



**Océ**  
Quarterly  
report 2007/4

# Results fourth quarter 2007



**Océ N.V.**

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**Printing for  
Professionals**

## Océ net income for 2007 up by 38%

### Provisional results fourth quarter and 2007 financial year<sup>1]</sup>

Salient figures <i>In million €</i>	Fourth quarter			Financial year		
	2007	2006 <sup>2]</sup>	Δ	2007	2006 <sup>2]</sup>	Δ
Total revenues	838.4	832.1	0.8%	3,098.2	3,110.3	-0.4%
EBITDA	108.3	97.4	11.2%	330.8	306.1	8.1%
Operating income [EBIT]	49.8	43.8	13.7%	121.2	102.2	18.5%
Net income	35.8	26.7	34.2%	78.9	57.1	38.1%
<i>In € per share</i>						
EBITDA	1.28	1.16	10.3%	3.92	3.65	7.6%
Net income attributable to holders of ordinary shares	0.41	0.30	37.7%	0.88	0.63	39.3%

1] The figures in this report are unaudited.

2] For 2006 reporting of the gross margin and operating expenses of Océ Imagistics was brought into line with the accounting standards used within the Océ Group [see press release dated January 15, 2007, page 11].

### Highlights:

- Fourth quarter revenues grow by 5.5% on organic basis and for total 2007 by 3.4%
- Operating income 2007 increases to € 121 million [2006: € 102 million]
- RoCE for 2007 increases to 7.3% [2006: 5.6%]
- Free cash flow 2007 was € 191 million [2006: € 119 million]
- Intensifying of the partnership with Konica Minolta
- Proposed increase in dividend to € 0.64 per ordinary share [2006: € 0.58]

### Comments by Rokus van Iperen, chairman of the Board of Executive Directors:

*'Océ developed well in 2007. Growth was achieved on all fronts and we strengthened our market positions. Wide Format Printing Systems again realized very good results. Digital Document Systems recorded good organic growth in revenues. Our actions are focused on further improving the operating income of DDS.'*

*'Today we announce partnerships with Konica Minolta and Fuji Xerox which will considerably strengthen our distribution power and product portfolio. New printing systems, such as the Océ ColorStream 10000 and the Océ JetStream 2200, represent a breakthrough in our industry. Next to this we have further improved our business processes. Thanks to these good developments implementation of the strategic plan is on track.'*

## Provisional results fourth quarter 2007

### Océ revenues: 5.5% organic growth

Revenues increased to € 838.4 million in the fourth quarter. On an organic basis the growth was 5.5% [including exchange rate effects +0.8%]. This is the third successive quarter of good growth in revenues.

The share of color increased to 23% of revenues [2006: 17%].

*Non-recurring revenues* grew organically by 14.2% [including exchange rate effects by 9.9%]. As a result there was an increase in the number of printing systems installed in the market.

*Recurring revenues* excluding fax increased on an organic basis by 2.2% [including fax 1.1%].

Including the decline in the fax business and exchange rate effects recurring revenues decreased by 3.9%.

Excluding one-off items, the *gross margin* amounted to 41.1% [2006: 41.3%]. In the fourth quarter of 2007 the gross margin was depressed by a one-off extra depreciation of € 15.3 million on production assets due to the relocation of manufacturing to Asia and the growing share of third-party products in revenues. On the other hand there was a one-off income item of € 15.0 million resulting from the sale of office buildings, of which € 4.3 million was included in the gross margin and € 10.7 million was used to reduce operating expenses.

Including these one-off items which worked out at € 11.0 million net, gross margin amounted to 39.8% of revenues [2006: 41.3%].

*Operating expenses* decreased by 2.1 percentage points to 33.9% of revenues, partly as a result of the said extra income item of € 10.7 million.

Excluding this income item, operating expenses decreased by 0.5 percentage point to 35.2% [2006: 35.7%].

The higher revenues and the lower operating expenses meant that *operating income* rose by 13.7% to € 49.8 million [2006: € 43.8 million]. On balance operating income was not materially

effected by the extra depreciation and by the sale of buildings. In the fourth quarter, however, the operating income was influenced by a lower level of capitalized R&D costs than in the fourth quarter of 2006 [Δ € 3.9 million].

In million €	Fourth quarter	
	2007	2006
Operating income	<b>49.8</b>	43.8
Release from pensions	–	–2.7
Reorganization costs	–	5.1
Extra depreciation	<b>15.3</b>	–
Sale of buildings	<b>–15.0</b>	–
Normalized operating income*	<b>50.1</b>	46.2
Capitalized R&D costs [net]	<b>9.6</b>	13.5
Costs of share-based compensation	<b>–1.7</b>	–

\* adjusted for one-off items

*Financial expenses [net]* amounted to € 11.5 million [2006: € 12.9 million].

*Taxation* amounted to € 2.5 million [2006: € 4.2 million].

On balance, *net income* rose by 34.2% to € 35.8 million [2006: € 26.7 million].

*Earnings per ordinary share for net income attributable to shareholders* increased to € 0.41 per share [2006: € 0.30].

### DDS revenues: 4.2% organic growth

Revenues in the Strategic Business Unit Digital Document Systems [DDS] amounted to € 593.0 million. On an organic basis the growth was 4.2%. As had been anticipated, the decline in the fax business continued [34% decrease compared to the fourth quarter of 2006]. DDS revenues excluding fax increased organically by 5.2%.

The share of color rose to 19% of revenues [2006: 15%].

*Non-recurring revenues* increased by 10.6% on an organic basis. DDS realized this increase mainly thanks to growth in the office environment, good sales of the Océ VarioPrint 6000 series and considerably higher revenues from the sale of color printers.

The increased sales of new printers have strengthened the basis for the growth in recurring revenues, especially in color.

In the fourth quarter *recurring revenues*, excluding the fax business, increased organically by 2.6% compared to the fourth quarter of 2006 [including fax by 1.0%]. The share of the Océ VarioPrint 6000 series and the color printers in recurring revenues increased strongly in percentage terms, though its absolute size was still limited in the fourth quarter. In the forthcoming quarters this share will grow further.

Océ Business Services [OBS] achieved an organic growth in revenues of 5.9%.

Excluding one-off items, *operating income* amounted to € 23.0 million [2006: € 23.2 million].

Including one-off items, operating income amounted to € 18.5 million [2006: € 20.1 million].

## WFPS revenues: 9.0% organic growth

*Revenues* in the Strategic Business Unit Wide Format Printing Systems [WFPS] increased to € 245.4 million. Organic growth in revenues amounted to 9.0%. The share of color increased to 33% of revenues [2006: 24%].

*Non-recurring revenues* rose by 22.8% on an organic basis thanks to excellent sales in the drawing office and display graphics markets.

*Recurring revenues* increased organically by 1.4%. The influence of the Océ Arizona 250 GT on recurring revenues was still limited in size in the fourth quarter. It will make an increased contribution in the next few quarters.

Excluding one-off items *operating income* amounted to € 27.1 million [2006: € 23.0 million].

## Provisional results 2007 financial year

In 2007 *total revenues* increased by 3.4% on an organic basis [including exchange rate effects -0.4%]. Excluding fax the increase amounted to 4.4%. *Non-recurring revenues* increased by 10.6% and *recurring revenues* by 0.4%. Excluding fax, the increase in recurring revenues amounted to 1.7%.

The *gross margin* was 40.8% [2006: 40.8%]. Excluding one-off items, the gross margin increased to 41.2% [2006: 40.8%].

*Operating expenses* as a percentage of revenues amounted to 36.9% [2006: 37.5%]. Excluding one-off items relative operating expenses decreased to 37.2% [2006: 37.5%].

Until the end of the financial year 2007 part of the Océ's Group logistics expenses were reported under operating expenses. As of December 1, 2007 this part of the logistics expenses will be reported under gross margin [see table on page 11].

*Operating income* increased by 18.5% to € 121.2 million [2006: € 102.2 million]. Operating income of DDS increased by 30.5% to € 25.2 million [2006: € 19.2 million]. Operating income of WFPS increased by 15.7% to € 96.0 million [2006: € 83.0 million].

*Net income* climbed by 38.1% to € 78.9 million [2006: € 57.1 million].

*Earnings per ordinary share for net income attributable to shareholders* increased by 39.3% to € 0.88 [2006: € 0.63].

## Balance sheet and cash flow

The balance sheet total at the end of the 2007 financial year decreased to € 2,491 million [2006: € 2,606 million]. This was chiefly due to a reduction in working capital and exchange rate effects. Net Capital Employed amounted to

€ 1,145 million at the end of 2007 [2006: € 1,340 million].

Free cash flow in the fourth quarter was € 208 million. This excellent cash flow level mainly resulted from the increase in net income, a reduction in working capital and one-off proceeds of € 39 million from the sale of office buildings. For the year as a whole free cash flow increased to € 191 million [2006: € 119 million].

## Strategy

Implementation of our strategic actions is on track. In 2008 Océ will again be taking further major steps in the three core areas of the strategy: distribution power, competitive products and optimization of business processes.

### *Digital Document Systems*

DDS will strengthen its distribution through further growth in Océ Imagistics and the faster roll-out of its office activities in Europe. DDS will also strengthen its direct sales organization and will, in several important geographical markets, make a start in 2008 on the distribution of the unique Océ VarioPrint 6000 series via Konica Minolta.

The competitive strength of the DDS product portfolio continues to be based on a balanced mix of the company's own products and OEM products.

In 2007 DDS expanded its product range by adding a number of new, high-speed color and black-and-white printing systems. Océ is further strengthening its product range by expanding the OEM partnership with Konica Minolta, as a result of which Océ will start to sell the full Konica Minolta range world-wide. In addition Océ and Konica Minolta will cooperate on product development for high volume cutsheet printers. Thanks to our competitive product portfolio we are strengthening our market position and continuing to drive our growth in the office market and the graphic arts sector.

### *Océ Business Services*

With revenues of € 424 million in 2007, Océ Business Services [OBS] is a major player in the market for document outsourcing and forms an integral part of Océ's strategy. Against this background Océ has converted OBS into a separate Strategic Business Unit with effect from the 2008 financial year so that it can serve this market with even greater focus and energy. OBS will continue to concentrate on the shift toward high value document-related services. This will amongst others be done by, developing together with partners, new document related services concepts at the announced Document Services Valley.

### *Wide Format Printing Systems*

WFPS will enhance its distribution power by strengthening the direct sales organization and by starting to distribute the successful Océ TCS color systems via Fuji Xerox in Asia with effect from 2008. Continuation of the strong growth in display graphics will also be realized via the successful Fujifilm Sericol partnership.

In 2008 WFPS will expand its portfolio by adding printing systems that are based on the company's new own innovative color technology. The portfolio will also be further strengthened by new in-house products, based on existing technologies, and by products sourced from third parties.

### *Improvement of business processes*

Océ is improving its business processes via a number of centrally coordinated projects. In 2007 cost savings of € 38 million were achieved compared to 2006. These projects will also be continued in 2008 and are aimed at realizing a cost saving of € 50 million compared to 2007. The mentioned cost savings are exclusive volume changes and inflation.

## *Financial objectives*

The company's financial objectives are: an average organic growth in revenues of at least 5% per year, maintaining the relative gross margin, a Return on Capital Employed [RoCE] of at least 13% in 2010 and healthy balance sheet ratios.

In 2007 the growth in revenues, excluding fax, amounted to 4.4%. The growth during the first half year amounted to 2.5% and in the second half year to 6.2%. The relative gross margin remained stable, whilst the RoCE increased to 7.3% [2006: 5.6%]. Lastly, the net debt/EBITDA ratio improved to 1.4 [2006: 2.1] at the end of 2007. This means that we are on track to realize our financial objectives.

## **Proposed dividend for 2007: € 0.64 per ordinary share [2006: € 0.58]**

Océ proposes to shareholders that the dividend be increased to € 0.64 per ordinary share. This increase is in line with the dividend policy that was approved by shareholders at the Annual General Meeting in April 2006 and reflects our confidence in the realization of the strategic plan. If this proposal is accepted, the final dividend per ordinary share for 2007 will amount to € 0.49 in cash. The interim dividend for 2007 amounted to € 0.15 per ordinary share.

## **April 23, 2008: General Meeting of Shareholders**

The Annual General Meeting of Shareholders will be held on April 23, 2008 in Venlo. The agenda for the meeting will be published on March 26, 2008. The annual report will be available on-line on February 1, 2008 on our website [www.investor.oce.com](http://www.investor.oce.com)

## **Outlook**

Implementation of the strategic plan and realization of the financial objectives are on track. We are strengthening our distribution power, also thanks to the partnerships that we have announced with Konica Minolta and Fuji Xerox. In addition we will add new competitive own products and printers sourced from partners to our portfolio. These factors, in combination with tight cost control, are

strengthening Océ's market position. We feel it is too early to issue a prediction for 2008.

Board of Executive Directors Océ N.V.  
January 14, 2008

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## **Keys to terminology:**

*Non-recurring revenues:* revenues from the sale of machines, software and professional services.  
*Recurring revenues:* revenues from maintenance, ink, toner, media, rental, interest and business services.  
*Organic growth:* the development of the results after adjustment for acquisitions and exchange rate effects.

*Cutsheet printing:* printing on separate sheets of paper.

*Continuous feed printing:* printing on rolls of paper or on pinfeed forms.

*OEM Original Equipment Manufacturer:* refers to the producer of a machine that is used in the sales process of another producer or distributor.

*Wide Format printing:* printing on formats bigger than A3.

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## Consolidated Income Statement

Period December 1 to November 30 <i>In million €</i>	Fourth quarter		Financial year	
	2007	2006 <sup>1]</sup>	2007	2006 <sup>1]</sup>
<b>Total revenues</b>	<b>838.4</b>	<b>832.1</b>	<b>3,098.2</b>	<b>3,110.3</b>
Cost of sales	-504.5	-488.8	-1,833.4	-1,841.1
<b>Gross margin</b>	<b>333.9</b>	<b>343.3</b>	<b>1,264.8</b>	<b>1,269.2</b>
Selling and marketing expenses	-173.9	-189.7	-715.4	-738.9
Research and development expenses	-54.4	-53.8	-230.1	-225.0
General and administrative expenses	-55.8	-56.0	-198.1	-203.1
Operating expenses	-284.1	-299.5	-1,143.6	-1,167.0
<b>Operating income</b>	<b>49.8</b>	<b>43.8</b>	<b>121.2</b>	<b>102.2</b>
Financial income	2.6	0.1	17.3	10.6
Financial expenses	-14.1	-13.0	-57.6	-56.6
Share in income of associates	-	-	0.4	0.5
<b>Income before income taxes</b>	<b>38.3</b>	<b>30.9</b>	<b>81.3</b>	<b>56.7</b>
Income taxes	-2.5	-4.2	-2.4	0.4
<b>Net income</b>	<b>35.8</b>	<b>26.7</b>	<b>78.9</b>	<b>57.1</b>
<b>Net income attributable to</b>				
Shareholders	35.3	25.7	77.1	55.0
Minority interest	0.5	1.0	1.8	2.1
<b>Free cash flow</b>	<b>35.8</b>	<b>26.7</b>	<b>78.9</b>	<b>57.1</b>
Average number of ordinary shares outstanding [x 1,000]	84,710	83,974	84,315	83,899
<b>Earnings per ordinary share for net income attributable to shareholders in €</b>				
Basic	0.41	0.30	0.88	0.63

<sup>1]</sup> Based on the accounting principles used in the annual report for 2006 and described in the press release of January 15, 2007 [page 11].

## Consolidated Balance Sheet November 30

In million €

	2007	2006
<b>Non-current assets</b>		
Intangible assets	512	549
Property, plant and equipment	374	428
Rental equipment	108	112
Investments in associates	2	2
Deferred income tax assets	87	84
Available-for-sale financial assets	9	9
Derivative financial instruments	5	7
Trade and other receivables	184	208
	<b>1,281</b>	<b>1,399</b>
<b>Current assets</b>		
Inventories	328	341
Derivative financial instruments	12	10
Trade and other receivables	684	729
Current income tax receivables	8	33
Cash and cash equivalents	167	85
	<b>1,199</b>	<b>1,198</b>
Non-current assets held for sale	11	9
<b>Total</b>	<b>2,491</b>	<b>2,606</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	54	54
Share premium	512	511
Other reserves	-176	-164
Retained earnings	210	228
Net income attributable to shareholders	77	55
Equity attributable to shareholders	677	684
Minority interest	36	37
	<b>713</b>	<b>721</b>
<b>Non-current liabilities</b>		
Borrowings	536	533
Derivative financial instruments	15	5
Retirement benefit obligations	414	421
Trade and other liabilities	12	15
Deferred income tax liabilities	15	51
Provisions for other liabilities and charges	49	54
	<b>1,041</b>	<b>1,079</b>
<b>Current liabilities</b>		
Borrowings	64	180
Derivative financial instruments	1	4
Current income tax liabilities	24	2
Trade and other liabilities	632	591
Provisions for other liabilities and charges	16	29
	<b>737</b>	<b>806</b>
<b>Total</b>	<b>2,491</b>	<b>2,606</b>

## Consolidated Statement of Changes in Equity

In million €

	Financial year 2007	Financial year 2006
<b>Balance at December 1, 2006 / 2005</b>	<b>684</b>	<b>648</b>
Net income	77	55
Dividend	-52	-51
Share-based compensation	13	6
Purchase of treasury shares	-	-
Reclassification of financing preference shares	-	59
Cash flow hedges	-3	10
Currency translation differences	-42	-43
<b>Amount at November 30, 2007 / 2006</b>	<b>677</b>	<b>684</b>

## Organic growth in revenues

As percentage

	Fourth quarter 2007		Financial year 2007	
	excluding fax	including fax	excluding fax	including fax
<b>Non-recurring revenues</b>				
Digital Document Systems	10.6	10.6	8.0	8.0
Wide Format Printing Systems	22.8	22.8	16.2	16.2
<b>Total</b>	<b>14.2</b>	<b>14.2</b>	<b>10.6</b>	<b>10.6</b>
<b>Recurring revenues</b>				
Digital Document Systems	2.6	1.0	2.0	0.2
Wide Format Printing Systems	1.4	1.4	0.8	0.8
<b>Total</b>	<b>2.2</b>	<b>1.1</b>	<b>1.7</b>	<b>0.4</b>
<b>Revenues growth</b>				
Digital Document Systems	5.2	4.2	3.8	2.4
Wide Format Printing Systems	9.0	9.0	5.9	5.9
<b>Total</b>	<b>6.3</b>	<b>5.5</b>	<b>4.4</b>	<b>3.4</b>

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## Consolidated Cash Flow Statement

Period December 1 to November 30  
In million €

	Financial year 2007	Financial year 2006
<b>Income before income taxes</b>	<b>81</b>	<b>57</b>
<i>Adjustments for:</i>		
Depreciation and amortization	199	204
Impairment	10	-
Share-based compensation	3	2
Share in income of associates	-	-1
Other	1	-
<i>Changes in provisions, rental equipment and working capital:</i>		
Retirement benefit obligations	-4	-9
Provision for other liabilities and charges	-19	-22
Other provisions [for inventories, finance lease and trade receivables]	31	28
Rental equipment	-71	-67
Inventories	-18	-9
Finance lease receivables	11	-13
Trade and other receivables [excluding finance lease receivables]	-4	-9
Trade and other liabilities	56	32
Income taxes	8	45
<b>Cash flow from operating activities</b>	<b>284</b>	<b>238</b>
Expenditure in intangible assets	-49	-64
Expenditure in property, plant and equipment	-87	-83
Divestment of intangible assets	-	-
Divestment of property, plant and equipment	33	8
Change in other non-current assets	-4	1
Change in investments in associates	-	-
Sale finance lease portfolio	16	38
Sale/acquisitions [net of cash]	-2	-19
<b>Cash flow from investing activities</b>	<b>-93</b>	<b>-119</b>
<b>Free cash flow</b>	<b>191</b>	<b>119</b>
Proceeds from borrowings	14	548
Repayments of borrowings	-75	-683
Dividend	-51	-51
Change in equity related to shares	11	4
Change in minority interest	-3	-3
<b>Cash flow from financing activities</b>	<b>-104</b>	<b>-185</b>
Translation differences	-5	8
<b>Changes in cash and cash equivalents</b>	<b>82</b>	<b>-58</b>

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Until the end of the financial year 2007 part of the Océ's Group logistics expenses were reported as selling and marketing expenses under operating expenses. This relates to 'final mile' or to the delivery process from distribution center to customer. As of December 1, 2007 this part of the logistics expenses will be reported under gross margin. Due to the direct relation between these expenses and revenues development a better understanding evolves of the operational management. An overview of the quarterly effects is given below. Revenues and operating income remain unchanged; the gross margin and operating expenses change by equal amounts that compensate each other. The press releases as from the first quarter 2008, will be based on this new Océ reporting. You will find the figures used in 2007 under the heading 'quarter press release' and the figures that will be used in 2008 as comparison for the 2007 figures under the heading 'quarter restated'.

### *Reconciliation gross margin and operating expenses after re-allocation of logistics expenses.*

	1st quarter press release	1st quarter restated	2nd quarter press release	2nd quarter restated	3rd quarter press release	3rd quarter restated	4th quarter press release	4th quarter restated
<b>Total revenues</b>	<b>729.2</b>	<b>729.2</b>	<b>777.1</b>	<b>777.1</b>	<b>753.5</b>	<b>753.5</b>	<b>838.4</b>	<b>838.4</b>
Cost of sales	-425.6	-441.9	-456.1	-472.8	-447.2	-464.9	-504.5	-521.2
<b>Gross margin</b>	<b>303.6</b>	<b>287.3</b>	<b>321.0</b>	<b>304.3</b>	<b>306.3</b>	<b>288.6</b>	<b>333.9</b>	<b>317.2</b>
	<i>41.6</i>	<i>39.4</i>	<i>41.3</i>	<i>39.2</i>	<i>40.6</i>	<i>38.2</i>	<i>39.8</i>	<i>37.8</i>
Selling and marketing expenses	-178.4	-162.1	-185.8	-169.1	-177.3	-159.6	-173.9	-157.2
Research and Development expenses	-55.9	-55.9	-58.4	-58.4	-61.4	-61.4	-54.4	-54.4
General and administrative expenses	-48.0	-48.0	-47.9	-47.9	-46.4	-46.4	-55.8	-55.8
<b>Operating expenses</b>	<b>-282.3</b>	<b>-266.0</b>	<b>-292.1</b>	<b>-275.4</b>	<b>-285.1</b>	<b>-267.4</b>	<b>-284.1</b>	<b>-267.4</b>
	<i>38.7</i>	<i>36.5</i>	<i>37.6</i>	<i>35.5</i>	<i>37.8</i>	<i>35.4</i>	<i>33.9</i>	<i>31.9</i>
<b>Operating income</b>	<b>21.3</b>	<b>21.3</b>	<b>28.9</b>	<b>28.9</b>	<b>21.2</b>	<b>21.2</b>	<b>49.8</b>	<b>49.8</b>
	<i>2.9</i>	<i>2.9</i>	<i>3.7</i>	<i>3.7</i>	<i>2.8</i>	<i>2.8</i>	<i>5.9</i>	<i>5.9</i>

**Océ: innovative by nature** Océ is one of the world's leading suppliers of professional printing and document management systems. A business that is innovative by nature, both commercially and technologically.

Océ develops and manufactures systems for the production, distribution and management of documents, in color and black and white, in small format and in wide format for offices, educational institutions, industry and the graphics market. Its products offerings comprise printers, scanners, peripheral equipment and printing media but also document management software and innovative products in the areas of system integration, outsourcing of document management activities and leasing of printing systems. Océ's core product range, developed and manufactured by the company itself, is focused on small format and wide format and, as far as small format is concerned, on the [highly] productive segments. To supplement this, Océ offers its customers selected machines made by Original Equipment Manufacturers [OEMs], mostly as part of total solutions.

Océ's reputation is founded on productivity and reliability, ease of use and a favorable 'total cost of ownership'.

Océ is commercially active in over 90 countries and has its own sales and services organization in more than 30 of these countries. It also operates research and manufacturing facilities in Europe, the United States and Canada. In 2007 Océ, which has almost 24,000 employees, achieved revenues of € 3.1 billion and a net income of € 78.9 million.

**Business model** Océ is one of the few suppliers that is active in the entire chain of printing systems; from development via manufacturing, sales and financing to service. Because of constant feedback within the chain Océ is able at all times to anticipate and respond alertly to changing market requirements and new market opportunities.

Until end 2007, Océ's policy in the various sub-markets is steered by two Strategic Business Units,

Digital Document Systems [DDS] for small format and Wide Format Printing Systems [WFPS] for wide format in close cooperation with Research & Development on the one hand, and Marketing & Sales on the other. Digital Document Systems serves the market via the business groups Corporate Printing Systems, Commercial Printing Systems and Océ Business Services. Wide Format Printing Systems serves the market via the business groups Technical Document Systems, Display Graphics Systems and Imaging Supplies. A separate activity, Software & Professional Services, focuses on the development and implementation of software in printing systems and therefore supports all business groups. In a number of countries in which Océ itself is not represented the business makes part of the product range available via specialized distributors. Through its own Research & Development Océ develops its basic technologies and majority of its products concepts. The direct feedback of customer experiences serves here as an important source of solutions for concrete, current and future needs. Océ also broadens and strengthens its innovative capacity through alliances with strategic partners and cooperation with co-developers and with OEMs for printing systems in the high, medium and low volume segment markets.

The publicly listed holding company of the Group is Océ N.V. The issued share capital amounts to about € 53.7 million divided into € 43.7 million ordinary shares, € 10 million financing preference shares and € 1,500.- priority shares. The ordinary and financing preference shares have a nominal value of € 0.50. Ordinary shares in Océ are listed on the stock exchanges in Amsterdam [NYSE Euronext], Düsseldorf, Frankfurt/Main and on the electronic stock exchange [EBS] in Switzerland. Options to Océ shares are traded on the Euronext Options Exchange.

## Forward-looking statements

This report contains information as meant in article 5:59 jo. 5:53 of the Dutch "Law on financial supervision" [Wet op het financieel toezicht].

Forward-looking statements, which can form a part of this report refer to future events and may be expressed in a variety of ways, such as 'expects', 'projects', 'anticipates', 'intends' or other similar words.

Océ N.V. ["Océ"] has based these forward-looking statements on its current expectations and projections about future events. Océ's expectations and projections may change and Océ's actual results, performance or achievements could be significantly different from the results expressed in or implied by these forward-looking statements based on various important factors, risks and uncertainties which are neither manageable nor foreseeable by Océ and some of which are beyond Océ's control.

When considering these forward-looking statements, one should keep in mind these risks, uncertainties and other cautionary statements made in this report or in Océ's other annual or periodic filings.

For a more detailed discussion of these not limited factors, risks and uncertainties that may affect Océ's actual results, performance or achievements, reference is made to the annual report and any other publications made by Océ.

Given these uncertainties no certainty can be given about Océ's future results or financial position. We advise you to be careful with Océ's forward-looking statements, which speak only as of the date on which the statements are made. Océ is under no obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

**Océ enables its customers to manage their documents efficiently and effectively by offering innovative print and document management products and services for professional environments.**