinued operations

On 27 September 2006, the Company announced it had received a binding offer to acquire 67% of its French operations, subject to the approval of Works Council. Final approval was received on 8 December 2006 at which time the Company recognised the sale. Under the terms of the agreement, the Company sold its 67% interest in its French operations in exchange for the buyer's activities in Belgium, which were valued at €1. As a result, the Company recognised a loss on the sale of €10. In connection with the sale, the Company agreed to settle the outstanding intercompany payable to its French operations. At 31 December 2006, such liability was €10 and is included in other current liabilities. The carrying value of the Company's remaining 33% interest in its French operations is zero.

The assets and liabilities related to the Company's Italian operations (discontinued operations) were presented as held for sale at 31 December 2005 following the approval in November 2005 of the Group's management and Supervisory Board to sell it. On 19 May 2006, the Company signed an agreement for the sale of certain assets and liabilities of its Italian operations, subject to the approval of Italian regulators. Final approval was received on 22 June 2006 at which time the Company recognised the sale.

Under the terms of the agreement, the Company sold €11 of net assets of its Italian operations and transferred €44 in cash. As a result, the Company recognised a loss on the sale of €55. The Italian operation's assets and liabilities which were not transferred will be held for use and settled, respectively, by the Company. Accordingly, as of 22 June 2006, such assets and liabilities are no longer presented as held for sale.

The results of the aforementioned operations are reported as discontinued operations. An analysis of the result of discontinued operations is as follows:

	2006		2005
Revenue	140		290
Cost of sales	-147		-308
Gross profit	-7		-18
Selling expenses	-16		-28
General and administrative expenses	-17		-28
Impairment of goodwill	-14		-56
Loss on sale of assets and liabilities	-65		-1
Operating result	-119		-131
Finance costs	-1		-6
Result before taxes	-120		-137
Income taxes	29		81
Result after taxes of discontinued operations	**-91**		**-56**

The planned liquidation of the non-operating Italian legal entity will lead to a fiscal liquidation loss for which the Group has recognised a deferred tax asset of €112, of which €29 was recognised in 2006 (2005: €83). This liquidation loss reduces the future cash outflow relating to income tax by €97, measured at the enacted tax rate applicable.

The net cash flows attributable to the operating, investing and financing activities of the discontinued operations are as follows:

	2006		2005
Operating cash flows	-49		-60
Investing cash flows	-43		-2
Financing cash flows	-39		16
Total cash flows	**-131**		**-46**

Assets held for sale

The assets and liabilities of the Company's Japanese operations (disposal group) have been presented as held for sale at 31 December 2006 following the approval in December 2006 of the Group's management and Supervisory Board to sell it. On 26 February 2007, Getronics announced that NTT Data Corporation and Getronics have agreed to form a strategic partnership in Japan. As part of this strategic partnership, NTT Data Corporation has agreed to acquire 70% of Getronics' local operations in Japan for an undisclosed sum. The proposed transaction is subject to agreement of definitive documents and necessary consents, and is expected to be completed in the second quarter of 2007.

Assets of the disposal group held for sale consist of the following:

	2006
Intangible assets	41
Property, plant and equipment	3
Other non-current assets	11
Cash and cash equivalents	16
Trade receivables	11
Unbilled receivables	6
Inventory	1
Other current assets	1
Assets of disposal group held for sale	**90**

Liabilities directly associated with the disposal group held for sale consist of the following:

	2006
Borrowings (current and non-current)	1
Employee benefit plans	5
Provisions for liabilities and charges	3
Deferred income tax liabilities	-
Trade creditors	8
Accrued expenses	6
Deferred income	9
Other current liabilities	3
Liabilities directly associated with the disposal group held for sale	**35**

(29) Derivative financial instruments

Interest rate derivatives

The notional principal amounts of interest rate swaps at 31 December 2006 were €30 (2005: €28). These instruments are used to mitigate the risk of rising interest rates by converting floating rate interest on the Company's credit facility to fixed rate. The average fixed interest rate on the swaps was 2.9%, with an average maturity of 1 year. The fair values of the swap contracts at 31 December 2006 and 2005 were not significant.

The Company has an interest rate floor to guarantee a minimum interest rate on the restricted cash held for the holders of the 2008 Convertible Bonds. The fair values of the floor at 31 December 2006 and 2005 were not significant.

Forward foreign exchange contracts

The notional principal amounts of outstanding foreign currency forward contracts and swaps at 31 December 2006 were €84 (2005: €123). The most significant contracts are denominated in US dollars, GB pounds, Australian dollars, and Japanese yen against the euro. The average maturity of the contracts is 1 month. The fair values of the outstanding foreign currency contracts and swaps at 31 December 2006 and 2005 were not significant.

(30) Related party transactions

Key management compensation for 2006 and 2005 was as follows (in thousands of euros):

	2006	2005
Salaries and other short-term employee benefits	4,705	2,724
Long-term employee benefits	110	134
Post-employment benefits	457	259
Termination benefits	1,310	–
Employee stock options and restricted share grants	294	77
	6,876	**3,194**

(31) Events after the balance sheet date

2014 Convertible Bonds

On 14 December 2006 Getronics successfully launched and priced new senior unsecured convertible bonds (2014 Convertible Bonds). The closing date of the 2014 Convertible Bond was 12 January 2007.
Also in December 2006, the Company announced a cash tender offer for its outstanding 2008 Convertible Bonds. On 19 December 2006, the Company announced that €89 in aggregate principal amount of the 2008 Convertible Bonds had successfully been tendered, and on 22 December 2006 the Company announced that all such bonds so tendered had been accepted for repurchase. The repurchase of the 2008 Convertible Bonds was completed on 15 January 2007. This significantly improved the maturity profile of the Company's balance sheet and reduced the Company's cost of capital.

The terms and conditions of the 2014 Convertible Bonds are as follows:

Principal amount	€95
Nominal interest rate	3.875%
Interest paid semi-annually on	12 January and 12 July
Interest payment commencing on	12 July 2007
Unless previously redeemed, converted or repurchased and cancelled, redeemable at	100%
Maturity date	12 January 2014
Conversion period	26 January 2007 until 5 January 2014
Conversion price (in euros)	€7.25

After 26 January 2012 Getronics may redeem the 2014 Convertible Bonds in whole, provided that within a period of 30 consecutive trading days, the closing price of an ordinary share for 20 days shall have been at least 130% of the conversion price (130% of €7.25 in euros).
The fair value of the liability component at the issuance date was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included in equity in other reserves, net of deferred income taxes. The fair value of the liability component and equity component of the 2014 Convertible Bonds at issuance was €67 and €28, respectively.
Interest expense on the 2014 Convertible Bonds will be calculated using the effective interest method by applying an effective interest rate of 10.6% to the liability component.

Strategic partnership with NTT Data Corporation in Japan

On 26 February 2007, Getronics announced that NTT Data Corporation and Getronics have agreed to form a strategic partnership in Japan. The proposed transaction will enable Getronics to expand its workspace management activities in Japan and increase international client business with NTT Data Corporation. As part of this strategic partnership, NTT Data Corporation has agreed to acquire 70% of Getronics' local operations in Japan for an undisclosed sum. The proposed transaction is subject to agreement of definitive documents and necessary consents, and is expected to be completed in the second quarter of 2007. Getronics operations in Japan generated €103 million of revenues in 2006 (of which approximately €76 million were service revenues). The parties expect that no further financial details will be provided until completion.

CFO appointment

On 27 February 2007, the Company announced the proposed appointment of Maarten Henderson as Member of the Board of Management and Chief Financial Officer (CFO) for an interim period ending on 30 June 2008. At the Annual General Meeting of Shareholders in April 2007, Maarten Henderson will be proposed for election to the Board of Management as of 1 April 2007.

Separate Company balance sheet at 31 December

before proposed appropriation of result (in millions of euros)

	Note	2006		2005	
Assets					
Fixed assets					
Intangible fixed assets	(B)	252		315	
Financial fixed assets	(C)	1,377		1,279	
			1,629		1,594
Current assets					
Due from Group Companies		8		24	
Other receivables		1		1	
Cash		11		6	
			20		31
Total assets			**1,649**		**1,625**
Equity and liabilities					
Shareholders' equity	(D)				
Issued and paid-up capital		36		36	
Share premium reserve		612		618	
Currency translation adjustment		-20		19	
Other reserves		-75		-79	
Unappropriated net result		-145		3	
			408		597
Provisions	(C)				
Provisions for Consolidated Group Companies			735		522
Non-current liabilities	(E)				
Cumulative preference shares		135		135	
2008 Convertible Bonds		9		81	
2010 Convertible Bonds		122		117	
Dividend payable to holders of cumulative preference shares		11		-	
			277		333
Current liabilities					
Borrowings		92		10	
Bank overdraft		-		25	
Dividend payable to holders of cumulative preference shares		-		11	
Due to Group Companies		136		127	
Other current liabilities		1		-	
			229		173
Total equity and liabilities			**1,649**		**1,625**

Separate Company income statement for the year ended 31 December

(in millions of euros)

	2006	2005
Result from Group Companies after income taxes	-113	45
Other results after income taxes	-32	-41
Net result	**-145**	**4**

Notes to the separate Company financial statements

(A) General information

Accounting principles used to prepare separate Company financial statements

The separate Company financial statements have been prepared in accordance with the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code (Civil Code). In accordance with Article 2:362 subsection 8 of the Civil Code, the Company has elected to apply the accounting policies used in the consolidated financial statements to the separate Company financial statements. Furthermore, in accordance with Article 2:402 of the Civil Code, the Company has elected to present an abbreviated income statement. All amounts are stated in millions of euros unless stated otherwise.

Summary of significant accounting policies

The accounting policies used to prepare the separate Company financial statements are the same as those applied in the consolidated financial statements. In addition, Consolidated Group Companies are valued based on their net equity, determined using the Group accounting policies. In case the net equity of a Dutch Group company is negative, the Company records a provision for the negative equity value if a statement is issued under Article 2:403, subsections 1 and 2 of the Netherlands Civil Code.

(B) Intangible fixed assets

	Goodwill
At 1 January 2005	
Cost	–
Accumulated impairment	–
Net carrying amount	**–**
Changes to net carrying amount in 2005	
Acquisitions	315
At 31 December 2005	
Cost	315
Accumulated impairment	–
Net carrying amount	**315**
Changes to net carrying amount in 2006	
Acquisitions	–
Sale of business	-63
At 31 December 2006	
Cost	252
Accumulated impairment	–
Net carrying amount	**252**

Refer to Note 13 Intangible assets of the Company's consolidated financial statements for further information regarding the Company's goodwill.

(C) Financial fixed assets

	2006	2005
Financial fixed assets	1,377	1,279
Provisions for Consolidated Group Companies	-735	-522
	642	**757**

	Restricted cash	Consolidated Group Companies	Loans to Consolidated Group Companies	Deferred taxes	Total
At 1 January 2005	**15**	**-131**	**637**	**63**	**584**
Acquisitions	–	39	–	–	39
Additions	–	39	–	19	58
Results from Group Companies	–	45	–	–	45
Other movements	-4	–	–	–	-4
Currency translation differences	–	35	–	–	35
At 31 December 2005	**11**	**27**	**637**	**82**	**757**
Acquisitions	–	–	–	–	–
Additions	–	–	–	58	58
Results from Group Companies	–	-113	–	–	-113
Other movements	-10	-11	–	–	-21
Currency translation differences	–	-39	–	–	-39
At 31 December 2006	**1**	**-136**	**637**	**140**	**642**

The net value of Consolidated Group Companies in the balance sheet can be broken down as follows:

	2006	2005[1)]
Recorded under financial fixed assets	599	549
Recorded under provisions for Consolidated Group Companies	-735	-522
	-136	**27**

1) The 2005 comparative figures of the net value of Consolidated Group Companies have been restated to comply with the 2006 presentation.

Subsidiaries and affiliates of Getronics

The list containing the data on the legal entities as prescribed by Article 2:379 and Article 2:414 of the Civil Code, has been filed for public inspection at the office of the Commercial Register of the Chamber of Commerce in Amsterdam.

The principal Group Companies included in the consolidation at year-end are (fully-owned unless indicated otherwise):

Argentina Getronics Argentina SA
Australia Getronics (Australia) Pty Ltd
Belgium NV Getronics Belgium SA
Brazil Getronics Ltda
Brunei Getronics Solutions (B) Sdn Bhd
Canada Getronics Canada Inc
China (People's Republic) Beijing Getronics Information Technology Co Ltd; Getronics (HK) Ltd
Colombia Getronics Colombia Ltda
Germany Getronics (Deutschland) GmbH
Hungary Getronics (Hungary) Kft; Emea Remote Services RT
India Getronics Solutions India Pte Ltd
Ireland Getronics Ireland Ltd
Japan Getronics Japan, LTD
Luxemburg Infotechnique SA
Malaysia Getronics Solutions (Malaysia) Sdn Bhd
Mexico Getronics (Mexico) SA de CV
The Netherlands Call-2 BV; Getronics Corporate BV; Getronics PinkRoccade Nederland BV; Getronics Support BV; Pharma Partners BV (60%); PinkRoccade Infrastructures Services BV; Tetraned VOF (50%)
Portugal Portgetronics Lda
Puerto Rico Getronics (Puerto Rico) Inc
Singapore Getronics Solutions (S) Pte Ltd
South Korea Getronics Korea Co, Ltd
Spain Getronics España Solutions SL
Switzerland Getronics (Schweiz) AG
Thailand Getronics (Thailand) Ltd
United Kingdom Getronics Holdings Ltd; Getronics PinkRoccade UK Ltd
United States of America Getronics USA Operations Inc
Venezuela Getronics Venezuela CA

Associated Companies

France Getronics - Decan (33%); Getronics France SA (33%)

(D) Shareholders' equity	Nominal value ordinary shares	Share premium reserve ordinary shares	Cumulative translation adjustment	Other reserves	Unappro-priated net result	Total
At 1 January 2005	**21**	**222**	**-16**	**-111**	**18**	**134**
Appropriation of net result from the previous year	–	–	–	13	-13	–
Net result from the current year	–	–	–	–	4	4
Currency translation adjustment	–	–	35	–	–	35
Rights offering, net of transaction costs of €14 (net of €2 tax benefit)	14	377	–	–	–	391
Shares issued in connection with acquisition of PinkRoccade	1	16	–	–	–	17
Employee stock options	–	3	–	–	–	3
2010 Convertible Bond	–	–	–	19	–	19
Adjustment to 2004 dividend to holders of cumulative preference shares	–	–	–	–	-1	-1
2004 dividend to ordinary shareholders	–	–	–	–	-5	-5
At 31 December 2005	**36**	**618**	**19**	**-79**	**3**	**597**
Appropriation of net result from the previous year	–	–	–	3	-3	–
Net result from the current year	–	–	–	–	-145	-145
2005 distribution to ordinary shareholders	–	-9	–	–	–	-9
Currency translation adjustment	–	–	-39	–	–	-39
Employee stock options	–	3	–	–	–	3
Convertible Bonds – tax rate adjustments	–	–	–	1	–	1
At 31 December 2006	**36**	**612**	**-20**	**-75**	**-145**	**408**

Other reserves are not distributable for an amount of €31 (2005: €31).

Distribution of 2005 net result

At the 2006 Annual General Meeting of Shareholders, the Company's shareholders approved the following distribution of the Company's 2005 net result:

Cumulative preference shares dividend	1
Addition to other reserves	3
Total net result	**4**

In addition, the Company's shareholders agreed to make a distribution to holders of ordinary shares from the share premium reserve. The Company distributed €0.07 (in euros) per ordinary share amounting to €9 in total. Refer to Note 20 Shareholders' equity of the Company's consolidated financial statements for further information regarding the Company's shareholders' equity.

(E) Non-current liabilities

Refer to Note 21 Borrowings of the Company's consolidated financial statements for further information regarding the Company's borrowings. The 2005 comparable numbers for the 2008 Convertible Bonds and for the 2010 Convertible Bonds are restated in the balance sheet, resulting in a reclassification of €10 from non-current to current liabilities.

(F) Remuneration of the Supervisory Board and Board of Management (in thousands of euros)

Remuneration of the Supervisory Board

The remuneration of the Supervisory Board charged to the result in 2006 was €355 (2005: €314) and can be specified as follows:

	2006	2005
M. Minderhoud	49	49
B.C. Brix	44	44
P.T. Gallagher	44	44
H. Bosma (as of August 2005)	44	18
R.M. Westerhof (as of April 2005)	42	28
B.P.F. Al (as of July 2005)	42	21
D.J.H. Groen (as of July 2005)	38	19
Subtotal current members at 31 December 2006	303	223
J.-J. Böckel (until April 2006)	12	38
C.G.G. Spaan (until April 2006)	12	19
P. van der Woude (until April 2006)	28	19
N.G. Ketting (until April 2005)	-	15
Subtotal former members	52	91
Total	**355**	**314**

The remuneration of the Supervisory Board, which is independent of the Group's result, is determined at the Annual General Meeting of Shareholders. The remuneration of the Supervisory Board was last amended in April 2004 to better reflect their responsibilities in supervising the policies of the Board of Management and the general affairs of a company the size of Getronics. As of April 2004, the annual remuneration of the Chairman of the Supervisory Board and the other members is €45 and €38, respectively. In addition, the annual remuneration of the members of the Audit Committee and the members of the Remuneration and Selection Committee is €6 and €4, respectively.

Getronics has not provided any loans, advances or guarantees to any member of the Supervisory Board. No Supervisory Board member holds any ordinary shares. As a result of converting his stock options in PinkRoccade to Getronics stock options on identical terms to other former PinkRoccade employees, Henk Bosma is the only Supervisory Board member to have Getronics stock options. The following table presents an overview of options held by Henk Bosma:

	1 January 2006	Granted	Exercised	Lapsed	Forfeited	31 December 2006	Exercise price (in euros)	Expiry date	Percentage vested
H. Bosma	6,258	–	–	-6,258	–	–	49.63	20-05-06	100
	155	–	–	-155	–	–	41.93	19-06-06	100
	6,413	–	–	–	–	6,413	9.52	12-06-07	100
	6,413	–	–	–	–	6,413	6.79	01-07-08	100
	6,413	–	–	–	–	6,413	9.87	07-06-09	100
	25,652	**–**	**–**	**-6,413**	**–**	**19,239**			

Remuneration of the Board of Management

The Company's remuneration policy for the Board of Management is included in the Annual Report at page 13.

The total remuneration of the Board of Management charged to the result in 2006 was €6,876 (2005: €3,194) and can be specified as follows:

2006	Base salary	Bonus	Long term incentive	Pension	Severance	Other	Total
N.M. Wagenaar	650	586	30	95	–	341	**1,702**
K.T. Roche	440	244	30	56	–	30	**800**
A.J. Klompe	355	160	25	75	–	38	**653**
Th.A.W.M. Janssen (until and including November 2006)	458	60[1]	–	55	750	39	**1,362**
S.N. Appleton (until and including April 2007)	533	302	25	100	–	138	**1,098**
H.J. van Schaik (until and including December 2006)	361	225[2]	–	76	560	39	**1,261**
Total	**2,797**	**1,577**	**110**	**457**	**1,310**	**625**	**6,876**

[1] The bonus of Mr. Janssen includes the agreed upon settlement (as part of the termination agreement) of €35 for all bonuses for which Mr. Janssen was eligible.

[2] The bonus for Mr. van Schaik of €225 consists solely of the agreed upon settlement (as part of the termination agreement) of all bonuses for which Mr. van Schaik was eligible.

2005

	Base salary	Bonus	Long term incentive	Pension	Other	Total
N.M. Wagenaar	625	169	67	106	81	**1,048**
K.T. Roche	400	136	67	42	39	**684**
A.J. Klompe (as of May 2005)	217	38	–	27	22	**304**
S.N. Appleton (as of May 2005)	247	46	–	12	67	**372**
Th.A.W.M. Janssen (as of May 2005)	250	67	–	33	22	**372**
H.J. van Schaik (as of May 2005)	217	38	–	27	22	**304**
O. Coene (until April 2005)	90	–	–	12	8	**110**
Total	**2,046**	**494**	**134**	**259**	**261**	**3,194**

The bonus relates to amounts earned under the annual cash bonus. In 2006, the bonus includes €300 for Klaas Wagenaar, €50 for Kevin Roche, €150 for Stuart Appleton, €25 for Theo Janssen and €25 for Aart Klompe in recognition for the successful integration of PinkRoccade, the 2006 bonus furthermore includes €286 for Klaas Wagenaar, €135 for Aart Klompe, €194 for Kevin Roche, and €152 for Stuart Appleton as part of the Annual Cash Bonus 2006. In 2005, the bonus includes €50 for Klaas Wagenaar and €30 for Kevin Roche in recognition for the successful acquisition of PinkRoccade. Such bonuses were paid in the years they were earned. The annual cash bonuses are generally paid the year after they are earned.

The long-term incentive represents amounts earned under the Special Cash Incentive Plan (SCIP) which ended in 2006. The SCIP, originally defined over the three-year performance cycle (2004 – 2006), was, in light of the extension of the Board of Management and the acquisition of PinkRoccade, adjusted in 2005 to a two-year performance cycle (2005 – 2006). In 2005, the Supervisory Board (on the recommendation of the Remuneration & Selection Committee) decided that the eligible members had earned 100% of the incentive attributable to 2004. This amount is reflected in the 2005 remuneration. The 2006 remuneration includes the amount earned under the 2005 – 2006 SCIP performance cycle which is equal to 22.5% of the maximum amount that could be earned under the SCIP. Amounts earned under the SCIP will be paid in 2007. The incentive attributable to the second year of the 2005 - 2006 performance cycle reduces the amount which may be earned under the Long Term Incentive Plan covering 2006 – 2008 which is eligible for payout in 2009.

Other remuneration includes €282 (2005: €43) in restricted share charges for Klaas Wagenaar and €3 and €9 in stock option charges (2005: €12 and €22) for Kevin Roche and Stuart Appleton, respectively. Kevin Roche and Stuart Appleton acquired these stock options prior to their appointment to the Board of Management. Due to the nature of the underlying (former PinkRoccade) stock option plan, the Company did not recognise any expense related to the options held by Aart Klompe.

In connection with Mr Janssen's resignation from the Board of Management and termination of his employment in November 2006 through mutual agreement, he received a payment of €750, representing a severance entitlement based on a reference of 12 months base compensation (equal to €500) and taking into account the contractual obligation for the employer of a 6 months notice period (equal to €250). In addition, a settlement of €35 was agreed upon for all bonuses for which Mr Janssen was eligible.

In connection with Mr Appleton's resignation from the Board of Management in October 2006, it was mutually agreed that his employment (also taking into account the agreed upon notice period) will terminate at the end of April 2007. As Mr Appleton is no longer an active employee as of 31 December 2006, his salary and other benefits (primarily pension and other secondary benefits) due to him in 2007 are included in the amounts reported in 2006. He is not entitled to any bonuses or long-term incentives with respect to the financial year 2007 of any part thereof.

In connection with Mr van Schaik's resignation from the Board of Management in May 2006, it was mutally agreed that his employment (also taking into account the agreed upon notice period) would terminate at the end of December 2006. In connection with Mr van Schaik's resignation from the Board of Management, he received a payment of €785 representing severance of €560 and settlement of all bonuses for which Mr van Schaik was eligible of €225.

No predetermined severance package is included in the employment contracts of the members of the Board of Management. When the aforementioned members left the Company, the Supervisory Board exercised its best judgment in approving an appropriate severance package for each of them in light of among other things, the performance of the respective board member, number of years of service, the performance of the Company compared with peer group companies, current business practices, common legal practices, the reasons for leaving and the principles and best practice provisions of the Dutch Corporate Governance Code.

Options and ordinary shares held by current and former members of the Board of Management
The following table presents an overview of the options of the current and former members of the Board of Management:

	1 January 2006	Granted	Exercised	Lapsed	Forfeited	31 December 2006	Exercise price (in euros)	Expiry date	Percentage vested
K.T. Roche	3,428	–	–	–	–	3,428	176.61	13-12-09	100
	3,428	–	–	–	–	3,428	101.08	23-08-10	100
	6,249	–	–	–	-1,785	4,464	11.97	19-11-10	60
	1,713	–	–	–	–	1,713	45.36	07-03-11	100
	2,570	–	–	–	–	2,570	24.78	22-08-11	100
	5,713	–	–	–	–	5,713	26.04	11-03-12	100
	7,142	–	–	–	–	7,142	7.91	21-08-12	100
A.J. Klompe	1,034	–	–	-1,034	–	–	49.63	20-05-06	100
	155	–	–	-155	–	–	41.93	19-06-06	100
	5,844	–	–	–	–	5,844	6.79	01-07-08	100
	5,844	–	–	–	–	5,844	9.87	07-06-09	100
Current members	**43,120**	**–**	**–**	**-1,189**	**-1,785**	**40,146**			
S.N. Appleton	1,500	–	–	–	–	1,500	176.61	13-12-09	100
	4,285	–	–	–	–	4,285	101.08	23-08-10	100
	5,000	–	–	–	-1,428	3,572	11.97	19-11-10	60
	1,571	–	–	–	–	1,571	45.36	07-03-11	100
	5,714	–	–	–	–	5,714	17.64	29-04-11	0
	2,142	–	–	–	–	2,142	24.78	22-08-11	100
	5,000	–	–	–	–	5,000	26.04	11-03-12	100
	7,857	–	–	–	–	7,857	7.91	21-08-12	100
J.L. Docter	13,571	–	–	–	–	13,571	45.36	07-03-11	100
	13,571	–	–	–	–	13,571	24.78	22-08-11	100
	21,428	–	–	–	–	21,428	26.04	11-03-12	100
	21,428	–	–	–	–	21,428	7.91	21-08-12	100
P.K. van Voorst	21,428	–	–	–	-21,428	–	26.04	11-03-12	100
	21,428	–	–	–	-21,428	–	7.91	21-08-12	100
Former members	**145,923**	**–**	**–**	**–**	**-44,284**	**101,639**			
Total	**189,043**	**–**	**–**	**-1,189**	**-46,069**	**141,785**			

Options and ordinary shares held by current members of the Board of Management

The Company has not provided any loans or guarantees to any members of the Board of Management. Kevin Roche holds stock options acquired prior to his appointment to the Board of Management. The options held by Aart Klompe were acquired (prior to his appointment to the Board of Management) as a result of converting his stock options in PinkRoccade to Getronics stock options on identical terms as to other former PinkRoccade employees.

In connection with the extension of Klaas Wagenaar's term as Chairman of the Board of Management for a period of four (4) years, at the 2006 Annual General Meeting of Shareholders, the General Meeting approved his award of 60,000 restricted shares. The restricted shares will become unrestricted on 26 September 2007 (50%) and 26 September 2009 (50%), provided Klaas Wagenaar is still employed by Getronics at those dates. The restriction does not apply to termination of employment by Getronics except in case of termination for cause. The tax consequences, payable at the date that the shares become unconditional, will be borne by Klaas Wagenaar.

Options and ordinary shares held by former members of the Board of Management

Prior to his resignation from the Board of Management, Stuart Appleton held 33,069 stock options with exercise prices of €7.91 to €176.61 (in euros) and 106 ordinary shares under the Global Share Plan. Mr Appleton acquired his stock options prior to his appointment to the Board of Management. Any unvested options will automatically be forfeited on the date of termination of Mr Appleton's employment contract (30 April 2007). In accordance with Group policy, Mr Appleton will forfeit any vested stock options which he does not exercise 90 days after the date of termination of his employment contract.

The stock options granted to J.L. Docter in 2001 and 2002 (69,998 options with an exercise price of €7.91 to €45.36 in euros) remain exercisable in accordance with the terms of the respective option grants not withstanding that he ceased employment on 1 March 2003. As part of Mr Docter's severance package, these options are treated as if he had continued to remain in employment throughout the normal period within which the option may be exercised.

P.K. van Voorst was permitted to keep the options granted to him in 2001 and 2002 (69,998 options with an exercise price of €7.91 to €45.36 in euros) under the original terms of the respective option grants (based on the retirement clauses of the option plan). In accordance with the retirement clauses of the option plan, the unexercised options granted to Mr van Voorst were forfeited on the fourth anniversary of the option grant (42,856 options in 2006 and 27,142 options in 2005).

All other stock options granted to Mr Docter and Mr van Voorst lapsed or were forfeited after the formal termination date of their employment contracts.

(G) Other financial commitments

Getronics has issued statements of guarantee for several liabilities for commitments ensuing from legal transactions of the majority of its fully owned Dutch Group Companies. On the basis of the guarantee statements, such Dutch Group Companies have made use of the possibilities for dispensation as stipulated in Article 2:403, subsections 1 and 3 of the Civil Code.

Getronics forms a fiscal unity with several legal entities in the Netherlands. In accordance with the Dutch Corporation Income Tax Act, Getronics and the subsidiaries that are a part of the fiscal unity are severally liable for taxation payable by the entity.

Amsterdam, 9 March 2007

Board of Management
Klaas Wagenaar
Kevin Roche
Aart Klompe

Supervisory Board
Rinus Minderhoud
Berend Brix
Bernard Al
Henk Bosma
Pat Gallagher
Dirk Groen
Rob Westerhof

Other information

Dividend distributions

Dividend distributions may only be paid out of the profits as shown in the separate Company financial statements adopted by the General Meeting of Shareholders (General Meeting). Dividends may not be paid if the distribution would reduce shareholders' equity below the sum of the paid up and called part of the issued share capital and any reserves which must be retained according to Dutch law or the Company's Articles of Association.

The Board of Management shall determine the amount that shall be reserved from the profits as disclosed in the adopted annual accounts with the approval of the Supervisory Board. From the remaining profits, if any, a dividend shall be distributed to the holders of preference shares of which the percentage is equal to the average of the one months EURIBOR (Euro Interbank Offered Rate) weighted to the number of days over which the payment occurs, increased with a surcharge of a minimum of two hundred (200) and a maximum of three hundred (300) basis points calculated over the paid-up part of the nominal value; to be determined by the Board of Management subject to the approval of the Supervisory Board, insofar as the preference shares are issued during the financial year, the dividend shall be calculated pro rata parte.

If the profits do not allow for a full dividend distribution to the holders of preference shares in any financial year, such dividend will be reduced proportionally and the shortfall shall be paid out of the unreserved profits generated in the following financial years. In such event, insofar as possible, the holders of preference shares will be paid dividends in arrears plus the dividend in respect of the last financial year.

From the then remaining profits, each holder of the cumulative preference shares will be entitled to a dividend of 8.05% of the yield base. As long as the cumulative preference shares remain outstanding, the dividend rate will be reviewed at five-year intervals, beginning on 31 July 2009. At such time, the new rate will be established on the basis of the rating of Getronics at such time to between 0.85% and 5.0% above the average redemption yield on government bonds with a remaining period to maturity of four (4) to five (5) years and five (5) to six (6) years as determined during the five days preceding the date of the revision of the dividend percentage rate. However, if the calculated mark-up over the average redemption yield exceeds 5.0%, the Company will submit a proposal for the agenda of the next General Meeting of Shareholders to amend the Company's Articles of Association in order to allow a mark-up exceeding 5.0%.

If the profits do not allow for a full dividend to be paid on the cumulative preference shares in any financial year, such dividend will be reduced proportionally and the shortfall will be paid from the unreserved profits generated in the following financial years. In such event, insofar as possible, the holders of cumulative preference shares will be paid dividends in arrears plus the dividend in respect of the last financial year, after payment of dividend in arrears on the preference shares.

The remaining part of the profits shall then be paid to the holders of ordinary shares in proportion to the number of ordinary shares held by each of them. The Board of Management may, with the approval of the Supervisory Board, resolve to distribute an interim dividend in accordance with the applicable provisions of Dutch law and the Articles of Association. Dividends which have not been claimed five years after becoming payable shall be forfeited to the Company *(verjaring)*. The General Meeting may only resolve to cancel or distribute a distributable reserve at the proposal of the Board of Management, with the approval of the Supervisory Board.

Proposed net result allocation

At the Company's 2007 Annual General Meeting, the Company will propose adding the 2006 net result to the accumulated deficit. Accordingly, no dividend to the holders of ordinary shares will be proposed. Under the Company's accounting policies, the annual dividend of €11 million owed to the holders of cumulative preference shares is included in the Company's net result, and is consequently not reflected in the proposed net result allocation.

Events after the balance sheet date

2014 Convertible Bond

In January 2007, Getronics issued senior unsecured convertible bonds (2014 Convertible Bonds), the terms and conditions of which are as follows:

Principal amount	€95 million
Nominal interest rate	3.875%
Interest paid semi-annually on	12 January and 12 July
Interest payment commencing on	12 July 2007
Unless previously redeemed, converted or repurchased and cancelled, redeemable at	100%
Maturity date	12 January 2014
Conversion period	26 January 2012 until 5 January 2014
Conversion price (in euros)	€7.25

After 26 January 2012 Getronics may redeem the 2014 Convertible Bonds in whole, provided that within a period of 30 consecutive trading days, the closing price of an ordinary share for 20 days shall have been at least 130% of the conversion price (130% of €7.25 in euros).

The fair value of the liability component at the issuance date was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included in equity in other reserves, net of deferred income taxes. The fair value of the liability component and equity component of the 2014 Convertible Bonds at issuance was €67 million and €28 million, respectively.

Interest expense on the 2014 Convertible Bonds will be calculated using the effective interest method by applying an effective interest rate of 10.6% to the liability component.

With the proceeds of the 2014 Convertible Bonds in January 2007, Getronics repurchased €89 million of its 2008 Convertible Bonds.

Strategic Partnership with NTT Data Corporation in Japan

On 26 February 2007, Getronics announced that NTT Data Corporation and Getronics have agreed to form a strategic partnership in Japan. The proposed transaction will enable Getronics to expand its workspace management activities in Japan and increase international client business with NTT Data Corporation. As part of this strategic partnership, NTT Data Corporation has agreed to acquire 70% of Getronics' local operations in Japan for an undisclosed sum. The proposed transaction is subject to agreement of definitive documents and necessary consents, and is expected to be completed in the second quarter of 2007. Getronics' operations in Japan generated €103 million of revenues in 2006 (of which approximately €76 million were service revenues). The parties expect that no further financial details will be provided until completion.

CFO appointment

On 27 February 2007, the Company announced the proposed appointment of Maarten Henderson as Member of the Board of Management and Chief Financial Officer (CFO) for an interim period ending on 30 June 2008. At the Annual General Meeting of Shareholders in April 2007, Maarten Henderson will be proposed for election to the Board of Management as of 1 April 2007.

Board of Management

The Board of Management is responsible for the management of the Company and for establishing Group strategy. In addition, the Board of Management manages the operational activities of the Group, sets performance targets and approves Group budgets.

The Board of Management operates under the supervision of the Supervisory Board and is required to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board for its prior approval. Furthermore, the Board of Management shall inform the Supervisory Board at least once each year in writing of the headlines of the Company's strategic policy, the general and financial risks involved in the operation of the Company's business, as well as on management and control issues with respect to the Company and its business.

Nomination and appointment

The number of members of the Board of Management, and their remuneration, is determined by the Supervisory Board with due observance of the remuneration policy adopted by the General Meeting. The members of the Board of Management are appointed by the General Meeting upon a binding nomination by the Supervisory Board of at least two (2) persons or a non-binding nomination of one or more persons. In the case of a binding nomination, the General Meeting may remove the binding nature by a resolution passed by an absolute majority of the votes cast, if that majority represents more than one-third of the issued capital. If the Supervisory Board have rendered a non-binding nomination, or if the General Meeting has removed the binding nature of such nomination as set out above, other persons may only be appointed by the General Meeting following a resolution adopted with a majority of at least two-thirds of the votes cast, if that majority represents more than one-third of the issued capital. Members of the Board of Management are generally appointed for a maximum period of four (4) years. Each member may be reappointed for a term of not more than four (4) years at a time. The Supervisory Board appoints one of the members of the Board of Management as chairman of the Board of Management.

Suspension and dismissal

The Supervisory Board may suspend a member of the Board of Management at all times. The General Meeting may at all times suspend or dismiss a member of the Board of Management. Unless at the proposal of the Supervisory Board, the General Meeting may only pass a resolution to suspend or dismiss a member of the Board of Management with a majority of at least two-thirds of the votes cast, if that majority represents more than one-third of the issued capital.

Representation

The Company is represented by the Board of Management or by each member of the Board of Management acting individually.

Meeting

Meetings of the Board of Management are convened upon the request of a member of the Board of Management. Resolutions of the Board of Management are passed by an absolute majority of votes.

Authorities granted to the Board of Management

Authority to issue shares

The General Meeting, in accordance with the Articles of Association, in each instance for a period not exceeding five years, may grant the authority to issue ordinary shares in the capital of the Company to another corporate body, which may resolve upon the issue of shares subject to the approval of the Supervisory Board. In addition, the General Meeting may grant authority to restrict or exclude pre-emptive rights, and to grant rights to subscribe for ordinary shares to the same corporate body to whom the authority to resolve upon the issuance of the shares has been granted for a period not exceeding five (5) years. The approval of the Supervisory Board is also required if such corporate body resolves to restrict or exclude pre-emptive rights or to grant such rights to subscribe for ordinary shares.

At the 2006 AGM, the General Meeting resolved to designate the Board of Management for a period of 18 months as the body authorised to resolve, subject to approval by the Supervisory Board, upon the issue and/or granting of rights to subscribe for ordinary shares up to a maximum of 30% of the number of ordinary shares outstanding at the time. The Board of Management and the Supervisory Board have, however, confirmed that this right will only be exercised up to a maximum of 10% of the issued share capital, to be increased to a maximum of 10% of the issued share capital, in case of an acquisition or merger. The General Meeting further resolved to designate the Board of Management for a period of 18 months as the body authorised to resolve, subject to approval by the Supervisory Board, to limit or exclude the statutory pre-emptive rights in the event of an issue of ordinary shares and/or to grant rights to subscribe for ordinary shares.

Acquisition by the Company of shares in its own capital

The Company may acquire any class of shares in its own share capital or depositary receipts issued in respect thereof, subject to certain provisions of Dutch law and the Articles of Association, provided that (i) shareholders' equity less the acquisition price is not less than the sum of the paid-up and called up part of the issued share capital and any reserves which must be retained by Dutch law or under the Articles of Association and (ii) the Company and its subsidiaries would thereafter not hold or have pledged to them shares in the Company with an aggregate nominal value exceeding one-tenth of the Company's issued share capital. Shares held by the Company or any of its subsidiaries may not be voted on at General Meetings of Shareholders.

Acquisitions by the Company of shares in its own share capital may only take place if the General Meeting has granted to the Board of Management the authority to effect such acquisitions. Such authority may apply for a maximum period of 18 months and must specify the number of shares or depositary receipts that may be acquired, the manner in which shares may be acquired and the price limits within which shares may be acquired.

At the 2006 AGM, the General Meeting granted authority for a period of 18 months to the Board of Management to repurchase ordinary shares and/or depositary receipts up to the legal maximum and at a purchase price between the nominal value of the ordinary shares and 110% of the market price. In 2004, the Company purchased 785,714 ordinary shares (representing just over 1% of the then outstanding ordinary shares) in the open market, at an average price of €14.98 per ordinary share, to enable the Company, in accordance with its policy, to cover 25% of the options granted in 2003 and 50% of the options granted in 2004. The Company currently holds 779,711 ordinary shares.

Capital reduction

The General Meeting may resolve, upon the proposal of the Board of Management, which proposal is subject to the approval of the Supervisory Board as well as the relevant provisions of Dutch law and the Articles of Association, to reduce the outstanding share capital by cancelling shares or reducing the nominal value of shares pursuant to an amendment of the Articles of Association. In the event of the cancellation of all of the cumulative preference shares, the approval of the meeting of holders of the relevant class of cumulative preference shares is required in addition to the approval of the Supervisory Board, unless all cumulative preference shares to be cancelled are held by the Company.

Supervisory Board

The Supervisory Board supervises the policy *(het beleid)* of the Board of Management and the general course of affairs of the Company and the Group Companies and advises the Board of Management.

Nomination

The number of Supervisory Board members, which must be at least three, is determined by the Supervisory Board. The Supervisory Board have drawn up a profile determining its size and its composition, in which it has taken into account the nature and activities of the Company and the Group and of the desired expertise and background of its members. Each member of the Supervisory Board operates independently, both towards the other members of the Supervisory Board and towards the members of the Board of Management.

Appointment/remuneration

Supervisory Board members are appointed by the General Meeting upon a binding nomination by the Supervisory Board of at least two (2) persons or a non-binding nomination of one or more persons. In case of a binding nomination, the General Meeting may remove the binding nature of such nomination by passing a resolution to such effect, on the condition that such resolution is passed with an absolute majority of the votes cast, which majority represents more than one-third of the issued capital. Each Supervisory Board member shall resign from the Supervisory Board, ultimately at the end of the General Meeting following a period of four (4) years following his or her appointment. Supervisory Board members may be reappointed for a maximum of two (2) terms. The General Meeting may at all times suspend or dismiss a member of the Supervisory Board, provided that the General Meeting may only adopt a resolution to suspend or dismiss a Supervisory Board member with an absolute majority of the votes cast, on the condition that that majority represents more than one-third of the issued share capital, unless the resolution is adopted following a proposal to such effect by the Supervisory Board.
The remuneration of the Supervisory Board is determined by the General Meeting.

Voting

Resolutions of the Supervisory Board are passed by an absolute majority of votes.

Audit Committee

The Company has an Audit Committee, established in March 2002, which advises the Supervisory Board on the Company's financial statements, risk management and audit-related issues. The Audit Committee consists of at least three members of the Supervisory Board. The members of the committee are Berend Brix (Chairman), Pat Gallagher and Henk Bosma. The Audit Committee meets at least four times a year to review the Company's interim and annual financial statements and to discuss significant risk management and audit-related issues in the presence of the Board of Management and the Company's auditors.

Remuneration & Selection Committee

The Company has a Remuneration & Selection Committee, established in June 1999, which advises the Supervisory Board on both the remuneration and selection of the members of the Board of Management. The Remuneration & Selection Committee consists of at least two members of the Supervisory Board. The current members of the Remuneration & Selection Committee are Rob Westerhof (Chairman), Rinus Minderhoud and Bernard Al. The Remuneration & Selection Committee meets at least two (2) times a year.

Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders must be held within six (6) months of the end of the financial year for the purposes of, among other things, adopting the annual accounts and discharging the members of the Board of Management and the Supervisory Board from liability in respect of their duties for the relevant financial year, to the extent that such duties are evident from the annual accounts or otherwise. Other General Meetings of Shareholders may be convened by the Board of Management or the Supervisory Board. In addition, other General Meetings of Shareholders shall be held upon the written request of shareholders, representing at least one-tenth of the share capital, to the Board of Management and/or the Supervisory Board, setting all the matters to be considered in detail.

All notices convening a General Meeting of Shareholders and all announcements to shareholders and holders of depositary receipts for shares must be effected through notices in a newspaper which is nationally distributed in the Netherlands and in the *Officiële Prijscourant* of Euronext Amsterdam or a replacement official publication based on a resolution of the Company, or in such manner as shall be prescribed by law from time to time. General Meetings of Shareholders may be held in Amsterdam, The Hague, Schiphol *(gemeente Haarlemmermeer)*, Utrecht, or Rotterdam.

Each shareholder shall be entitled to attend General Meetings of Shareholders, either in person or through a written proxy, to address such meetings and to exercise voting rights in such meetings, subject to the provisions of the Articles of Association. In order to gain admission to a General Meeting of Shareholders, the holders of registered shares are required to notify the Company in writing of their intention to attend the meeting or to have themselves represented at the meeting by a proxy holder, in each case not later than on the date mentioned in the convening notice for the relevant meeting. In case of depository shares, the holders of those shares must, at the place indicated in the convening notice for the relevant meeting and ultimately on the date indicated in such notice, register for the meeting with an institution associated with Euroclear Nederland and deposit evidence of their ownership of the depository shares as prescribed by the Company - a declaration from the relevant institution associated with Euroclear Nederland will, in such case, be deemed to constitute sufficient evidence. The right to take part in the meeting may be exercised by a proxy authorised in writing, provided that such power of attorney has been received by the Company or a third party, as stated in the convening notice for the relevant meeting, alongside the prescribed notification or, for depository shares, the depositing of evidence of ownership of those shares, not later than on the date mentioned in the convening notice for the relevant meeting. A proxy may only be granted for a specific meeting and will terminate at the end of the relevant meeting. The date for registration and providing powers of attorney may not be earlier than the seventh (7th) day prior to the date of the relevant meeting or so much earlier as shall be authorised by law from time to time which currently is the thirtieth (30th) day prior to the date of the relevant meeting. The Board of Management is authorised to determine in the convening notice for a General Meeting of Shareholders that those who have the voting rights and meeting rights on a date specified in such notice and have been recorded as such in the register designated for that purpose by the Board of Management, shall be considered to have those rights, irrespective of who the owners of the shares are at the actual time of the relevant meeting.

Agendas for General Meetings of Shareholders

As stipulated in the Articles of Association, the holders of ordinary shares and the holders of depositary receipts for shares issued with the cooperation of Getronics, which represent at least 1% of the issued share capital or have a value exceeding €50 million according to the *Officiële Prijscourant* of Euronext Amsterdam, have the right to request the inclusion of additional items on the agenda of a General Meetings of Shareholders. However, such proposed items do not have to be included in the agenda if Getronics has important reasons not to address the items.
In addition, the request must be made at least sixty (60) days prior to the relevant General Meeting of Shareholders.

Voting rights

Each share issued by Getronics is entitled to one vote. Resolutions by the General Meeting require the approval of an absolute majority of votes validly cast, unless otherwise required by Dutch law or the Articles of Association.

Lack of shareholder approval does not affect the authority of the Board of Management to represent Getronics *vis-à-vis* third parties.

Amendment of the Articles of Association

The Articles of Association may only be amended by resolution of the General Meeting at the proposal of the Board of Management made within the consent of the Supervisory Board. Such resolution requires a majority of at least two-thirds of the valid cast votes. A proposal must always be listed in the convocation of the General Meeting of Shareholders, and a copy of the proposal containing the literal text of the proposed amendment shall be deposited at the offices of Getronics for examination. If an amendment leeds to effecting the rights of the holders of cumulative preference shares, the decision to amend the Articles of Association must also be approved by the meeting of holders of the classes of cumulative preference shares of those who are affected by that amendment. Before a proposal to amend the Articles of Association is put before the General Meeting, the Company shall discuss the proposal with Euronext Amsterdam N.V.

If an amendment of the Articles of Association has an impact on the rights of holders of cumulative preference shares, the resolution to amend the Articles of Association also requires the approval of the meeting of the holders of the class(es) of cumulative preference shares which are affected by that amendment.

Dissolution and rights upon dissolution

The General Meeting may resolve to dissolve Getronics at the proposal of the Board of Management (which proposal has been approved by the Supervisory Board). Such resolution requires a majority of at least two-thirds of the votes validly cast at the General Meeting. In the event of dissolution and liquidation of Getronics, any assets remaining after settlement of debts and winding-up costs shall be distributed to the shareholders in the following manner. First, the nominal amount paid on the preference shares shall be paid to the holders thereof. If the remaining balance is not sufficient to allow for such payment, then payment shall be made pro rata among the holders of such preference shares based on the aggregate nominal amount of such holders' preference shares. Subsequently, the holders of cumulative preference shares are entitled to any dividends in arrears and an amount per cumulative preference share that equals the relevant yield base. If the surplus is not sufficient to allow for such distribution, then the remaining balance shall be paid pro rata among the holders of such cumulative preference shares based on the amounts that would otherwise have been paid on the cumulative preference shares. The balance remaining shall be paid pro rata among the holders of ordinary shares based on the aggregate nominal amount of such holder of ordinary shares.

Stichting Preferente Aandelen Getronics N.V. (the Foundation)

The Foundation is a non-membership organisation incorporated under the laws of the Netherlands. Its statutory objectives are to safeguard the interests of the Company and its business, its Group Companies and all other parties involved in the Company.

Pursuant to a resolution of the combined meeting of the Board of Management and the Supervisory Board and based on a resolution of the General Meeting of Shareholders of 27 March 1998. On 6 April 2000, the Company and the Foundation have entered into an option agreement which grants the Foundation an option to acquire preference shares from the Company. These preference shares may be acquired up to a total par value that is equal to the total par value of all issued and outstanding ordinary shares plus the total par value of all issued and outstanding cumulative preference shares on 27 March 1998 minus the par value of one preference share.

The issuance of all authorised preference shares could therefore, amongst others, have the effect of a material reduction of the voting power of other holders of shares in the Company.

The board of the Foundation comprises three (3) A-category board members and one (1) B-category board member. Only persons who are not associated with the Company within the meaning of Appendix X to section A-2.7. of Book II of the General Rules for the Euronext Amsterdam Stock Market may be appointed as A-category board members. The three (3) A-category board members are appointed by the board of the Foundation; the B category board member is a member of the Supervisory Board of the Company and is appointed by that Supervisory Board.

The members of the board of the Foundation are:

- A-category members:
  - Mr I.J. Vos (Chairman);
    - Current other positions: Chairman Supervisory Board Schuitema N.V., member of the Supervisory Board of Zeeman Groep B.V., and member of the Supervisory Board of Vergeer Holding B.V.
    - Former positions: member of the Board of Management of Schuitema N.V., Chairman of the Supervisory Boards of Heiploeg Shellfish International B.V., Reesink N.V., Inter Access B.V., and Avandis B.V., and member of the Supervisory Board of Kamerbeek Groep B.V., Brocacef Holding N.V., ECI Boek en Plaat B.V., and Koninklijke Peijnenburg B.V.

  - Mr D. Sinninghe Damsté (Vice Chairman);
    - Current other positions: member of the Supervisory Board and Chairman of the Audit Committee of Vedior N.V., Chairman of the Supervisory Board of HITT N.V., member of the Supervisory Board and Chairman of the Audit Committee of BE Semiconductors Industries N.V., member of the Board of Stichting Preferente Aandelen Macintosh, and member of the Board of Stichting Preferente Aandelen HITT.
    - Former positions: member of the Board of Management of HBG N.V., various managing positions within Royal Dutch Shell plc.

  - Mr W.O. Wentges.
    - Current other positions: member of the Board of Stichting Administratiekantoor preferente aandelen B Vedior N.V., and member of the Board of Stichting Aministratiekantoor preferente aandelen Buhrmann N.V.
    - Former positions: member of the Board of Management Kempen & Co N.V., member of the Supervisory Board of Kempen & Co N.V.

- B-category member:
  - Mr M. Minderhoud.
    - Current other positions: Chairman and member of the Remuneration & Selection Committee of the Supervisory Board of Getronics N.V. , Chairman of Vodafone International Holdings B.V., member of the Supervisory Boards of Rabobank Nederland, Heembouw Groep B.V., Vice Chairman of Eureko B.V., and Vice Chairman of Achmea Holding N.V.
    - Former positions: member of the Executive Board of ING Groep N.V., and Chairman of the Executive Board of ING Bank N.V.

Independence Statement

The board of the Foundation and the Board of Management share the opinion that the requirements with respect to the independence of the Foundation, for the purposes of Appendix X to section A-2.7. of Book II of the General Rules for the Euronext Stock Market, have been met.

Stichting Administratiekantoor van Cum Prefs in Getronics N.V. (the Trust Office)

Cumulative preference shares may be issued by the Company pursuant to a resolution to such effect by the General Meeting, which resolution must be proposed by the Board of Management and is subject to the approval of the Supervisory Board. An additional condition to the issue of cumulative preference shares is that such issue must be possible in view of the authorised share capital.

The General Meeting may, in accordance with the Articles of Association, in each instance for a period not exceeding five (5) years, grant the authority to issue cumulative preference shares to another corporate body, which may then resolve to issue such shares subject to approval by the Supervisory Board.

For these purposes, the granting of rights to subscribe for such cumulative preference shares constitutes an issue of cumulative preference shares. In turn, the issue of cumulative preference shares upon the exercise of such rights does not constitute such an issue. In the event of the issue of cumulative preference shares, no shareholder shall have any pre-emptive rights. Cumulative preference shares may, subject to certain conditions as stipulated in the Articles of Association, only be issued or transferred to natural persons (subject to dispensations by the Board of Management). A natural person may not, pursuant to an issue or transfer, acquire or hold 1% or more of the issued cumulative preference shares.

On 5 July 1999, 9,407,142 cumulative preference shares (series A, B and C) were issued to the Trust Office. The Trust Office has, in turn, issued depositary receipts in respect of such cumulative preference shares to the holders of the depositary receipts at a price of €25.08 per depositary receipt.

On 29 April 2005, 25,804,426 cumulative preference shares (series A, B and C) were issued to the Trust Office. The Trust Office has, in turn, issued depositary receipts in respect of such cumulative preference shares to the holders of the depositary receipts. Such shares were paid up from the share premium on the existing cumulative preference shares.

The Trust Office holds the following shares, with a nominal value of €0.28 each, in the capital of the Company:

- 12,188,496 cumulative preference shares A;
- 11,511,536 cumulative preference shares B; and
- 11,511,536 cumulative preference shares C.

The Trust Office has allotted the following limited convertible depositary receipts for cumulative preference shares in the capital of the Company to the institutional investors named below:

- (affiliates of) AEGON N.V. 12,188,496 depositary receipts for cumulative preference shares A;
- (affiliates of) ING Groep N.V. 11,511,536 depositary receipts for cumulative preference shares B; and
- (affiliates of) Fortis Utrecht N.V. 11,511,536 depositary receipts for cumulative preference shares C.

The board of the Trust Office is N.V. Algemeen Trustkantoor ANT.

Independence Statement

The board of the Trust Office and the Board of Management share the opinion that the requirements with respect to the independence of the board of the Trust Office, for the purposes of Appendix X to Section A-2.7 of Book II of the General Rules of the Euronext Amsterdam Stock Market have been met.

Mandate

The Trust Office manages cumulative preference shares A, B and C, which it holds in its custody, and undertakes all actions ensuing therefrom or which may be beneficial thereto. Insofar as possible, the Trust Office will exercise the rights attached to the cumulative preference shares in such a way that the interests of the Company, and of the companies sustained by the Company and by those companies affiliated to the Company, and all parties involved therein, are best served.

Depositary receipts of cumulative preference shares

Holders of depositary receipts for cumulative preference shares A, B and/or C are entitled to vote at the General Meetings of Shareholders. The voting rights with respect to those cumulative preference shares A, B and/or C, or the depositary receipts thereof, are determined in accordance with the formulas set out in the administration conditions of the Trust Office. Holders of depositary receipts may exercise their own voting rights or may allow the Trust Office to vote on their shares. The Trust Office must announce the number of shares for which it will vote at the beginning of each General Meeting of Shareholders.

Auditor's Report

To the General Meeting of Shareholders of Getronics N.V.

Report on the financial statements

We have audited the accompanying financial statements 2006 of Getronics N.V., Amsterdam as set out on pages 51 to 110 of the Annual Report. The financial statements consist of the consolidated financial statements and the separate company financial statements. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2006, the consolidated income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The separate company financial statements comprise the separate company balance sheet as at 31 December 2006, the company income statement for the year then ended and the notes.

Management's responsibility

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

Auditor's responsibility

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

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

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

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Getronics N.V. as at 31 December 2006, and of its result and its cash flow for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the separate company financial statements

In our opinion, the separate company financial statements give a true and fair view of the financial position of Getronics N.V. as at 31 December 2006, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

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

Amsterdam, 9 March 2007
PricewaterhouseCoopers Accountants N.V.

R. Dekkers RA

Getronics Five-Year Record

Information prior to 2004 is presented in accordance with Dutch GAAP

(in millions of euros, unless stated otherwise)	2006	2005	2004	2003	2002
Selected income statement data *)					
Service revenue	2,280	2,121	1,484	1,953	2,537
Product revenue	347	404	557	718	1,058
Total revenue	2,627	2,525	2,041	2,671	3,595
Gross profit	525	532	376	437	617
Selling, general and administrative expenses	-424	-400	-305	-456	-546
EBITAE A) B)	117	143	71	53	96
Amortisation and impairment of goodwill	-65	-	-	-43	-433
Amortisation of acquired intangible assets	-16	-11	-	-	-
Acquisition integration expenses	-21	-46	-	-	-
Gain on sale of subsidiaries and associates	8	13	3	270	-
Operating result	23	99	74	-62	-362
Finance costs minus interest income	-63	-62	-23	-58	-28
Income tax benefit (charge)	-14	23	55	96	-20
Minority interest	-	-	-	-	1
Net result from continuing operations	-54	60	106	n/a	n/a
Net result including discontinued operations	-145	4	56	246	-409
Ratios *)					
Service revenue/total revenue	86.8%	84.0%	72.7%	73.1%	70.6%
Service revenue/average number of employees (in euros)	92,472	92,390	81,471	82,976	90,539
Gross margin	20.0%	21.1%	18.4%	16.4%	17.2%
Service margin	21.1%	23.0%	21.0%	19.8%	20.1%
EBITAE margin	4.5%	5.7%	3.5%	2.0%	2.7%
Service gross profit/average number of employees (in euros)	19,508	21,214	17,074	16,400	18,201
EBITAE/average number of employees (in euros)	4,745	6,229	3,898	2,252	3,426
Selected balance sheet data					
Working capital *)	-232	-209	-189	-282	-142
Group equity	408	597	357	301	124
Net cash/(borrowings) *)	-285	-157	48	-6	-319
Solvency	21.0%	24.9%	21.8%	15.4%	5.6%
Average 12 months DSO (in days) *)	64	64	59	85	91
Exchange rate					
Average exchange rate (€ / US$)	1.2538	1.2458	1.2240	1.1272	0.9400
Employees *) (in FTE)					
At 31 December	24,780	24,484	18,026	22,079	24,978
Average over the year	24,656	22,957	18,215	23,537	28,021

*) Information provided under IFRS (from 2004 onwards) is based on continuing operations.

A) EBITAE 2006, 2005 and 2004: defined as Operating result from continuing operations before amortisation and impairment of acquired intangible assets, acquisition integration expenses, impairment of goodwill and gain on sale of subsidiaries.

B) EBITAE before 2004: defined as Operating result before amortisation and impairment of goodwill, and exceptional operating items.

	2006	2005	2004	2003	2002
Information per ordinary share (in euros) [1]					
Net result – basic [*]	–0.44	0.54	1.17	3.57	–6.44
Net result - fully diluted [*]	–0.44	0.54	1.10	3.57	–6.44
Cash dividend	–	0.07	0.06	–	–
Number of ordinary shares outstanding (x 1,000)					
At 31 December [2]	122,577	122,527	80,531	65,402	65,396
Weighted-average basic	122,558	109,583	78,398	65,396	65,396
Weighted-average fully diluted [3]	122,558	109,739	88,926	65,858	65,396
Share information (in euros) [1]					
Highest price	11.88	13.01	20.84	12.20	27.47
Lowest price	4.77	8.33	7.88	0.63	2.82
Closing price at 31 December	6.14	11.36	10.51	10.39	3.63
Market capitalisation					
At 31 December [4]	753	1,392	846	679	237

*) Information provided under IFRS for 2006, 2005 and 2004 is based on continuing operations.

1) All ordinary share and per ordinary share information has been retroactively adjusted to reflect the 2005 rights offering and the 1-for-7 reverse stock split. Share issuance via claim rights give a discount or bonus to investors participating in the ordinary share capital before issuance date of the claim rights. To properly reflect this discount in the per share information, all share and per share information before issuance, including share number and share price, has been retrospectively adjusted to reflect this effect. The adjusting factor is approximately 0.894.

2) Excluding 780 treasury shares (2006 and 2005) and 879 (2004).

3) In 2002, potential ordinary shares (for example, shares which could be issued as a result of exercising stock options) were not treated as dilutive because their conversion to ordinary shares would increase the net result per ordinary share.

4) Market capitalisation is the number of ordinary shares outstanding at 31 December multiplied by the closing price at 31 December.

Information for Shareholders

Listings

Getronics' ordinary shares have been listed on the official market of Eurolist by Euronext Amsterdam (symbol: GTN) since 1985. Getronics 2008 Convertible Bonds are also listed on the official market of Eurolist by Euronext of Euronext Amsterdam N.V. Getronics 2010 and 2014 Convertible Bonds are listed on the Luxembourg Stock Exchange.

Share price development and market capitalisation

Getronics' share price decreased by 46% from €11.36 to €6.14 at year-end. The AEX index value increased by 13% during 2006. The market capitalisation of Getronics at 31 December 2006 was €753 million compared to €1.392 billion at 31 December 2005.

Share ownership and voting rights disclosure

At the end of 2006, institutional and other professional investors held 55% of the outstanding ordinary shares (2005: 52%). The percentage of outstanding shares owned by private investors decreased to 45% (2005: 48%). The geographical spread of the shareholders remained concentrated in Europe. At the end of 2006, 90% (2005: 97%) of the Company's shareholders were based in Europe, with 62% (2005: 71%) in the Netherlands. About 17% of the shares were held in the United Kingdom. Outside Europe, most of the shares were held by US investors.

Under the Financial Supervision Act *(Wet op het financieel toezicht)*, any person who, directly or indirectly, acquires or disposes of an interest in the Company's capital or voting rights must immediately give written notice to the Autoriteit Financiële Markten (AFM) by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person meets, exceeds or falls below one of the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. Notification must be given to the AFM without delay. In addition, disclosure obligations apply when a person acquires or disposes of one or more shares with an extraordinary statutory voting right. Furthermore, each year a holder of 5% or more of Getronics' share capital or voting rights has to update his disclosure if the composition of such person's interest, compared to the last notification, has changed as a consequence of a conversion of a potential interest into an actual interest (or vice versa), a conversion of shares into depository receipts or similar instruments (or vice versa) or the exercise of rights pursuant to an agreement to acquire voting interests.

Shareholders holdings disclosed on 1 November 2006

AEGON N.V.	8.27%[1]
ING Groep N.V.	7.5%[1]
Fortis Utrecht N.V.	7.26%[1]
Aviva Plc	5.72%
Stichting Administratiekantoor van Cum Prefs in Getronics N.V.	22.21%

[1] This includes the depository receipts issued for the cumulative preference shares held by the Stichting Administratiekantoor van Cum Prefs in Getronics N.V.

See page 18 for further information on disclosure of holdings in our share capital.

Changes in the number of shares outstanding

In 2006, the number of outstanding ordinary shares increased by 49,350 to 122,577 as a result of the exercise of employee stock options. The number of outstanding cumulative preference shares remained unchanged during 2006.

Dividend policy

In its general meeting held on 7 April 2004, the Board of Management formulated the Company's dividend policy, subject to changes in the Company's accounting policies required pursuant to IFRS. Under its policy, Getronics intends, subject to certain criteria being met, to pay a dividend to the holders of ordinary shares in the amount of 25-35% of Getronics' net result, in cash or in shares, at the option of the holders of ordinary shares.

As is its common practice, Getronics will, in the event it proposes a dividend, communicate the Company's expected ex-dividend, record and payment dates on the same day it announces its annual results.

If and when a dividend is approved at the Annual General Meeting of Shareholders of the Company, the agreed dividend will in accordance with the Articles of Association become payable within 14 days following the Annual General Meeting of Shareholders at the latest. In practice, the payment date is often set somewhere in the middle of that 14 days period. The most practical record date is the first working day following the Annual General Meeting of Shareholders (at close of business). Consequently, the ex-dividend date is the day following the record date (which would under those circumstances be the second working day following the Annual General Meeting of Shareholders).

Internal code in respect of insider information

Getronics has a Code of Conduct in respect of reporting and regulating securities transactions. This Code of Conduct is based on the Financial Supervision Act and applies amongst others to the Supervisory Board, the Board of Management, management and supervisory directors of its large subsidiaries and other employed individuals designated by the Board of Management.

The Company Secretary has been appointed as the Central Officer and as such is responsible for supervising compliance with the Code of Conduct as well as the communications with the AFM.

Glossary

ASL: Application Services Library is a public domain standard, which describes a standard for processes within Application Management (the discipline of producing and maintaining information systems and applications).

BISL: Business Information Service Library, formerly *Information Service Management Library*, is a framework for executing functional management and information management.

CMMI: Capability Maturity Model Integration is a process improvement approach that provides organisations with the essential elements of effective processes.

CRM: Customer Relationship Management – usually refers to the applications used.

CSR: Corporate Social Responsibility.

ECM: Enterprise Content Management, managing the use and propagation of knowledge in organisations.

Helpdesk: a source of support, often technical.

ICT: Information and Communication Technology, which includes software, hardware, data communications services, data communications devices, telecommunications services and devices and other technology-based services.

ICT Infrastructure: the combination of networks, computers and generic services, such as e-mail.

Intranet: a private internet site used by an organisation for internal communication.

ITIL: Information Technology Infrastructure Library – a framework of best-practice recommendations with common definitions and terminology to help ICT service providers to plan and provide consistent, reliable, repeatable services.

Migration: moving from one hardware/software/ network environment to another.

Outsourcing: contracting out of all or part of an organisation's non-core functions to a specialised company.

Portal: a web site specifically designed to provide access to other sites and services.

Six Sigma: Six Sigma aims to improve existing business processes by constantly reviewing and re-tuning them. It provides a structured means of cutting costs and improving efficiency.

VOIP: Voice Over Internet Protocol, using the internet as the medium for telephone services / a phone designed to plug into the internet.

Financial Calendar

18 April 2007
Annual General Meeting of Shareholders

2 May 2007
Trading Statement Q1 2007

29 August 2007
Announcement of 2007 First Half-Year Results
(pre-official trading hours)

5 November 2007
Trading Statement Q3 2007

Getronics NV
Investor Relations
Rembrandt Tower - Amstelplein 1
1096 HA Amsterdam
P.O. Box 94697
1090 GR Amsterdam
The Netherlands
Phone: +31 20 586 1412
E-mail: investor.relations@getronics.com

A digital copy of this publication is also available at www.getronics.com/investors.

Commercial Register of Amsterdam no. 33.173.427
Getronics NV is listed on Euronext Amsterdam under no. 35594

Production: C&F Report Amsterdam B.V.
Paper: Hello Matt (tcf)

GETRONICS NV
Rembrandt Tower - Amstelplein 1
1096 HA Amsterdam
The Netherlands
Phone: +31 (0)20 586 1412
www.getronics.com

Getronics
ICT SOLUTIONS AND SERVICES