Océ Interim Financial Report

for the six months ended May 31, 2009

Contents

This report comprises regulated information within the meaning of articles 1:1 and 5:25d of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

The Interim Financial Report as well as other publications such as press releases, presentations, speeches and other items relating to the Interim Financial Report can be accessed via the corporate website (http://www.oce.com).

Profile

Océ: innovative by nature
Océ develops and supplies digital printing systems, software and services for the production, reproduction, distribution and management of documents, in color and black & white, in small format and in wide format, for professional users in offices, educational institutions, industry, construction, architectural firms, advertising and the graphic arts market. Océ is the only European producer of printing systems and a leading supplier of these systems worldwide. The product offerings comprise printers, copiers, scanners, software, services, imaging supplies, services for system integration and outsourcing of document management activities and leasing of printing systems. The broad and very complete product portfolio consists of products developed by the company itself for wide format and for the (very) high volume segments of small format, supplemented by selected machines from Original Equipment Manufacturers (OEMs). Océ supplies its equipment as part of total solutions, ranging from the provision of initial advice through to the maintenance of the systems. Océ's reputation is founded on productivity and reliability, ease of use and a favorable 'total cost of ownership'. Océ is commercially active in around 100 countries; in more than 30 of these it has its own sales and service organization. In Europe, the United States, Canada and Singapore Océ has research and manufacturing facilities. In 2008 Océ, which had over 23,000 employees, achieved revenues of € 2.9 billion.

Business model Océ is active in the entire value chain of printing systems: from development via manufacturing, sales, services and maintenance to the provision of business services and financing. The commercial organization is coordinated by three Strategic Business Units: Digital Document Systems (small format), Wide Format Printing Systems (wide format) and Océ Business Services. In a number of countries and market segments in which Océ itself does not have a sufficiently large market presence, part of the product range is made available via specialized distributors. Through its own Research & Development (R&D), Océ itself develops its basic technologies and the majority of its product concepts. The direct feedback of customer experiences serves as an important source of inspiration for new products. In the Océ business model cooperation with partners plays a major role in all sorts of fields. These partnerships cover such areas as R&D, manufacturing, sales (OEM), distribution and financing. Sustainability is a constantly present factor in the conduct of the Océ business.

First half of the financial year The company's first half of the financial year runs from December 1 to May 31.

Articles of Association The present Articles of Association were confirmed by a notarial deed dated August 22, 2008. Océ N.V. is an international holding company within the meaning of Article 2:153, para. 3b of the Dutch Civil Code.

Foundation, registered office and commercial registry
The company was founded in 1877. Its present legal form dates from 1953. The registered office is in Venlo, the Netherlands and the company is registered in the commercial registry of the Chamber of Commerce in Limburg under No. 12002283.

Head office The head office is located in Venlo at St. Urbanusweg 43, P.O. Box 101, 5900 MA Venlo, the Netherlands, telephone (+31) 77 3592222, fax (+31) 77 3544700, e-mail info@oce.com, website http://www.oce.com.

Board of Supervisory Directors
P.A.F.W. Elverding, *chairman*
F.J. de Wit, *vice-chairman* (until April 23, 2009)
G.J.A. van de Aast
M. Arentsen
A. Baan
R.W.A. De Becker (as from June 23, 2009)
D.M. Wendt

Board of Executive Directors
R.L. van Iperen, *chairman*
H.A. Kerkhoven
J.F. Dix (until April 23, 2009)
A.H. Schaaf

Company Secretary
F.W.T. Kool

Key figures for the six months ended May 31

	2009	2008	x € million
Total revenues	**1,333.7**	1,406.9	
Change on first half of previous year (%)	**- 5.2**	- 6.6	
Change (organically) (%)	**- 8.1**	- 0.6	
Non-recurring (organically) (%)	**- 15.2**	- 0.2	
Recurring (organically) (%)	**- 5.3**	- 0.7	
Gross margin	**496.5**	549.8	
As % of total revenues	**37.2**	39.1	
Operating income (EBIT)	**17.1**	41.3	
Change on first half of previous year (%)	**- 58.6**	- 17.7	
As % of total revenues	**1.3**	2.9	
Net income	**1.0**	26.8	
Net income attributable to shareholders	**0.1**	25.9	
Change on first half of previous year (%)	**- 99.6**	- 12.6	
As % of total revenues	**0.0**	1.8	
Balance sheet total	**2,465.3**	2,414.3	
Equity attributable to shareholders	**620.0**	641.2	
Equity	**654.0**	675.4	
Equity as % of balance sheet total (solvency ratio)	**26.5**	28.0	
Net Capital Employed	**1,217.9**	1,243.6	
Return on Capital Employed (RoCE)	**1.4**	7.0	
Free cash flow (cash flow before financing activities)	**- 47.6**	- 106.2	
Financial covenants ratios			
Net debt/EBITDA	**2.42***	1.89	
EBITDA/interest (net)	**5.73***	8.13	
Number of employees (in full-time equivalents)	**22,514**	23,341	employees
Number of € 0,50 ordinary shares			
Average number outstanding	**84,844,037**	84,758,290	shares
Per € 0,50 ordinary share			
Net income attributable to shareholders (basic)	**- 0.01**	0.29	euro
Net income attributable to shareholders (diluted)	**- 0.01**	0.29	euro
Equity attributable to shareholders	**6.64**	6.89	euro

* In accordance with the financial covenants, EBITDA and interest (net) are calculated on a last twelve months basis. The financial covenants ratios for 2008 are calculated based on the definitions as per March 2006; the financial covenants ratios for 2009 are calculated based on the amended definitions as per May 2009. Reference is made to page 7.

Interim Directors’ Report

Océ Group results first half year 2009

Income statement
In the first half of 2009 total revenues amounted to € 1,333.7 million (May 31, 2008: € 1,406.9 million), a decrease of 5.2% compared to the first half of 2008. Excluding exchange rates effects, the decrease was 8.1%. The sale of printing systems (non-recurring revenues) decreased organically by 15.2%. Revenues from service, inks, toners, media, rental, interest and business services (recurring revenues) decreased organically by 5.3%.

Gross margin The relative gross margin was 37.2% (May 31, 2008: 39.1%). The decrease was mainly the result of negative hedge results, mix effects due to growth of OBS and lower equipment sales and print volumes resulting in underutilization of the supply centers in Venlo and Poing.

Operating expenses Operating expenses as a percentage of total revenues amounted to 35.9% (May 31, 2008: 36.2%).

Operating income The operating income amounted to € 17.1 million (May 31, 2008: € 41.3 million). Operating income as a percentage of total revenues amounted to 1.3% (May 31, 2008: 2.9%).

Finance expenses Finance expenses (net) amounted to € 19.3 million (May 31, 2008: € 17.8 million).

Taxation In the first half of 2009 taxation contributed € 1.2 million to net income (May 31, 2008: € 3.1 million).

Net income Net income for the six months ended May 31, 2009 amounted to € 1.0 million (May 31, 2008: € 26.8 million). Net income per ordinary share attributable to holders of these shares amounted to - € 0.01 (May 31, 2008: € 0.29).

Quarterly revenues

x € million	**2009**			2008		
	recurring	non-recurring	total	recurring	non-recurring	total
First quarter	**489**	**169**	**658**	503	199	702
Second quarter	**491**	**185**	**676**	495	210	705
First half year	**980**	**354**	**1,334**	998	409	1,407

Operational Excellence One of the three pillars in Océ's strategy is a continuous improvement of business processes under the Operational Excellence program. The execution of our restructuring effort went according to plan. In the first half of 2009 headcount was reduced by 662 FTEs. The headcount reduction impacts all operating companies and supply centers worldwide. The total cost reductions achieved in 2009 amounted to € 72 million exclusive of volume effects, inflation and restructuring costs. The total related restructuring costs are expected to amount to € 45 million in 2009. Cost saving actions implemented are worldwide salary freezes and cuts, hire freezes, stringent control on out of pocket expenses, delayed investments in IT as well as in property, plant and equipment, temporary shut-down of some manufacturing lines and continued short time working.

Normalization items The following items of unusual nature, size or incidence occurred during the six months ended May 31:

x € million	**2009**	2008
Operating income	**17.1**	41.3
Result on divestments	**- 1.7**	- 20.7
Restructuring costs	**8.4**	17.1
Benefits DR program	**- 4.4**	-
Capitalized development expenditure	**- 11.9**	-
Normalized operating income	**7.5**	37.7

Result on divestments In the first half of 2009 Océ realized a one-off gain of € 1.7 million related to the divestment of the coating and converting activities of Arkwright, Inc. In the first half of 2008 Océ realized a one-off gain of € 20.7 million related to the divestment of Océ Document Technologies G.m.b.H. These one-off gains are included in 'Other income (net)' in the Consolidated Income Statement. Reference is made to note (10) to the Consolidated Interim Financial Statements.

Restructuring costs As part of the Operational Excellence program Océ incurred € 8.4 million in restructuring costs in the first half of 2009 (May 31, 2008: € 17.1 million). These costs are included in 'Cost of sales' and 'Operating expenses' in the Consolidated Income Statement. Reference is made to note (21) to the Consolidated Interim Financial Statements.

Benefits DR program Another element in the Operational Excellence program is the improvement of the logistical processes amongst others via 'Direct Replenishment' (DR) of spare parts. This enables Océ to centralize inventories related to spare parts. The centralized inventories require a lower provision for obsolescence and as a result part of the provision for impairment of spare parts was released, resulting in a one-off gain of € 4.4 million. This release is included in 'Cost of sales' in the Consolidated Income Statement. Reference is made to note (16) to the Consolidated Interim Financial Statements.

Capitalized development expenditure Océ allocates significant resources in R&D to further improve the competitiveness of its product portfolio. As of 2009, the start of capitalization of development expenditure is matched with the start of investments in product industrialization, which is earlier in the development process than before. This resulted in € 11.9 million higher capitalization of development expenditure in the first half of 2009 compared to the first half of 2008. Reference is made to note (9) to the Consolidated Interim Financial Statements

Balance sheet

The balance sheet total decreased to € 2,465 million as at May 31, 2009 (November 30, 2008: € 2,549 million). Corrected for exchange rate differences, the balance sheet total decreased by € 3 million compared to November 30, 2008. Net Capital Employed decreased from € 1,243 million as at November 30, 2008 to € 1,218 million as at May 31, 2009.

Equity Equity amounted to € 654 million as at May 31, 2009 (November 30, 2008: € 681 million). Changes in equity resulted from net income for the six months ended May 31, 2009 (+ € 1 million), dividends (- € 3 million), change in currency translation differences (- € 33 million), change in the hedge reserve (+ € 7 million) and share-based compensation (+ € 1 million). Equity as a percentage of the balance sheet total amounted to 26.5% as at May 31, 2009 (November 30, 2008: 26.7%).

Borrowings As at May 31, 2009 the borrowings amounted to € 754 million (November 30, 2008: € 611 million) of which € 701 million (92.9%) regards non-current borrowings. Borrowings increased with € 143 million compared to November 30, 2008. On the other side cash and cash equivalents increased with € 124 million compared to November 30, 2008.
As at May 31, 2009 € 186 million in the form of unused committed credit lines, maturing within two years, was available to the Group.

Financial covenants In order to accelerate the cost reduction program and to act prudently in view of the deterioration of market sectors, financial covenants have been amended in the first half of 2009.
The amendment reflected changes in the definition of EBITDA as well as the required covenant hurdle rates. Under the previous financial covenants, the net debt/EBITDA ratio[1] amounted to 2.8 (financial covenants maximum of 3.0) and EBITDA/interest (net) ratio amounted to 4.9 (financial covenants minimum 4.0). Under the amended financial covenants, the net debt/EBITDA amounted to 2.4 (financial covenants maximum of 3.25) and EBITDA/interest (net) ratio amounted to 5.7 (financial covenants minimum of 3.5).

[1] In the financial covenants net debt is defined as borrowings less cash and cash equivalents, plus derivative financial instruments, plus corrections and amounted to € 584 million as at May 31, 2009. EBITDA is defined as EBITDA less corrections and amounted to € 207 million under the previous financial covenants and € 241 million under the amended financial covenants as at May 31, 2009. Interest (net) is defined as finance expenses plus interest income, plus corrections and amounted € 42 million as at May 31, 2009. EBITDA and interest (net) are calculated on a last twelve months basis.

Océ stayed within all (previous and amended) financial covenants during the first half of 2009.
The fees relating to the amendment of the financial covenants amounted to € 11.3 million and have been included in the carrying amount of the borrowings. These fees will be amortized over the average remaining term of the related borrowings.

Amended net debt/EBITDA ratio maximum:	
Q2 2009	≤ 3.25
Q3 2009 - Q1 2010	≤ 3.50
Q2 2010	≤ 3.25
Thereafter	≤ 3.00

Amended EBITDA/interest (net) ratio minimum:	
Q2 2009 - Q3 2010	≥ 3.50
Thereafter	≥ 4.00

Cash flow

The cash flow before financing activities (free cash flow) amounted to - € 48 million (May 31, 2008: - € 106 million), an increase of € 58 million compared to the first half of 2008. The cash flow from operating activities amounted to € 5 million, an increase of € 55 million compared to the first half of 2008 (- € 50 million). This increase was largely due to improvements in working capital. The cash flow from investing activities amounted to - € 53 million (May 31, 2008: - € 56 million).

The cash flow from financing activities amounted to € 177 million (May 31, 2008: € 49 million). The cash dividend distributed to holders of ordinary shares was nil (May 31, 2008: € 41.6 million). The cash dividend paid to holders of financing preference shares relating to the financial year 2008 amounted to € 2.0 million (May 31, 2008: € 2.6 million). Reference is made to note (22) to the Consolidated Interim Financial Statements.
Under the amended financial covenants, for 2009 and 2010, a dividend payment to holders of ordinary shares is possible if the net debt/EBITDA ratio is below 2.5 for two subsequent quarters.

SBUs results first half year 2009

Digital Document Systems (DDS)

Revenues in DDS decreased by 4.5% to € 747.6 million (May 31, 2008: € 782.7 million). On an organic basis revenues decreased by 8.0%. The share of color in revenues increased to 24% (May 31, 2008: 20%). Non-recurring revenues amounted to € 233.5 million (May 31, 2008: € 260.5 million), an organic decrease of 12.8%. As a result of the decline in multiple market sectors equipment sales in Office, Printroom as well as black & white continuous feed systems decreased strongly. DDS improved its position in TransPromo and Graphic Arts through the Océ JetStream and Océ ColorStream continuous feed color printers despite the increased financing difficulties for customers. Recurring revenues amounted to € 514.1 million (May 31, 2008: € 522.2 million), an organic decrease of 5.7%. The market deterioration resulted in lower print volumes and subsequently lower revenues in Office and black & white continuous feed. DDS grew its revenues in production cutsheet and continuous feed color.

Wide Format Printing Systems (WFPS)

Revenues in WFPS amounted to € 353.8 million (May 31, 2008: € 414.9 million), an organic decrease of 16.1%. The share of color in revenues increased to 43%. (May 31, 2008: 32%).

Non-recurring revenues amounted to € 120.7 million (May 31, 2008: € 148.0 million). Organically, non-recurring revenues decreased by 19.3%, due to significantly lower equipment sales in Technical Document Systems especially in the United States. Display Graphics grew its equipment sales despite the increased financing difficulties for customers. Recurring revenues amounted to € 233.1 million (May 31, 2008: € 266.9 million), an organic decrease of 14.3%. The main driver was the decline of Imaging Supplies revenues, which declined strongly due to the divestment of Arkwright, inventory reductions by customers and lower print volumes.

Océ Business Services (OBS)

Revenues in OBS amounted to € 232.3 million (May 31, 2008: € 209.3 million), an organic increase of 7.2%. OBS showed consistent revenues growth as the trend to outsource document management activities continues. Revenue growth in Europe was strong, despite the economic slowdown. New installs are expected to generate more revenue growth in the United States in the second half of 2009.

Changes (organically) in quarterly revenues compared to the same period of the previous year

as %		first quarter 2009	second quarter 2009	**first half year 2009**
Digital Document Systems	recurring	- 5.7	- 5.6	**- 5.7**
	non-recurring	- 14.9	- 10.9	**- 12.8**
	total	- 8.6	- 7.4	**- 8.0**
Wide Format Printing Systems	recurring	- 13.4	- 15.1	**- 14.3**
	non-recurring	- 17.6	- 20.9	**- 19.3**
	total	- 14.9	- 17.2	**- 16.1**
Océ Business Services	recurring	6.4	8.0	**7.2**
	non-recurring	-	-	**-**
	total	6.4	8.0	**7.2**
total	recurring	- 5.2	- 5.3	**- 5.3**
	non-recurring	- 15.9	- 14.5	**- 15.2**
	total	- 8.2	- 8.1	**- 8.1**

Actions

First, in order to mitigate the market deterioration Océ has accelerated its cost cutting measures by increasing the targeted FTE reduction by 1,100 of which 800 FTEs were announced on May 13, 2009 and 300 FTEs were announced on July 2, 2009. The total anticipated reduction for 2008-2010 currently amounts to 2,350 FTEs, of which some 1,500 FTEs have been realized. Following the acceleration of the FTE reduction the total target for cost reduction for full year 2009 was increased by € 44 million from € 80 million to € 124 million. The total cost reduction achieved year to date amounts to € 72 million. Océ also realized year to date € 112 million balance sheet reductions (target full year 2009: € 100 million). Excluding the effects of the lower business activity levels, these reductions amounted to € 46 million.
Second, Océ remains focused on further reinforcing its competitive position by strengthening its distribution power and enhancing the competitiveness of its product portfolio. In parallel, Océ continues to explore all realistic options to improve economy of scale without excluding strategic alternatives, if beneficial for Océ and all stakeholders.

Risk profile

Pages 84 and 85 of the Annual Report 2008 contain a summary of the risk assessment that was carried out in 2008 by Océ. The assessment concerns the identification of the principal risks, which are subdivided into five groups. The following three groups of risks relate to the three strategic pillars:

1. Lack of sufficient distribution power.
2. No full line competitive products and services portfolio.
3. Failure to implement the Operational Excellence program successfully.

The two additional groups of principal risks are:

4. A (temporary) significant decline in the demand for products and/or services.
5. Risks relating to the cash flow or the availability of liquid funds or financing.

In our view, the nature and potential impact of the risks in these groups are not materially different for the second half of 2009. In addition, the following should be noted:

- (Risk 3) The accelerated FTE reduction may impact the realization of the structural process improvements.
- (Risk 4) The economic and market conditions are expected to remain challenging in the second half of 2009. As a consequence the market risk is viewed as relative high. If current economic and market circumstances deteriorate further, this potentially has a significant impact on the digital print industry, Océ’s position in it as well as Océ’s future cash flows.
- (Risk 5) The present economic downturn creates a situation of unpredictability regarding collection of receivables and potentially a higher number of bankruptcies. As a consequence, the risk that receivables cannot be collected may increase.
- (Risk 5) The amended financial covenants reduce the risk of covenants to committed credit facilities not being met.

We will continue to monitor the principal risks closely and manage our response through a combination of control measures and actions as new risks may emerge and current risks may change in the second half of 2009.

Outlook

We do not anticipate an improvement of relevant markets for the second half of 2009. Amidst the current economic climate, we continue to cut cost aggressively, reflected in the increased 2008-2010 headcount reduction target of 2,350 FTEs and the increased 2009 cost reduction target of € 124 million. We will continue actions to improve cash flow via balance sheet reductions. In addition, we will further improve our competitive position by strengthening our distribution power and increasing the competitiveness of our product portfolio.

Related party transactions

Major related party transactions are disclosed in note (23) to the Consolidated Interim Financial Statements.

Auditors' involvement

The content of this Interim Financial Report has not been audited or reviewed by an external auditor.

Directors' responsibility statement

The members of the Board of Executive Directors, as required by section 5:25d, paragraph 2, under c of the Dutch Financial Supervision Act (Wet op het financieel toezicht), confirm that to the best of their knowledge:

The Consolidated Interim Financial Statements for the six months ended May 31, 2009 give a true and fair view of the assets, liabilities, financial position and profit or loss of Océ N.V. and its consolidated companies, and

The Interim Directors' Report gives a true and fair view of:

- the position of Océ N.V. and its consolidated companies as at May 31, 2009,
- the development and performance of the business during the first six months of the financial year of Océ N.V. and its consolidated companies, and
- the expected development and performance of the business, provided that the interests of Océ N.V. and its consolidated companies are not harmed by disclosure, with particular attention for the investments, and the circumstances of which the development of revenues and profitability are dependant.

Venlo, July 8, 2009

Board of Executive Directors

R.L. van Iperen, *chairman*
H.A. Kerkhoven
A.H. Schaaf

For further information

Investor Relations:
Carlo Schaeken, Vice President
Investor Relations
Phone +31 77 359 2240, e-mail investor@oce.com

Press:
Jan Hol, Senior Vice President
Corporate Communications
Phone +31 77 359 2000, e-mail jan.hol@oce.com

Keys to terminology

Free cash flow: the cash flow before financing activities.

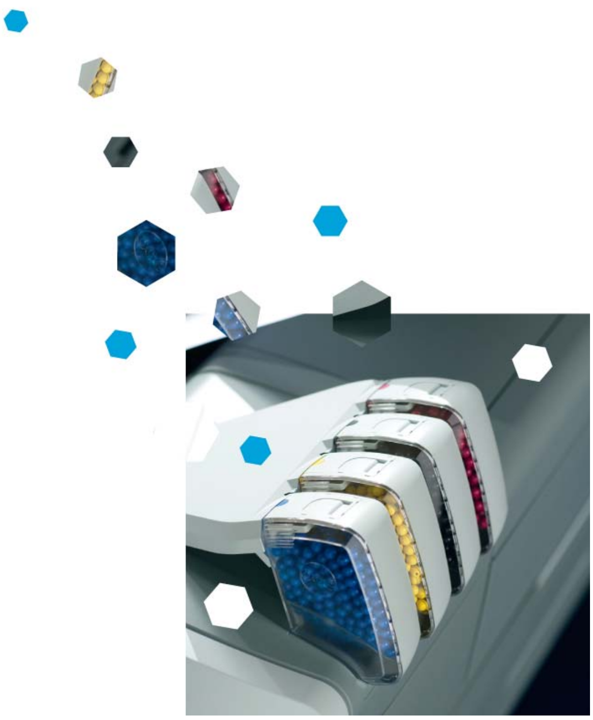
Non-recurring revenues: revenues from the sale of machines, software and professional services.

Net Capital Employed: total assets excluding cash and cash equivalents, less non-interest bearing liabilities adjusted for derivatives.

Organic growth: the development of the results after adjustments for exchange rate effects and the impact of substantial acquisitions or disposals.

Recurring revenues: revenues from service, inks, toners, media, rentals, interest and business services.

RoCE: Return on Capital Employed: operating income on an annual basis after normalized taxes (20%) as a percentage of average Net Capital Employed.



Consolidated Interim Financial Statements

Consolidated Income Statement for the six months ended May 31

x € 1,000	The figures ( ) refer to the notes	**2009**	2008
Total revenues		**1,333,721**	1,406,879
	Cost of sales	**- 837,205**	- 857,099
Gross margin		**496,516**	549,780
	Selling and marketing expenses	**- 301,657**	- 319,295
	Research and development expenses (9)	**- 83,408**	- 110,433
	General and administrative expenses	**- 96,063**	- 99,508
	Other income (net) (10)	**1,697**	20,732
	Operating expenses	**- 479,431**	- 508,504
Operating income		**17,085**	41,276
	Finance expenses	**- 25,026**	- 26,031
	Finance income	**5,772**	8,196
	Share in income of associates	**1,952**	211
Income before income taxes		**- 217**	23,652
	Income taxes (11)	**1,226**	3,126
Net income		**1,009**	26,778
Net income attributable to	Shareholders	**111**	25,871
	Minority interest	**898**	907
		1,009	26,778
Earnings per ordinary share for net income attributable to shareholders (euro)	Basic	**- 0.01**	0.29
	Diluted	**- 0.01**	0.29

Consolidated Balance Sheet as at

x € 1,000	Assets	**May 31, 2009**	November 30, 2008	May 31, 2008
Non-current assets	Intangible assets (12)	**576,785**	593,521	509,367
	Property, plant and equipment (13)	**330,766**	353,912	358,588
	Rental equipment	**94,175**	109,904	101,874
	Associates	**4,065**	2,110	2,352
	Derivative financial instruments (14)	**999**	571	2,402
	Trade and other receivables (15)	**203,596**	216,654	191,434
	Deferred income tax assets	**93,376**	106,062	83,807
	Available-for-sale financial assets	**8,317**	8,567	8,940
		1,312,079	1,391,301	1,258,764
Current assets	Inventories (16)	**317,021**	352,814	375,058
	Derivative financial instruments (14)	**18,964**	22,104	13,664
	Trade and other receivables (15)	**588,054**	681,244	641,154
	Current income tax receivables	**20,371**	18,679	13,266
	Cash and cash equivalents	**203,087**	79,361	102,384
		1,147,497	1,154,202	1,145,526
	Non-current assets held for sale	**5,755**	3,386	10,035
Total		**2,465,331**	2,548,889	2,414,325

x € 1,000	**Equity and Liabilities**	**May 31, 2009**	November 30, 2008	May 31, 2008
Equity	Share capital (17)	**53,669**	53,669	53,669
	Share premium	**512,026**	512,026	512,020
	Other reserves	**- 91,083**	- 91,870	- 145,103
	Retained earnings	**145,233**	169,742	194,717
	Net income attributable to shareholders	**111**	1,968	25,871
	Equity attributable to shareholders	**619,956**	645,535	641,174
	Minority interest	**34,079**	34,976	34,257
		654,035	680,511	675,431
Non-current liabilities	Borrowings (18)	**700,618**	574,469	535,237
	Derivative financial instruments (14)	**25,311**	28,240	9,474
	Retirement benefit obligations (19)	**388,412**	388,730	394,825
	Trade and other liabilities (20)	**5,754**	5,073	8,073
	Deferred income tax liabilities	**19,741**	24,580	15,262
	Provisions for other liabilities and charges (21)	**38,812**	42,300	47,600
		1,178,648	1,063,392	1,010,471
Current liabilities	Borrowings (18)	**53,649**	36,632	138,566
	Derivative financial instruments (14)	**7,361**	25,016	3,333
	Trade and other liabilities (20)	**546,125**	696,433	552,366
	Current income tax liabilities	**10,154**	25,088	21,655
	Provisions for other liabilities and charges (21)	**15,359**	21,817	12,503
		632,648	804,986	728,423
Total		**2,465,331**	2,548,889	2,414,325

Consolidated Statement of Changes in Equity for the six months ended May 31

x € 1,000	Equity attributable to shareholders						
	share capital (17)	share premium	other reserves	retained earnings	net income attributable to shareholders	minority interest	total equity
Balance at November 30, 2007	53,669	512,008	- 146,512	180,873	77,097	35,464	712,599
Appropriation of net income	-	-	-	77,097	- 77,097	-	-
Balance at December 1, 2007	53,669	512,008	- 146,512	257,970	-	35,464	712,599
Cash flow hedges	-	-	2,289	-	-	-	2,289
Currency translation differences	-	-	- 21,804	-	-	9	- 21,795
Other changes	-	-	19,944	- 19,944	-	-	-
Net income/(expense) recognized directly in equity	-	-	429	- 19,944	-	9	- 19,506
Net income	-	-	-	-	25,871	907	26,778
Total recognized income	-	-	429	- 19,944	25,871	916	7,272
Share-based compensation:							
value of employee services	-	-	-	- 246	-	-	- 246
proceeds from shares reissued	-	-	980	- 169	-	-	811
Conversion of convertible debentures to employees	-	12	-	-	-	-	12
Capital decrease	-	-	-	-	-	- 312	- 312
Dividend	-	-	-	- 42,894	-	- 1,811	- 44,705
	-	12	980	- 43,309	-	- 2,123	- 44,440
Balance at May 31, 2008	53,669	512,020	- 145,103	194,717	25,871	34,257	675,431

x € 1,000	Equity attributable to shareholders						
	share capital (17)	share premium	other reserves	retained earnings	net income attributable to shareholders	minority interest	total equity
Balance at November 30, 2008	53,669	512,026	- 91,870	169,742	1,968	34,976	680,511
Appropriation of net income	-	-	-	1,968	- 1,968	-	-
Balance at December 1, 2008	53,669	512,026	- 91,870	171,710	-	34,976	680,511
Cash flow hedges	-	-	7,540	-	-	-	7,540
Currency translation differences	-	-	- 32,539	-	-	-	- 32,539
Other changes	-	-	25,058	- 25,058	-	-	-
Net income/(expense) recognized directly in equity	-	-	59	- 25,058	-	-	- 24,999
Net income	-	-	-	-	111	898	1,009
Total recognized income	-	-	59	- 25,058	111	898	- 23,990
Share-based compensation:							
value of employee services	-	-	-	30	-	-	30
proceeds from shares reissued	-	-	728	- 173	-	-	555
Conversion of convertible debentures to employees	-	-	-	-	-	-	-
Capital decrease	-	-	-	-	-	-	-
Dividend	-	-	-	- 1,276	-	- 1,795	- 3,071
	-	-	728	- 1,419	-	- 1,795	- 2,486
Balance at May 31, 2009	53,669	512,026	- 91,083	145,233	111	34,079	654,035

Consolidated Cash Flow Statement for the six months ended May 31

x € 1,000	**2009**	2008
Operating income	**17,085**	41,276
Adjustments for:		
Depreciation, amortization and impairment	**93,059**	91,218
Share-based compensation	**1,458**	- 3,246
Result on divestments, disposals	**- 1,578**	- 20,696
Unrealized gains/losses on financial instruments	**- 2,848**	- 906
Changes in:		
Retirement benefit obligations	**962**	- 2,701
Provisions for other liabilities and charges	**- 10,123**	- 3,411
Rental equipment	**- 19,893**	- 28,651
Inventories	**26,296**	- 52,492
Trade and other receivables	**75,504**	14,770
Trade and other liabilities	**- 127,540**	- 63,287
Operating cash flows:		
Interest received	**4,860**	10,358
Interest paid	**- 39,586**	- 27,353
Income taxes	**- 12,058**	- 5,352
Cash flow from operating activities	**5,598**	- 50,473
Investment in intangible assets	**- 43,159**	- 33,403
Investment in property, plant and equipment	**- 20,549**	- 35,219
Divestment of intangible assets	**75**	55
Divestment of property, plant and equipment	**1,856**	5,622
Payments/receipts regarding other non-current assets	**- 1,673**	- 368
Capital increase/decrease in associates	**- 3**	-
Dividend from associates	**-**	94
Sale of finance lease portfolio	**7,083**	2,252
Sale of subsidiaries (net of cash)	**3,207**	7,821
Acquisitions (net of cash)	**-**	- 2,630
Cash flow from investing activities	**- 53,163**	- 55,776

x € 1,000	**2009**	2008
Proceeds from borrowings	**216,773**	100,069
Repayments of borrowings	**- 36,696**	- 5,493
Dividend paid to shareholders	**- 1,968**	- 44,171
Repurchase of/proceeds from treasury shares	**555**	814
Capital decrease/dividend minority interest	**- 1,795**	- 2,123
Cash flow from financing activities	**176,869**	49,096
Currency translation differences	**- 5,578**	- 7,696
Change in cash and cash equivalents	**123,726**	**-** 64,849
Cash and cash equivalents at start of financial year	**79,361**	167,233
Cash and cash equivalents at end of reporting period	**203,087**	102,384

Selected notes to the Consolidated Interim Financial Statements

(1) General

The Group's financial year commences on December 1 and closes on November 30 of the subsequent year.

The Consolidated Interim Financial Statements for the six months ended May 31, 2009 have been authorized for issue by both the Board of Supervisory Directors and the Board of Executive Directors on July 8, 2009.

The Consolidated Interim Financial Statements are unaudited.

(2) Basis of preparation

The Consolidated Interim Financial Statements for the six months ended May 31, 2009 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and do not include all the information and disclosures required in the Annual Financial Statements.

The Consolidated Interim Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended November 30, 2008, which have been prepared in accordance with IFRS, as adopted by the European Union.

(3) Summary of significant accounting policies

Except as described below, the accounting policies applied are consistent with those followed in the Consolidated Financial Statements for the year ended November 30, 2008, as described in those Consolidated Financial Statements.

Income taxes in the Consolidated Interim Financial Statements are accrued using the tax rate that would be applicable to expected total annual earnings.

(4) New accounting standards

IFRIC 14 'IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' became effective to Océ for the financial year started on December 1, 2008. IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognized as an asset. IFRIC 14 also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The application of IFRIC 14 did not have a material effect on the Consolidated Interim Financial Statements. Besides, Océ does not expect any material effect from the application of IFRIC 14 in the remaining six months of the financial year 2009.

(5) Seasonality of sales

Revenues and results of Océ are impacted by the seasonality of sales whereas the fourth quarter is the strongest quarter and the first quarter is the weakest quarter in the financial year. Due to the downturn in the market, Océ does not expect the seasonality to occur in the same way as in previous financial years.

(6) Changes in Group structure

No material changes in the Group's structure occurred during the six months ended May 31, 2009.

(7) Currencies of importance

	average exchange rate of 1 euro during the six months ended		exchange rate of 1 euro at the balance sheet dates		
	May 31, 2009	May 31, 2008	**May 31, 2009**	Nov. 30, 2008	May 31, 2008
Pound sterling	**0.90**	0.76	**0.88**	0.84	0.79
US dollar	**1.32**	1.51	**1.41**	1.30	1.55
Australian dollar	**1.91**	1.66	**1.77**	1.98	1.62
Swiss franc	**1.51**	1.61	**1.51**	1.55	1.63
Japanese yen	**125.79**	160.04	**135.38**	123.62	163.38

(8) Segment reporting

Business segmentation of the selected income statement lines for the six months ended May 31 is disclosed in the table below:

x € million	Digital Document Systems		Wide Format Printing Systems		Océ Business Services		total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
Total revenues	**748**	783	**354**	415	**232**	209	**1,334**	1,407
Inter-segment revenues	**23**	21	**5**	6	**-**	-	**28**	27
Operating income	**- 4**	10	**14**	26	**7**	5	**17**	41

Geographical segmentation of total revenues for the six months ended May 31 is disclosed in the table below:

x € million	**2009**	2008
United States	**488**	516
Germany	**150**	152
The Netherlands	**143**	153
France	**100**	96
United Kingdom	**81**	90
Rest of Europe	**262**	283
Countries outside Europe and the United States	**110**	117
Total	**1,334**	1,407

(9) Research and development expenses

Research and development expenses amounted to € 83.4 million in the first half of 2009 (May 31, 2008: € 110.4 million); a decrease of € 27.0 million compared to the first half of 2008. This decrease resulted from the following two factors:

- As of 2009 the start of capitalization of development expenditure is matched with the start of investments in product industrialization, which is earlier in the development process than before. This resulted in € 11.9 million higher capitalization of development expenditure in the first half of 2009 compared to the first half of 2008.
- Several R&D projects have been delayed or slowed down resulting from the headcount reduction in R&D (60 FTEs in 2008) as part of the restructuring program.

(10) Other income (net)

In the first half of 2009 Océ recognized a gain of € 1.7 million from the sale of the coating and converting activities of Arkwright, Inc. In the first half of 2008 a gain of € 20.7 million was recognized from the sale of Océ Document Technologies G.m.b.H.

(11) Income taxes

Income tax charge for the six months ended May 31, 2009 is calculated as follows:

x € 1,000	
Income tax calculated at domestic tax rates	542
Income not subject to tax	3,750
Expenses not deductible for tax purposes	- 744
Valuation of deferred tax assets	- 2,322
Income tax charge as at May 31, 2009	1,226

The estimated weighted average annual tax rate used for the financial year 2009 is 25.0% (2008: 27.5%).

(12) Intangible assets

During the six months period ended May 31, 2009 expenditure in intangible assets amounted to € 43.2 million of which € 33.8 million related to internally generated technology and € 3.5 million to internally generated software. Of the total amount of expenditure in internally generated technology € 11.9 million resulted from higher capitalization of development expenditure due to an earlier start of capitalization in the development process. Reference is made to note (9).

Amortization of intangible assets amounted to € 25.8 million in the first half year of which € 11.9 million related to internally generated technology and software. The carrying amount of internally generated technology and software amounted to € 136.6 million as at May 31, 2009 (November 30, 2008: € 111.5 million).

Goodwill decreased by € 26.9 million due to exchange differences. This decrease is recognized directly in equity in the reserve for currency translation differences.

(13) Property, plant and equipment

x € 1,000	
At December 1, 2008	353,912
Expenditure	20,549
Divestments	- 1,975
Disposal of subsidiaries	- 970
Depreciation	- 35,964
Exchange differences	- 4,786
At May 31, 2009	330,766

During the six months ended May 31, 2009 expenditure in Property, plant and equipment amounted to € 20.5 million (May 31, 2008: € 35.2 million) and mainly related to investments in other equipment (€ 10.0 million) and other non-current assets (€ 4.5 million).

(14) Derivative financial instruments

x € 1,000	May 31, 2009		November 30, 2008	
	assets	liabilities	assets	liabilities
Interest rate swaps	**523**	**21,815**	571	22,132
Foreign exchange contracts	**-**	**3,496**	-	6,108
Cap on financing preference shares	**476**	**-**	-	-
Non-current	**999**	**25,311**	571	28,240
Interest rate swaps	**-**	**-**	-	142
Foreign exchange contracts	**18,573**	**7,328**	21,361	24,217
Embedded derivatives	**391**	**33**	743	657
Current	**18,964**	**7,361**	22,104	25,016
Total	**19,963**	**32,672**	22,675	53,256

The net carrying amount of derivative financial instruments amounted to - € 12.7 million as at May 31, 2009 (November 30, 2008: - € 30.6 million).

(15) Trade and other receivables

x € 1,000	May 31, 2009	November 30, 2008
Finance lease receivables (net)	**188,117**	202,804
Other receivables	**15,479**	13,850
Non-current	**203,596**	216,654
Trade receivables (gross)	**466,676**	526,916
Provision for impairment of trade receivables	**- 47,472**	- 45,685
Trade receivables (net)	**419,204**	481,231
Finance lease receivables (net)	**81,759**	94,840
Prepayments	**23,372**	20,379
Duties and taxes	**10,883**	13,145
Other receivables	**52,836**	71,649
Current	**588,054**	681,244
Total	**791,650**	897,898

The aging of trade receivables as at May 31, 2009 was as follows:

x € 1,000	gross	provision	net
Not yet due	260,059	- 2,001	258,058
Less than 3 months past due	138,596	- 4,798	133,798
3-6 months past due	19,448	- 4,663	14,785
More than 6 months past due	48,573	- 36,010	12,563
Total	466,676	- 47,472	419,204

(16) Inventories

x € 1,000	**May 31, 2009**	November 30, 2008
Raw and other materials	**53,199**	48,197
Semi-finished products and spare parts	**75,834**	118,784
Finished products and trade inventories	**187,988**	185,833
Total	**317,021**	352,814

In the first half of 2009 the inventories decreased with € 35.8 million. This decrease was largely due to the temporary shut-down of some manufacturing lines and stringent control on improving working capital.

During the six months ended May 31, 2009 a gain of € 4.4 million resulting from the release of part of the provision for impairment of spare parts was recognized. This gain is included in 'Cost of sales' in the Consolidated Income Statement.

(17) Share capital

Overview of movements in number of shares outstanding:	at December 1, 2008	conversion	repurchase/ cancellation	exercise of share-based compensation	**at May 31, 2009**
Number of ordinary shares	87,337,108	-	-	-	**87,337,108**
Treasury shares	- 2,523,808	-	-	58,020	**- 2,465,788**
Number of ordinary shares	84,813,300	-	-	58,020	**84,871,320**
Financing preference shares	20,000,000	-	-	-	**20,000,000**

(18) Borrowings

x € 1,000	**May 31, 2009**	November 30, 2008
Convertible debentures to employees	**3,840**	5,334
8.43% semi-annual USPP Notes due in 2011	**109,305**	118,846
8.56% semi-annual USPP Notes due in 2013	**41,167**	44,760
8.63% semi-annual USPP Notes due in 2016	**2,129**	2,315
8.07% semi-annual USPP Notes due in 2016	**22,843**	23,845
Drawn under € 500 million multi-currency facility (4.127% - 6.928%)	**397,443**	247,931
Drawn under € 150 million multi-currency facility (0.9% - 2.79%)	**119,908**	122,964
Other loans	**-**	4,830
Finance lease obligations	**3,983**	3,644
Non-current	**700,618**	574,469
Convertible debentures to employees	**896**	1,213
Bank overdrafts	**37,601**	10,107
Other loans	**11,770**	21,137
Finance lease obligations	**3,382**	4,175
Current	**53,649**	36,632
Total	**754,267**	611,101

The carrying amount of the borrowings is denominated in the following currencies:

x € 1,000	**May 31, 2009**	November 30, 2008
Euro	**264,764**	75,143
US dollar	**381,859**	420,275
Pound sterling	**30,478**	30,879
Other	**77,166**	84,804
Total	**754,267**	611,101

The average effective interest rates are as follows:

as %	**May 31, 2009**	November 30, 2008
Convertible debentures to employees	**3.62**	3.88
Debentures and other loans	**5.31**	4.49
Finance lease obligations	**11.00**	11.00

The net debt/EBITDA ratio as at May 31, 2009 amounted to 2.4. The EBITDA/interest (net) ratio amounted to 5.7. Océ stayed within the limits of the financial covenants during the first half of 2009. The fees relating to the amendment of the financial covenants amounted to € 11.3 million and are included in the carrying amount of the borrowings. These fees will be amortized over the average remaining term of the USPP notes and the € 500 million multi-currency revolving credit facility.

(19) Retirement benefit obligations

x € 1,000	
At December 1, 2008	388,730
Addition charged to income statement	17,321
Unused amounts reversed to income statement	- 2,281
Used	- 14,078
Exchange differences	- 1,280
At May 31, 2009	388,412

(20) Trade and other liabilities

x € 1,000	**May 31, 2009**	November 30, 2008
Trade accounts payable	**183,361**	263,841
Notes payable	**7,747**	12,595
Other taxes and social security payable	**63,868**	72,890
Dividend financing preference shares	**1,861**	2,553
Defined contribution plans	**3,904**	3,893
Salary expenses and payroll taxes	**124,759**	151,217
Share-based compensation	**1,666**	238
Deferred income	**55,784**	60,544
Other liabilities	**40,539**	55,377
Accrued expenses	**68,390**	78,358
Total	**551,879**	701,506
Less non-current	**5,754**	5,073
Current	**546,125**	696,433

(21) Provisions for other liabilities and charges

x € 1,000	other long term employee benefits	employee termination benefits	restructuring	other	total
At December 1, 2008	28,761	11,332	12,002	12,022	64,117
Addition charged to income statement	1,435	3,288	6,548	2,221	13,492
Unused amounts reversed to income statement	- 2,341	- 11	- 158	- 1,038	- 3,548
Used	- 1,620	- 4,131	- 11,471	- 3,005	- 20,227
Unwinding of discount	157	-	-	3	160
Exchange differences	55	-	- 58	180	177
At May 31, 2009	26,447	10,478	6,863	10,383	54,171
Non-current	25,449	5,180	3,176	5,007	38,812
Current	998	5,298	3,687	5,376	15,359
Total	26,447	10,478	6,863	10,383	54,171

In the first half of 2009 € 13.5 million was added to the provisions for other liabilities and charges. Of this amount € 8.4 million related to the restructuring as part of the Operational Excellence program and was recognized for € 6.5 million under restructuring and for € 1.9 million under employee termination benefits. The restructuring costs were recognized in the Consolidated Income Statement as follows:

x € 1,000	
Cost of sales	3,537
Selling and marketing expenses	170
Research and development expenses	714
General and administrative expenses	4,004
Total	8,425

(22) Dividend payments

In May 2009 € 2.0 million dividend financing preference shares was paid. This dividend relates to the cumulative preference dividend for the financial year 2008 which amounted to € 2.6 million.
The payment of the dividend financing preference shares in 2009 is in line with net income attributable to shareholders of the financial year 2008.

(23) Related party transactions

Except as described below, there were no material changes in the nature, scale or scope of related party transactions in the first half of 2009 compared with the disclosures made in the Consolidated Financial Statements for the year ended November 30, 2008.

An amount of € 150,000 was paid to Mr. H.A. Kerkhoven in March 2009 for compensating the loss of the 2008 bonus at ArcelorMittal.

Upon reaching the retirement age, Mr. J.F. Dix stepped down as member of the Board of Executive Directors as of April 23, 2009. No successor was appointed.

Having reached the maximum period of office Mr. F.J. de Wit resigned as a member of the Board of Supervisory Directors as of April 23, 2009.

On June 22, 2009 Mr. R.W.A. De Becker was officially appointed as a member of the Board of Supervisory Directors, effective June 23, 2009.

(24) Commitments and contingent liabilities

In the first half of 2009 there were no material changes to the Group's commitments and contingent liabilities from those disclosed in the Consolidated Financial Statements for the year ended November 30, 2008.

(25) Events after the balance sheet date

There were no events after the balance sheet date which are relevant to the Consolidated Interim Financial Statements.

Forward-looking statements

This report contains information as referred to in the articles 5:59 jo. 5:53, 5:25d and 5:25w of the Dutch Financial Supervision Act (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 ("Forward-looking statements").

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 differ significantly from the results expressed in or implied by these forward-looking statements due to possible risks and uncertainties and other important factors which are neither manageable nor foreseeable by Océ and some of which are beyond Océ's control.

When considering these forward-looking statements, you should bear in mind these risks, uncertainties and other important factors described in this report or in Océ's other annual or periodic filings.

For a non-limitative discussion of the risks, uncertainties and other factors that may affect Océ's actual results, performance or achievements, we refer you to this report, the Annual Report 2008 and any other publications issued by Océ.

In view of these uncertainties no certainty can be given about Océ's future results or financial position. We advise you to treat Océ's forward-looking statements with caution, as they 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) legislation.

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