press release

Getronics NV
Rembrandt Tower – Amstelplein 1
P.O. Box 94697
1090 GR Amsterdam
The Netherlands
+31 20 586 1581
+31 20 586 1455
www.getronics.com

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GETRONICS H1 2007 RESULTS PRE-RELEASE

At the same time as the announcement of the intended offer by KPN, Getronics today announces an update on its half-year results for 2007 in advance of the planned publication of its half-year report on 29 August 2007 for the benefit of the investor community.

- **Organic service revenue growth remains strong at 5.5%**
- **A goodwill impairment of EUR 50 million related to the company's US business will result in a net loss for the full year 2007**
- **Continued margin pressure will result in the 2007 target EBITAE range of 4.0% to 4.5% being adjusted downwards to between 3.0% and 3.5%**

H1 2007 Key figures (unaudited[1])

	H1 2007	H1 2006	Change
Selected income statement data (from continuing operations)			
Revenue	1,280	1,308	- 2%
► Service revenue	1,135	1,130	0%
► Product revenue	145	178	- 19%
Gross profit	229	246	- 7%
Service gross profit	215	226	- 5%
Selling, general & administrative expenses	- 205	- 214	4%
Impairment of goodwill	-88	-	
Acquisition integration expenses	-3	-9	
Loss on sale of subsidiaries	-10	-2	
EBITAE[2]	29	40	- 28%
EBITAE excl.defined items (for outlook purposes)[3]	34	37	- 8%
Operating result	- 77	21	
Net result from continuing operations	- 108	22	
Net result including discontinued operations	- 108	- 41	

[1] This press release contains unaudited results. The Company's interim financial results are expected to be published on 29 August 2007 as part of the publication of Getronics' Half-Year Report 2007.
[2] EBITAE: Operating result from continuing operations before amortisation of acquired intangible assets, acquisition integration expenses, impairment of goodwill and gain/loss on sale if subsidiaries.
[3] EBITAE excluding defined items (for outlook purposes): EBITAE excluding one-off results in respect with employee benefit plans (curtailments, settlements and negative past service costs) and breakout programme restructuring costs.

Ratios (from continuing operations)		
Gross margin	17.9%	18.8%
Service margin	18.9%	20.0%
EBITAE margin	2.3%	3.1%
EBITAE margin excl. defined items (for outlook purposes)	2.7%	2.8%
Operating Cash Flow	-148	-142
Net borrowings	- 440	- 461
Earnings per ordinary share (from continuing operations) (in euros)		
Basic	-0.88	0.18
Fully diluted	-0.88	0.18
Earnings per ordinary share (from total operations) (in euros)		
Basic	-0.88	- 0.33
Fully diluted	-0.88	- 0.33

Key items in the first half year results

- Following the divestments in 2006 and due to lower product revenues in 2007, total reported revenue decreased 2% to EUR 1,280 million (H1 2006: EUR 1,308 million); Reported Service revenue was approximately flat at EUR 1,135 million (H1 2006: EUR 1,130 million). Organic service revenue growth was 5.5%.
- EBITAE excluding defined items (for outlook purposes) declined from EUR 37 million to EUR 34 million which equals to 2.7% of total revenue in the first half year. This compares to an EBITAE margin of 2.8% over the first half year of 2006. The excluded items are one-off results in respect with employee benefit plans (curtailments, settlements and negative past service costs) and breakout programme restructuring costs.
- The Company has decided to record an impairment of goodwill of EUR 50 million with respect to its US operations. The North American business performed below expectations in H1. Towards the end of the second quarter it became evident that the anticipated improvements for the first half year have not fully come through mainly due to delays encountered in closing new deals and continued margin pressure on

large contracts. As the company expects that these developments will have an effect on the future profitability of the US operation, the company accordingly recorded an impairment of EUR 50 million.

- The breakout programme restructuring expenses were EUR 5 million in the first half year of 2007. No one-off employee benefit results were included in operating result in the first half year of 2007 compared to a positive EUR 3 million in 2006.
- The consolidated net loss for the first half year was EUR 108 million, including EUR 50 million impairment of goodwill in the US, EUR 25 million impairment of goodwill in the UK as reported on 2 May 2007 and EUR 13 million impairment of goodwill in Iberia as a result of the announced transaction with Tecnocom. Depending on the final outcome of the earn-out, this impairment could increase to a maximum EUR 28 million. Furthermore, the results include EUR 10 million loss on sale of subsidiaries following the divestment of 70% of the Japan operations and the transaction in China/Hong Kong announced on 3 July.
- Operating cash flow was EUR 148 million negative, compared to EUR 142 million negative in the first half year 2006. Total cash flow was EUR 59 million negative, compared to EUR 96 million negative in the first half year 2006.
- Net borrowings amounted to EUR 440 million at the end of the first half year (H1 2006: EUR 461 million) and included an amount of EUR 135 million of cumulative preference shares.

Business highlights

- There is continued strong momentum with our international strategic clients (ISCs) and some important national accounts, resulting in 5.5% organic service revenue growth.

- Enhanced Remote Services offering well received by existing and new clients, creating opportunities to increase further efficiencies in service delivery.
- We have created a strong strategic partnership with NTT Data for the Japanese market and announced a proposed partnership in Iberia with Tecnocom.
- The launch of the MOVE campaign (Migration to Office, Vista and Exchange) has further strengthened our relationship with Microsoft.

Outlook

- As a result of the sale of the Iberian activities, the cost pressure in the Dutch labour market, and postponement of the large deals in the US, Getronics now expects an EBITAE margin in 2007 between 3.0% and 3.5%, excluding defined items such as breakout programme cost and curtailment gains and barring unforeseen circumstances.
- With the goodwill impairments of the UK, Iberia and the US, the Company now expects a net loss for the full-year 2007.

Geographical developments

Despite continued organic growth in The Netherlands, the operational performance was affected by a tight labour market and higher levels of subcontractors and temporary staff. The breakout programme restructuring executed in the first half year of 2007 is expected to contribute to an improved second half year.

The North American business performed below expectations. Towards the end of the second quarter it became evident that the anticipated improvements for the first half year have not fully come through mainly due to delays encountered in closing new deals and continued margin pressure on large contracts. As these developments have its effects on the future profitability of the US operation, the company accordingly recorded an impairment of EUR 50 million.

The UK has been showing operational improvements in Q2 following disappointing results in Q1, but remained at a break-even level for the first half year. However, local management has implemented performance improvement plans and a breakout programme restructuring and we expect to see benefits from both in the second half year.

EBITAE definitions

EBITAE is defined as operating result from continuing operations before amortisation of acquired intangible assets, acquisition integration expenses, impairment of goodwill and gain/loss on sale of subsidiaries.

EBITAE excluding defined items (for outlook purposes) is defined as EBITAE excluding one-off results in respect with employee benefit plans (curtailments, settlements and negative past service costs) and breakout programme restructuring costs.

Additional disclosure

The Company's Half-Year Report 2007 will be released on 29 August 2007 in PDF format on the website: www.getronics.com

About Getronics

With some 24,000 employees in 25 countries and revenues of EUR 2.6 billion in 2006, Getronics is a leading international provider of Information and Communication Technology (ICT) services and solutions.

Applying its expertise in workspace management, applications, and consulting and transformation services, Getronics helps organisations 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 headquarters are in Amsterdam, with regional offices in Boston and Singapore. Getronics' shares are traded on Euronext Amsterdam ('GTN'). For further information about Getronics, visit www.getronics.com.

Press enquiries
Getronics Corporate Communications
Tel: +31 20 586 1581
media@getronics.com

Investor enquiries
Getronics Investor Relations
Tel: +31 20 586 1982
investor.relations@getronics.com

Consolidated interim income statement for the six months ended 30 June

(unaudited; in millions of euros unless stated otherwise)

	H1 2007	H1 2006
Revenue	1,280	1,308
Cost of revenue	- 1,051	- 1,062
Gross profit	**229**	**246**
Selling expenses	- 97	- 108
General and administrative expenses	- 108	- 106
Impairment of goodwill	- 88	-
Acquisition integration expenses	- 3	- 9
Loss on sale of subsidiaries	- 10	- 2
Operating result	**- 77**	**21**
Interest income	11	5
Finance costs	- 33	- 28
Finance costs net	- 22	- 23
Share of (loss)/profit of associates	-	-
	- 22	**- 23**
Result before tax	**- 99**	**- 2**
Income taxes	- 9	24
Net result from continuing operations	**- 108**	**22**
Net result from discontinued operations	-	- 63
Net result	**- 108**	**- 41**
Earnings per ordinary share from continuing operations (in euros)		
▸ Basic	- 0.88	0.18
▸ Fully diluted	- 0.88	0.18
Earnings per ordinary share from total operations (in euros)		
▸ Basic	- 0.88	- 0.33
▸ Fully diluted	- 0.88	- 0.33

Consolidated interim balance sheet

As at 30 June 2007, 31 December 2006 and 30 June 2006
(unaudited; in millions of euros)

	30 June 2007	31 December 2006	30 June 2006
Assets			
Non-current assets			
Intangible assets	534	681	896
Property, plant and equipment	102	95	107
Investment in associates	14	0	0
Deferred income tax assets	211	227	285
Pension asset	49	45	24
Other non-current assets	31	25	49
Total non-current assets	941	1,073	1,361
Current assets			
Cash and cash equivalents	122	174	144
Trade receivables	308	384	384
Unbilled receivables	109	94	139
Inventory	33	41	45
Other current assets	124	84	123
	696	777	835
Assets of disposal group held for sale	155	90	22
Total current assets	851	867	857
Total assets	**1,792**	**1,940**	**2,218**

	30 June 2007	31 December 2006	30 June 2006
Equity			
Share capital	649	648	646
Other reserves	32	12	26
Accumulated deficit	- 360	- 252	- 148
Total equity	321	408	524
Liabilities			
Non-current liabilities			
Borrowings	340	323	551
Employee benefit plans	110	119	155
Provisions for liabilities and charges	16	26	51
Deferred income tax liabilities	7	6	20
Other non-current liabilities	29	24	6
Total non-current liabilities	502	498	783
Current liabilities			
Borrowings	223	137	85
Trade creditors	158	199	198
Accrued expenses	192	229	201
Deferred income	168	183	190
Other current liabilities	166	251	225
	907	999	899
Liabilities directly associated with disposal group held for sale	62	35	12
Total current liabilities	969	1,034	911
Total liabilities	1,471	1,532	1,694
Total equity and liabilities	**1,792**	**1,940**	**2,218**

Consolidated interim cash flow statement for the six months ended 30 June (unaudited; in millions of euros)

	H1 2007	H1 2006
Cash flow used in operating activities		
Net result	- 108	- 41
Interest income	- 11	- 5
Finance costs	33	30
Income taxes	9	- 50
Loss on sale of subsidiaries	10	54
Depreciation of property, plant and equipment	22	23
Amortisation and impairment of intangible assets	98	12
Gain on sale of property, plant and equipment	-	- 1
Stock option charges	1	1
	54	23
Increase in pension asset	- 3	- 4
Decrease in trade receivables	14	43
Increase in other current assets	- 76	- 61
Decrease in provisions	- 21	- 25
Decrease in trade creditors	- 20	- 59
Decrease in other current liabilities	- 85	- 32
Cash flow used in operations	- 137	- 115
Interest income received	11	5
Finance costs paid	- 21	- 30
Income taxes paid	- 1	- 2
Cash flow used in operating activities	**- 148**	**- 142**

Cash flow used in investing activities		
Disposals of Group companies	20	- 46
Acquisitions of Group companies, net of cash acquired	- 3	- 7
Capital expenditures on intangible assets	- 7	- 11
Capital expenditures on property, plant and equipment	- 36	- 20
Proceeds from disposals of property, plant and equipment	-	2
Other investing transactions	-	- 1
Cash flow used in investing activities	**- 26**	**- 81**
Cash flow provided by financing activities		
Dividend paid	-	- 9
Repayment of 2008 Convertible Bond	- 94	-
Proceeds from issuance of 2014 Convertible Bond	95	-
Net drawings under credit facilities	95	140
Proceeds / (repayments) of borrowings	19	- 4
Cash flow provided by financing activities	**115**	**127**
Total cash flow	**- 59**	**- 96**
Reclassified to non-current restricted cash	1	- 2
Decrease in cash and cash equivalents	**- 58**	**- 98**
Opening balance cash and cash equivalents	190	257
Exchange rate differences	-	- 4
Total cash and cash equivalents	**132**	**155**
Reclassified to assets of disposal groups	- 10	- 11
Closing balance cash and cash equivalents	**122**	**144**

Consolidated interim statement of changes in equity (unaudited)

	Share capital	Other reserves	Accumulated deficit	Equity
Balance at 1 January 2006	**654**	**50**	**- 107**	**597**
Net result	-	-	- 41	- 41
Currency translation differences	-	- 24	-	- 24
Total recognised income for the six months ended 30 June 2006	-	- 24	- 41	- 65
Employee stock options	1	-	-	1
2005 distribution to ordinary shareholders	- 9	-	-	- 9
	- 8	- 24	- 41	- 73
Balance at 30 June 2006	**646**	**26**	**- 148**	**524**
Balance at 1 July 2006	**646**	**26**	**- 148**	**524**
Net result	-	-	- 104	- 104
Currency translation differences	-	- 15	-	- 15
Total recognised income for the six months ended 31 December 2006	-	- 15	- 104	- 119
Employee stock options	2	-	-	2
Convertible bonds – tax rate adjustment	-	1	-	1
	2	- 14	- 104	- 116
Balance at 31 December 2006	**648**	**12**	**- 252**	**408**
Balance at 1 January 2007	**648**	**12**	**- 252**	**408**
Net result	-	-	- 108	- 108
Currency translation differences	-	- 3	-	- 3
Recognition currency translation differences for divestment	-	6	-	6
Total recognised income for the six months ended 30 June 2007	-	3	- 108	- 105
Employee stock options	1	-	-	1
2008 Convertible Bonds (net of 2 tax benefit)	-	- 4	-	- 4
2014 Convertible Bonds (net of 7 tax charge)	-	21	-	21
	1	20	- 108	- 87
Balance at 30 June 2007	**649**	**32**	**- 360**	**321**